usha martin

Annual Report 2017-18

Jing Tang River Bridge
IN SHANGHAI

Completed in 2017. Full - locked coil ropes supplied by Usha Martin, China

Contents

CORPORATE INFORMATION

Board of Directors

Mr. B K Jhawar	*[DIN 00086237]*	-	Chairman Emeritus
Mr. G N Bajpai	*[DIN 00946138]*	-	Chairman
Mr. Brij K Jhawar	*[DIN 00086200]*	-	Director
Mr. Prashant Jhawar	*[DIN 00353020]*	-	Director
Mr. Salil Singhal	*[DIN 00006629]*	-	Director
Mr. Jitender Balakrishnan	*[DIN 00028320]*	-	Director
Mr. P.S. Bhattacharyya	*[DIN 00329479]*	-	Director
Mr. Mukesh Rohatgi	*[DIN 00136067]*	-	Director
Mrs. Aarthi Ramakrishnan	*[DIN 07672826]*	-	Director
Mr. V. Ramakrishna Iyer	*[DIN 02194830]*	-	Nominee Director
Mr. Rajeev Jhawar	*[DIN 00086164]*	-	Managing Director
Mr. P K Jain	*[DIN 02583519]*	-	Jt. Managing Director [Wire & Wire Rope Business]

Key Managerial Personnel

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

Senior Management

India

Mr. Karun Kant Dave	-	President [Mining Division]
Mr. D J Basu	-	President [HR]
Mr. Debasish Mazumdar	-	President [Steel]
Mr. Jayanta Bhowmik	-	Sr. Vice President [IT]
Mr. M A Dhere	-	Sr. Vice President [SMS]
Dr. T Bhaskar	-	Sr. Vice President [QA & Planning]
Mr. S B N Sharma	-	Vice President [Head Works – Ranchi]

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	-	Chief Executive Officer – Usha Martin Italia SRL
Mr. Dimitri Branco Gartner	-	General Manager - De Ruiter Staalkabel, B.V.

South East Asia

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

Middle East

Mr. S. Mazumder	-	Vice President [Sales & Marketing] – Brunton Wolf Wire Ropes, FZCo.

United States of America

Mr. Malay Vyas	-	Chief Executive Officer – Usha Martin Americas Inc.

Registered & Corporate Office

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

Works

India

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)
Worksop, 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

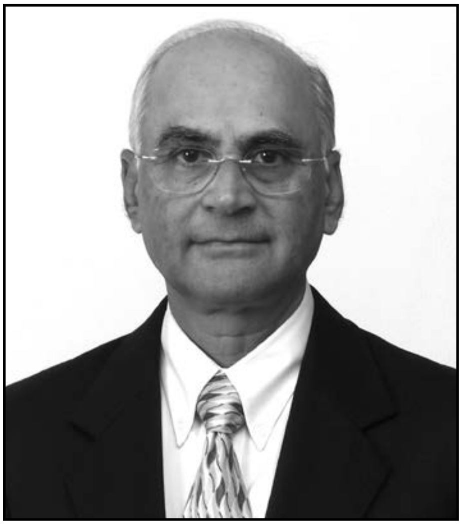
Share Listings

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,

It gives me great pleasure to inform you that Usha Martin Limited has shown an improvement in its operating results during the full year 2017-18, and more particularly during the fourth quarter of 2017-18. Both businesses of the Company viz., Steel and Wire & Wire Ropes (WWR) have witnessed a turnaround during the last Financial Year. Given the strong fundamentals of the Indian economy and the industry dynamics, the Company is expected to further improve its performance in the ensuing Financial Year.

Macro-economic fundamentals of the Indian economy indicate a continued growth recovery during the Financial Year 2018-19 with an estimated growth rate of 7.4%. The global economy steadily growing albeit at a modest pace; larger economies like USA, EU and China are growing at a lower rate than their respective trend growth rate. Some of the large central banks across the geographies continue to pursue accommodative monetary policy, while the US Federal Reserve has been gradually raising interest rates. Possible headwinds to the global economy inter alia include a withdrawal of monetary accommodation at an increased pace, a sharp rise in the price of crude oil and a possible trade war between USA and China. Besides this the geo-political risks like an escalation with Iran and/ or North Korea may unfold significant risks to a peaceful growth.

Sectors relevant to the Company's businesses like commercial vehicles, tractors, and infrastructure have shown robust growth in the last year and continue to indicate promise for continued strength. According to World Steel Association (WSA) China has shut down most of the Induction Furnace based steel capacities during the year 2017, which together with better domestic demand in China has helped balance the global steel demand-supply scenario leading to improvement in steel realisations. According to CRU, China is also on track to further cut down its steel capacities to bring it below 1 billion tons by 2020 (from 1.2 billion in 2015), which is expected to keep global steel markets balanced considering a moderate growth in aggregate steel demand. WSA expects the steel demand in India to grow at a healthy rate of 5.5-6% over 2018-19. It would therefore be reasonable to expect the buoyancy in steel continuing for some time. WWR Business has also witnessed strong demand revival in most of the end-use sectors except offshore oil and gas segment.

Your Company in the meantime has been working actively to bring about improvements in operational efficiencies to reduce conversion cost. It is also focussed on enriching the product mix in order to improve profit margins. It is an ongoing journey and we continue to be optimistic about the future of the Company. In order to improve the long term financial health of the Company, the management is also endeavouring to reduce leverage on the Balance Sheet by divesting one of the core businesses of the Company.

I gratefully acknowledge and thank all shareholders, lenders, vendors, employees and other stake-holders in this difficult time for their unstinted support. We shall continue to put in our best efforts to ensure a bright future for our Company.

G N Bajpai
Chairman
Date: 21st May, 2018

MANAGING DIRECTOR'S OVERVIEW

Dear Shareholders,

It is heartening to share with you that the year 2017-18 marked a turnaround of both the businesses of the Company. Wire & Wire Ropes business saw a significant jump in growth both within as well as outside India throughout the year. Steel business which had been facing the global headwinds, volatile raw material costs and pricing pressure, also showed signs of marked improvement in the fourth quarter of the year. On the back of this the Company posted better results both for the fourth quarter as well as for the full year as compared to the previous comparable periods.

At a macro level the recovery in GDP growth continued to be on an improving trend in India and the country looks poised to post a 7% plus growth in the year 2018-19. Automotive sector continued to show robust growth and this has translated into better realisations and better profitability for the Company in its Steel Business. Government of India has been actively seeking to improve business conditions in the country through multiple initiatives. While the National Steel Policy (NSP) 2017 seeks to create a globally competitive steel industry in India, the Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies which shall spearhead research and development activities in the iron and steel industry. 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. Rolling out of one of the largest post-independence tax reforms in the form of Goods & Services Tax is also expected to augur well for the organised sector over medium to long term horizon. Overall, the past year was difficult but has ended with a lot of promise of improved economy and hence improved prospects for our products in both businesses.

The prices of some of the key raw materials continued to be volatile during the year but your Company continues to focus on improving its operational efficiencies to be a competitive force in the industry. The Company has also been working, albeit with moderate success, on the disposal of identified non-core assets as a short term measure to meet its liquidity challenges. Our endeavour to address the debt burden of the Company by looking for a buyer for our Wire and Wire Ropes business has not met with success so far. We do realise that in the changed business environment, deleveraging the Company is imperative and we'll continue to strive to achieve it in a manner which is in the best interest of all stakeholders.

Rajeev Jhawar
Managing Director
Date: 21st May, 2018

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS OVERVIEW

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

The Company currently has a steel making capacity of 1 million tons and wire ropes capacity of 259,320 MT. The Company makes alloy steel long products like wire rods, bars, blooms and bright bars mostly for commercial vehicles and tractors. It also manufactures high carbon wire rods for captive consumption in its WWR business. Its WWR division manufactures wire, strands, LRPC and wire ropes of various varieties which have various industrial uses. Company's steel business is heavily dependent upon commercial vehicles and tractor industry fortunes, being the largest consumer of the steel products made by the Company. WWR business on the other hand has a much diversified end use and is therefore relatively resilient to the cyclical gyrations.

Global steel industry has witnessed a tectonic shift over the last decade and a half wherein China has emerged as the undisputed leader, having more than 50% of the global steel capacity. Local steel industry in China grew and prospered feeding the largest home market in the world which was growing at a breakneck pace. Therefore when the Chinese leadership tried to engineer a soft landing for their economy, it led to an imbalance in the steel demand and supply position globally, leading to a crash in steel prices. Besides, Indian economy has also got its share of growth pangs and it has taken 3-4 years for the domestic steel industry to emerge from this severe downturn.

Steel business of Usha Martin Limited has also gone through difficult times due to severe downturn in the steel industry. After hitting a bottom in the year 2015-16, the performance of its steel business has been on a mend. After a slow grind in the last 7 quarters the Company finally saw a significant uptick in its bottom line in the last quarter of 2017-18. With an uptick in the economy in general and automotive industry in particular the near term business outlook looks promising.

WWR business of the Company which due to diverse end markets has generally been more resilient to downturns has nonetheless gone through its own share of turbulence in the recent years. A crash in the oil prices in 2014-15 lead to shelving of projects with estimated worth of about $450 billion resulting into a cascading impact on the wire rope sales pertaining to oil and gas industry. A slow recovery of global economy resulted into significant reduction in exports over the next two years. After two years of deceleration, WWR business has witnessed a full year of recovery in 2017-18 wherein the exports have witnessed a significant jump and demand in domestic business has also been robust. Hand in hand with the recovery last year, WWR business also had to go through a significant surge in the prices of key inputs like steel and zinc. Growth momentum in the domestic economy as well as global recovery coupled with a jump in oil prices are expected to help underpin the WWR business in the forthcoming year as well.

INDUSTRY OVERVIEW

China as the world's leader in steel production has a strong influence on the steel industry as a whole. Last year, Chinese production was set to decelerate as the Chinese economy shifts away from manufacturing and infrastructure towards services. This trend is expected to continue as Chinese officials announced last year that the country will decrease steel production by more than 165 million tons by the year 2020. Further, an improvement in demand of steel keeping abreast with improving economic conditions worldwide contributed to a better-than-expected year for the steel industry. These conditions contributed to higher steel prices globally, although prices stayed relatively stable in the United States over the full year.

Many developed economies witnessed recovery in investments and domestic demand. Global steel markets continued their recovery in FY 2017-18 as global steel demand grew by approximately 2% as compared to the previous year.

As per World Steel Association, global growth in steel is expected to be moderate in 2018, mainly due to slower growth in China, while in the rest of the world, steel demand will continue to maintain its current momentum.

The financial year ended 31st March, 2018 also witnessed a revival of various market segments for the wire & wire rope business except for Oil & Offshore markets. However, demand for ropes for Oil & offshore sectors is expected to pick-up with upward correction in crude prices.

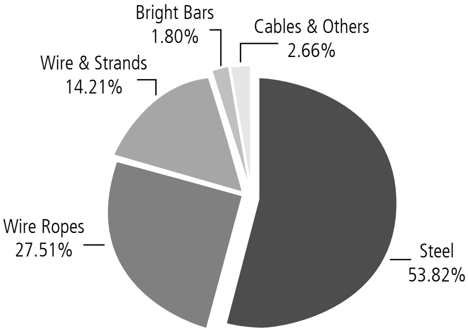
The steel industry continues to be one of the major contributors to India's manufacturing output. With steady growth of Indian GDP resulting in all round improvement in demand of steel, a strong revival in demand from the automobile sector has been witnessed. Further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel. While the National Steel Policy (NSP) 2017 seeks to create a globally competitive steel industry in India, the Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies which shall spearhead research and development activities in the iron and steel industry. 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.

The year also saw evolution under Insolvency and Bankruptcy Code which besides others included stressed steel assets being put on the block and finding buyers at better than anticipated prices in some of the cases.

BUSINESS ENVIRONMENT

During 2017-18 the Company generated 10.77% of its revenue from exports as compared to about 9.02% last year. Similarly Steel contributed 63.35% of the revenue during 2017-18 as compared to 62.48% during 2016-17.

Revenue Distribution
By Product



WWR Business

Wire rope business showed a significant improvement in its business performance. During Financial Year ended 31st March, 2018, Turnover & EBIDTA for the Wire & Wire Rope business increased by about 12.28% & 41.95% respectively compared to previous year. In the Indian market, the Company continues to hold about 60% market share. For wire rope exports, FY 18 saw a revival of lost business across most market segments except for Oil & Offshore ropes. Volume of wire rope exports in FY 18 was 40% higher than the previous year. The Company continued to increase sale of higher contributory products like crane ropes, shaft sinking ropes and combination ropes for fishing, which enriched the product mix. Riding on strong demand, the division also focused upon maximizing production of LRPC strands. Wire rope prices have also improved in view of a surge in demand.

Steel Business

The year also saw a turnaround in the steel business towards the latter part of the year. The surge in prices of some of the raw materials like coking coal, ferro-alloys and consumables has had an adverse cost push impact. However, the price increase from the customers came with a lag, resulting into a continued pressure on the margins for larger part of the year. In order to stay competitive the Company continued to drive for lower cost through process optimization and other cost reduction initiatives. During the FY 2017-18 the Company increased sales of intermediate products like DRI due to better realizations and also resumed the production of pellets as the market prices for pellets improved.

OPERATIONAL HIGHLIGHTS

The Steel business achieved a sales turnover of Rs.2,626.43 Cr in the current Financial Year against Rs.2,253.11 Cr in the previous year, higher by 16.57%. The Earnings before Interest, Depreciation and Tax (EBIDTA) and EBIDTA margins were at Rs. 342.50 Cr at 13.04% during the year against Rs.318.22 Cr at 14.12% in the previous year.

During FY 2017-18 the export turnover of Steel business was Rs. 96.2 Cr, which is 3.66% of its turnover, against Rs. 102.8 Cr in the previous year.

Steel Production Volume – MT

	FY 17-18	FY 16-17
Iron Ore	2,499,658	2,496,483
Coke	335,549	336,551
Hot Metal	546,346	542,295
DRI	458,409	390,593
Pellet	367,267	-
Sinter	818,412	815,850
Billets	620,904	670,405
Rolled Products	581,799	601,018

For Usha Martin on a standalone basis, during FY 2017-18, the WWR business achieved gross production of Wire Ropes and Conveyor cord of 61,818 MT against 51,524 MT in FY 2016-17. The gross production of strand, wire, bright bar was 129,807 MT in FY 2017-18 against 126,447 MT in FY 2016-17.

Total Value Added products production was up by about 7.67% in FY 2017-18 compared to that in the previous Financial Year.

On standalone basis, the WWR business delivered turnover of Rs. 1,512.34 Cr. in the current Financial Year against Rs.1,346.97 Cr. in previous year. The EBIDTA and EBIDTA margins were at Rs.238.49 and 15.77% during the year against Rs.168.01 Cr. and 12.47% in previous year respectively.

Production Volume VA Products–Standalone

Qty in MT	FY17-18	FY 16-17
Wire Ropes	60,636	49,684
Strands	56,103	50,111
Wires	59,016	60,899
Bright Bars	14,688	15,437
Conveyor Cords	1182	1,840

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
- Constant endeavor to improve upon safety and quality

INTERNATIONAL BUSINESS : SUBSIDIARIES

Level of activity from international businesses increased sharply in 2017-18. The turnover and EBIDTA from international businesses stood at Rs. 907.5 Cr and Rs. 74.21 Cr in 2017-18 from Rs. 739.4 Cr and Rs. (9.87) Cr respectively, the year before. The Company's international business accounted for 19.03% 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:

a. Usha Martin UK Limited, which comprises manufacturing, distribution and end use solutions for wire ropes to offshore oil and gas sectors, and

b. De Ruiter Staalkabel B.V. Netherlands, which has end use solutions and distribution facilities for wire ropes.

c. Usha Martin Italia, which has set up R&D Centre for wire ropes

The consolidated turnover of UMIL was GBP 38.6 Mn in 2017-18 as against GBP 31.4 Mn in 2016-17. UMIL reported a profit of GBP 0.9 Mn as against a loss of GBP 0.04 Mn in the previous year.

			GBP in Mn
UMIL	**FY'16**	**FY'17**	**FY'18**
Turnover	34.6	31.4	38.6
PAT	0.8	(0.04)	0.9

Apart from the offshore market, recovery was noticed across most other market segments.

Brunton Wolf Wire Ropes FZCo [BWWR]

BWWR, a joint venture with Gustav Wolf of Germany, reported a turnover and net profit of US$ 20.7 Mn and US$ 1.3 Mn respectively in 2017-18 as against US$ 16.9 Mn and US$ 0.5 Mn respectively in the previous year.

			USD in Mn
BWWR	**FY'16**	**FY'17**	**FY'18**
Turnover	18.1	16.9	20.7
PAT *[inclusive of OCI]*	0.6	0.5	1.3

Business & profitability improved significantly against previous year as a result of strong demand from Middle East, Africa and Russia.

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 1,368.9 Mn during the year under review as against Thai Baht 1,145.5 Mn in the previous year. It reported a loss of Thai Baht 2.4 Mn against profit of Thai Baht 0.8 Mn in the previous year.

			THB in Mn
USSIL	**FY'16**	**FY'17**	**FY'18**
Turnover	1,155.1	1,145.5	1,368.9
PAT *[inclusive of OCI]*	(28.1)	0.8	(2.4)

The Company registered a strong turnaround both on its topline and bottom line, the major reason being revival of demand across most market segments, especially in their export markets except for large diameter ropes.

Usha Martin Singapore Pte Limited [UMSPL]

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

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

UMSPL reported a consolidated turnover of US$ 21.6 Mn and net profit of US$ 0.01 Mn during the year under review as against US$ 15.2 Mn and net loss of US$ 2.8 Mn respectively in the previous year.

			USD in Mn
UMSPL	**FY'16**	**FY'17**	**FY'18**
Turnover	23.0	15.2	21.6
PAT	(2.5)	(2.8)	0.01

China business which catered largely to new built vessels, platforms, drill rigs, etc. was badly affected as the activity came to a standstill. Vietnam, Indonesia, Australia stand-alone businesses increased their businesses as these are less dependent on oil and offshore segments. With an aim to cut down on losses, it has been decided to keep a representative only in China to reduce costs. The market will be serviced from Singapore.

Usha Martin Americas Inc [UMAI]

During the year, UMAI reported a turnover of US$ 5.3 Mn as against US$ 4.8 Mn in the previous year. The Company however continued to report loss and in FY 17-18 it reported a net loss of US$ 0.9 Mn, though this was a slight improvement against previous year's loss of US$ 1.5 Mn.

			USD in Mn
UMAI	**FY'16**	**FY'17**	**FY'18**
Turnover	10.0	4.8	5.3
PAT	(0.1)	(1.5)	(0.9)

Slight revival in 2017-18 was on account of increased onshore activities for Shale Gas and Oil and due to penetration in new ports in Panama.

DOMESTIC BUSINESS : SUBSIDIARY

U M Cables Limited [UMCL]

UMCL, a wholly owned Indian subsidiary of the Company, engaged in business of telecommunication cables achieved turnover (Revenue from Operations) of Rs. 117.1Cr against Rs.154.9 Cr in the previous year. The net profit for the year was Rs. 4.1Cr as against Rs. 9.6 Cr in FY 16-17.

			Rs. in Cr
UMCL	**FY'16**	**FY'17**	**FY'18**
Turnover	127.3	154.9	117.1
PAT *[inclusive of OCI]*	3.6	9.6	4.1

Sales and profitability was adversely affected due to intense competition and high input cost. However, the Company managed to stay profitable through efficient operations.

FINANCIAL HIGHLIGHTS

During the year, consolidated turnover of the Company stood at Rs. 4,657.78 Cr, which is 19.99% higher than Rs. 3,881.94 Cr in the previous year. On standalone basis, the Company's turnover increased to Rs. 4,038.97 Cr in the current Financial Year against Rs. 3,246.54 Cr in the previous year, increase by 24.41%.

The EBIDTA achieved by the Company on consolidated basis was Rs. 628.17 Cr, being 13.49% of the reported turnover, and on standalone basis at Rs. 562.22 Cr, being 13.92%, for the reported turnover against Rs. 509.33 Cr and Rs. 462.64 Cr respectively in previous year.

Forex Management

During FY 2017-18, Indian Rupee depreciated against US Dollar by about 0.50% to close the year at 65.1750. Depreciation of the rupee occurred more towards the end of the year, whereas it had appreciated by about 2.1% during FY 2016-17.

The main reasons for this depreciation as compared to last year closing rate of 64.85 include a surge in the current account deficit on account of higher oil prices, general strength of US Dollar on the back of increased treasury yields and the fear of a global trade war.

The company's direct foreign currency exposure from imports has come down significantly due to the change in mode of procuring bulk raw-materials, though it continues to have an economic exposure against the same. Due to increase in exports, the company has now become a net exchange earner. It also does not have any long term foreign currency loan on its Balance Sheet after repayment of the entire ECB Loan in 2017-18.

Finance Cost

The average cost of debt as on 31st March, 2018 was at 11.55%. The net interest charge [excluding other borrowing costs] of the Company increased from Rs.522.80 Cr to Rs. 539.33 Cr during the Financial Year mainly on account of reduction in proportion of FCY debt, which carries lower cost, from 17.8% to less than 1% of the total debt.

Capital Expenditure

The Company, on a standalone basis, has incurred Rs.64.92 Cr on projects and normal capital expenditure excluding effect of depreciation.

Debt Mobilization, Payments & Management

During FY 2017-18, the Company on standalone basis, has raised long term rupee debt of Rs. 248 Cr. The Company has further sanctions of Rs.213 Cr of long term loans for funding development of new coal mine, normal capex and other requirements. The Company repaid long term loans of Rs. 544.60 Cr during the year 2017-18.

Overall, there is decrease in debt by Rs. 280.31 Cr. on a standalone basis and Rs. 284.80 Cr on a consolidated basis.

The Company had a net debt of Rs. 3,437.23 Cr (including working capital loans, current maturities of long term debt and net of cash & bank balance of Rs. 22.89 Cr) as on 31st March, 2018, with about less than 1% of it in foreign currency.

Ratings

The Company has a rating of "CARE A4+ " for short term bank facilities and other short term funds by CARE Ratings Limited (formerly known as Care Analysis & Research Limited [CARE]). India Ratings & Research Private Limited (formerly known as Fitch Ratings India Private Limited) has given a rating of "IND BB+" with Rating Watch Negative for long term bank loans and facilities.

Relationships

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

INVESTOR SERVICES

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

The Company has appealed to all shareholders and depositors who could not encash warrants/cheques for dividends, interest and fixed deposits for making claims with the Company before the same become due for deposit with the Government. During the year, the Company deposited Rs 0.12 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 while GDRs are listed 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 an external firm of chartered accountants to help the Company 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 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 pan-India basis.

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

APPRECIATION

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

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 32nd Annual Report and Audited Accounts for the Financial Year ended 31st March, 2018.

FINANCIAL SUMMARY / HIGHLIGHTS (Rs. in Crore)

	Stand Alone		Consolidated	
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Net Sales / Income from Operations	4,038.97	3,246.54	4,657.78	3,881.94
Other Income (including Finance Income)	86.45	116.76	85.30	119.91
Total Income (Net of Excise Duty)	4,125.42	3,363.30	4,743.08	4,001.85
Profit/(Loss) Before Interest, Depreciation & Tax	562.21	462.64	628.17	509.33
Depreciation	273.57	268.58	304.87	299.98
Finance Costs	570.98	549.01	586.98	564.24
Profit/(Loss) Before Tax	(282.34)	(354.95)	(263.68)	(354.89)
Tax expenses (including MAT and Deferred Tax)	-	-	5.11	4.63
Profit /(Loss) After Tax [Profit /(Loss) for the year attributable to equity shareholders of the Company]	(282.34)	(354.95)	(271.23)	(358.91)

Review of Operations

The turnover (net of excise) for the year was Rs. 4,657.78 Cr on consolidated basis and Rs. 4,038.97 Cr on standalone basis as compared to Rs. 3,881.94 Cr and Rs. 3,246.54 Cr respectively in the previous year. The Earnings Before Interest, Depreciation and Tax was Rs. 628.17 Cr on consolidated basis as compared to Rs. 509.33 Cr in previous year and on standalone basis from Rs. 462.64 Cr to Rs. 562.21 Cr.

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

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

During the year under review the improving worldwide economic conditions resulted in a better year for the steel industry with robust demand from automotive and construction sector in India. Continuation of global economic expansion resulted in increase of steel prices globally, except in USA, where the prices remained relatively stable. The demand for steel is expected to continue its current momentum, notwithstanding the decrease in demand in China.

During the year under review, the WWR business witnessed recovery in wire rope prices and also an overall uptick in the demand scenario which continued across most market segments excepting Oil & Offshore sector where the demand remained subdued. However, considering the improvement in Oil prices, the demand for wire ropes in Oil & Offshore sector may show signs of upswing from end of current fiscal both in domestic and international markets. Other products such as elevator rope and LRPC strands will continue to remain important areas of growth for your Company. There will be focused effort to increase market share in high contributory items like crane, elevator & mining ropes.

TPM & Quality

The Company's steel division continues to have certification that includes ISO 9001:2008 in Quality Management System, ISO-TS 16949:2009 in connection with QMS for Automotive Industries, ISO 14001:2015 Environment Management System, ISO 50001:2011 Energy Management System and OHSAS 18001:2007. IATF 16949:2016 Automotive Quality Management System Standard and ISO 9001:2015 QMS certifications are in progress. Further steel division is also certified by JIPMS, Japan for TPM excellence. Implementation of Total Quality Management (TQM) is currently underway in steel division.

WWR division's Quality Management System certification is under transition from ISO 9001:2008 to ISO 9001:2015. ISO 14001:2004 Environmental Management System Certification, Approval of Manufacturing (AOM) by DNV-GL, ABS and Lloyd's are in place. Wire rope has product certification by SNI of Indonesia, Inmetro of Brazil, SONCAP of Nigeria and CCS of China. LRPC product is certified by ACRS of Australia and testing laboratory has accreditation under ISO 17025:2005. In order to make fundamental changes in our way of thinking and working, the TQM journey of WWR division is being pursued. The concept of Daily Management has successfully been implemented in operation, maintenance and service areas. All key process indicators of different functions are being monitored regularly in a centralized place called Wire Rope Excellence Center. The TQM journey will further strengthen the competitiveness with respect to quality, cost and delivery of your Company's rope business.

Environment

Steel Division and Wire Ropes & Specialty Products Division operate under ISO 14001 Environment Management Systems (EMS) Standards.

Various initiatives were undertaken in steel division such as installation of pneumatic conveying system for bag filter dust, installation of rain gun sprinklers, installation of single orifice high pressure water spray nozzles, installation of new bag filters, sheeting of junction houses etc. A vehicular emission monitoring camp was organised by Government authorized agency at the Jamshedpur plant for vehicles wherein over 700 vehicles were checked and pollution under control (PUC) certificates were issued to vehicles which passed the test. All process generated waste water is treated in effluent treatment plants and thereafter the treated water is utilized in plant processes as part of our constant endeavor for natural resource conservation. Keeping in line with various green initiatives undertaken during the year more than 1500 trees were planted.

The WWR division is also ensuring improvement in environment management performance by periodic monitoring, legal compliance & online monitoring of emission & effluent at CPP. Water used above 2400 KL/Day is recycled and reused. In order to protect, maintain & improve natural environment 3,800 saplings of native & ornamental tree species have been planted for greenbelt development. A mother orchard of fruit bearing trees & forest plant nursery has been setup to cater the saplings for plantations.

Subsidiaries & Joint Ventures

The international subsidiaries provide significant synergy and support to the Company's wire rope business and performance. All the operating subsidiaries of the Company have continued to perform reasonably well in the economic and business circumstances which prevailed during the year under review.

A key joint venture formed by the Company namely Pengg Usha Martin Wires Private Limited has reported satisfactory results in the year under review.

During the year under review there were no other entities which became or ceased to be subsidiaries, joint ventures and associates of the Company.

A statement covering report on the performance and financial position of each of the subsidiaries, associates and joint ventures is provided separately and forms part of the Annual Report.

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, 2018, there are no unclaimed deposits with the Company. The Company has not defaulted in repayment of deposits or payment of interest on deposits thereon in the past.

Share Capital

The paid–up Equity Share Capital as on 31st March, 2018 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 review.

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

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory, cost and secretarial auditors and external consultants specially appointed for this purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and relevant board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31st March, 2018.

Directors and Key Managerial Personnel

Mr. Brij Kishore Jhawar (DIN:00086200) is retiring by rotation and being eligible, offers himself for re-appointment. A brief profile of Mr. Jhawar is given in the Notice convening the forthcoming Annual General Meeting.

Since the five year tenure of Mr. Rajeev Jhawar (DIN: 00086164) as Managing Director of the Company expires on 18th May 2018, the Board of Directors at its Meeting held on 5th February 2018 have, on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company, re-appointed him as Managing Director for a further period of five years from 19th May 2018 to 18th May 2023. His brief profile and other relevant details are given in the Notice convening the forthcoming Annual General Meeting.

During the year under review, Mr. Ghyanendra Nath Bajpai was appointed as the Non-Executive Chairman of the Board and of the Company.

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

There has been no change in the Key Managerial Personnel during the year under review.

Directors' Responsibility Statement

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

i. the applicable accounting standards have been followed in preparation of annual accounts for Financial Year ended 31st March, 2018 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, 2018 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 it's Committees and provides feedback to the Nomination & Remuneration Committee. The Nomination & Remuneration Committee reviews the feedback and makes relevant recommendation to the Board for final evaluation.

Nomination & Remuneration Policy

In accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company on recommendation of the Nomination & Remuneration Committee has formulated the criteria for determination of qualification, positive attributes and independence of Directors along with remuneration of Directors, Senior Management Personnel (including Key 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. This Policy provides a framework to promote responsible and secure reporting of undesirable activities ("whistle blowing"). Through this Policy, the Company seeks to provide a mechanism to the whistleblower to disclose any misconduct, malpractice, unethical and improper practice taking place in the Company for appropriate action and reporting, without fear of any kind of discrimination, harassment, victimisation or any other unfair treatment or employment practice being adopted against the whistleblower.

Particulars of Employees & Managerial Remuneration

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

CEO and CFO Certification

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Joint Managing Director and Chief Financial Officer of the Company have submitted the relevant certificate for the year ended 31st March, 2018 to the Board of Directors.

Additional Disclosures

The Company had adopted effective from 1st April, 2016, the notified Indian Accounting Standards (Ind AS) and accordingly the Financial Statements (both standalone and consolidated) for the year ended 31st March, 2018 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.

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 2017-18 and had recommended their remuneration to the shareholders which was ratified at the Annual General Meeting held on 21st September, 2017.

The Board of Directors have reappointed Messers Guha, Ghosh, Kar & Associates as the Cost Auditors for the Financial Year 2018-19 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 32nd 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. The Company has also complied with the Standards of Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India as applicable during the year ended 31st March, 2018.

Audit Committee

Members of the Audit Committee as on 31st March, 2018 were Mr. Jitender Balakrishnan as Chairman, Mr. Salil Singhal and Mr. Ghyanendra Nath Bajpai as Members. The Company Secretary acts as the Secretary to the Audit Committee.

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

Corporate Social Responsibility (CSR)

The Company has been deeply involved in sustainable development of communities in and around its plants and mines. The CSR policy of the Company is available on www.ushamartin.com/investor. The Company's commitment to its responsibilities towards society over the years has never been confined to the requirements of any statute. In accordance with the requirements of the Act, a CSR committee has been constituted, which consists of Mr. B K Jhawar as Chairman, Mr. Brij Kishore Jhawar, Mr. P S Bhattacharyya and Mrs.Aarthi Ramakrishnan as Members. As per the provisions of Section 135 of the Act, the Company need not statutorily incur any social responsibility spending owing to absence of profits over the last three years. However, the annual report on CSR activities as required in accordance with the Act and Rules made thereunder forms part of this Report.

Extract of Annual Return

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

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

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

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

Risk Management

The Company has a Risk Management Committee to assist the Board in discharging its responsibilities towards management of material business risk (material business risks include but is not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, legislative or regulatory and market related risks) including monitoring and reviewing of the risk management plan / policies in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee has formulated a Risk Organisation Structure 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. For the year ended 31st March, 2018, the committee consists of Mr. P S Bhattacharyya as Chairman, Mr. Mukesh Rohtagi, Mr. P K Jain and Mr. Rajeev Jhawar as Members.

Appreciation

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

On behalf of the Board of Directors

Rajeev Jhawar
Managing Director
DIN: 00086164

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

Place : Kolkata
Date : 21st May, 2018

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, 2018

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; 53; Managing Director; 1,57,19,758; B. Com (Hons); 33; 26-Nov-94; Usha Martin Industries Limited (Since Merged with the Company); Jt. Managing Director, Jain Pravin Kumar;64; Jt Managing Director (Wire and Wire Rope Business); 1,85,00,561; B.Tech, MBA; 41; 01-Sep-09; Brunton; Wolf Wire Ropes, Fzco; Managing Director, Nanda Rohit; 45; Chief Financial Officer; 1,52,81,616; B.Com, C.A.; 23; 02-Nov-15; MTAR Technologies Pvt. Ltd.; Chief Financial Officer, Dave Karun Kant; 52; President-Mining Division; 1,41,58,375; MBA (Marketing) Diploma (Mining & Mine Surveying) B.E. (Mining), MBM, Class 1 Mine Manager Certificate, Executive Development Programme; 32; 02-Nov-15; Vedanta Ltd.; Chief Operating Officer - Lanjigarh Refinery, Mazumdar Debasish; 54; President-Steel; 98,57,863 ; B.E (Metallurgy); 31; 01-Sep-11; Electrotherm India Limited; President-Works, Basu Dhrub Jyoti; 60; President-Human Resource; 84,06,122; B.Sc.(Hons), PGD Personnel Management & Industrial Relations; 38; 10-Apr-06; Larfarge India Ltd; Vice President-Human Resource, Chakraborty Ranajit; 59; Vice President- Power Plant; 67,65,492; B.Sc (Mathematics Hons) B.Tech-Instrumentation & Electronics Engineering; 28; 20-Feb-14; Jindal Steel & Power Ltd; Associate Vice President, Bedanand; 42; Assistant Vice President-Commercial; 58,13,523; I.Sc. B.E (Mechanical) Ex-PGDGM;18; 01-Sep-14; Essar Steel India Ltd; General Manger, Das Santanu; 49; Sr General Manager; 53,65,574; B.E (Metallurgy); 25; 26-Dec-06; Adhunik Metalliks Ltd; Deputy General Manager, Jain Manish Kumar; 49; Asst.Vice President-WRM; 51,95,898; B.E (Mechanical); 24; 16-Mar-15; Jindal Steel & Power Ltd; General Manager.

(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 lees than Rs.850,000 per month; Sircar Amitava; 64; Chief Operating Officer-Steel Business; 1,19,42,621; B.E.(Metallurgy); 40; 03-Nov-14; Jindal Steel & Power Ltd; Executive Vice President Operations, Sharma Ajay; 56; President-Sales & Marketing,Steel Business; 67,25,559; B.E.(Metallurgy); 30; 12-Dec-16; Sunflag Iron & Steel Company Ltd; Sr. Vice President (Marketing), Singhal Sandeep Kumar; 61; President-Commercial Steel Business; 31,58,313; B.Tech (Mechanical), & PGDIE in O.M.& S.C.M; 36; 07-Sep-16; Jindal Steel & Power Ltd; Executive Vice President, Dixit Ashutosh; 48; President (Wire and Wire Rope Business); 44,47,978; B.Tech (Mechinical) MBA (General Management) PG Certificate (Metallurgy); 25; 25-Jul-13; Hindalco Industries Ltd; Vice President - Operations, Bhowmik Devadip; 53; Vice-President (Sales and Marketing) [Steel Business]; 48,09,941; B.Sc. Diploma Electical Engineering; 27; 09-Aug-17; Usha Siam Steel Industries PLC; General Manager-Marketing

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

	Rajeev Jhawar	**Pravin Kumar Jain**
Place : Kolkata	Managing Director	Jt. Managing Director [Wire & Wire Rope Business]
Date : 21st May, 2018	DIN: 00086164	DIN: 02583519

Annexure to Directors Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs.

   The Company recognizes its responsibility towards meeting its social obligations and hence has been voluntarily doing CSR activities in the villages in and around the plants and mines of the Company in the State of Jharkhand. The CSR initiatives target the rural community for development through a holistic approach emphasising on health, education, water, sanitation, women empowerment, natural resource management and income-generating activities. Subsequent to the enactment of Companies Act, 2013 ("the Act"), the Company has formally constituted a CSR Committee and adopted a CSR Policy for discharging it's 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.

2. The composition of the CSR Committee:
   a) Mr. B K Jhawar - Chairman
   b) Mr. Brij K Jhawar - Member
   c) Mr. P S Bhattacharyya - Member (Independent Director)
   d) Mrs. A Ramakrishnan - Member (Independent Director)

3. Net Profit / (Loss) of the Company for last three financial years (as per Section 198 of the Companies Act, 2013)

   (Rs. In Lakhs)

FY 2014 – 15	FY 2015 – 16	FY 2016-17
(34,188.92)	(81,613.09)	(119,659.68)

   Average Profit / (Loss) for last three Financial Years: Rs. (78,487.23) Lakhs [Loss]

4. Prescribed CSR Expenditure (2% of the amount of average profits for last three years): NIL

5. Details of CSR spent during the financial year.
   a) Total amount to be spent for the financial year – NOT APPLICABLE.
   b) Amount unspent, if any – NIL

c) Manner in which the amount spent during the financial year is detailed below:

(Rs. in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spend on the project or programs Subheads: (1) (Direct expenditure on projects or programs) (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
NIL							

6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – NOT APPLICABLE.

7. The implementing and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Place: Kolkata
Date: 21st May, 2018

Rajeev Jhawar
Managing Director
DIN: 00086164

Brij K Jhawar
Member of CSR Committee
DIN : 00086200

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. Oxygen blowing in SMS 1 and 2 resulted in EAF power consumption being reduced from 387.18 KWH/MT to 2.47 KWH/MT & Electrode consumption being reduced from 3.47 KG/MT to 0.06 KG/MT.

b. In SMS3 EAF power consumption was reduced from 287.14. KWH/MT to 200.71 KWH/MT & Electrode consumption was reduced from 2.39 KG/MT to 1.72 KG/MT.

c. Modification at DRI primary & secondary crushing system of RMHS bypassed for South African coal (having high % of fines) resulted in annual saving of 4000 MWH of electricity.

d. Consequent to installation of new burner at WRM consumption of Furnace Oil decreased from the existing 26.34 KL/MT to 23.3 KL/MT.

e. Installation of New Low Vacuum De-Hydrator (LVDH) at Wire Rod Block lubrication system resulted in reduced consumption of Oil from 3120 Liters to 2080 liters at WRM.

f. Reduction of HSD/LDO consumption from 31.5 KL to 12 KL at Pellet Plant Kiln with use of producer gas during every startup of Kiln.

g. Stabilization of Filtration unit by Modification of Sump Pump at Pellet Plant resulted in saving of 600 KWH/Day.

h. Power saving of 132 KWH/Day with running of cooling tower makeup pump in Auto Logic Mode making optimized drive running at CPP 30 MW Unit-1.

i. Oil saving of 2520 Liters per year with recycling of drained turbine oil at CPP, through a separate tank.

j. Automation of 27 nos. of DRT motors at SMS 1 & 2, for controlling the running during Casting. ON/OFF of all motors controlled by introducing PLC automation, resulted in to Energy saving of 838 KWH/Day.

k. Power saving of 720 KWH /Day at CPP 30 MW unit-3 auxiliary power consumption by providing new line arrangement at Cooling Water Pump outlet.

l. Power saving 440 KWH/Day by connection of Fire Hydrant Line with Silo dust conditioner at CPP.

m. Energy Saving of 960 KWH/ Day through Installation of VVFD Drive for Fan Application at Blast furnace.

n. Saving of LDO consumption (approx 15KL) in Blast Furnace with initial heating of Hot Blast Stoves by use of BF gas, in place of LDO.

o. Electrical Energy saving of 132 KWH/Day through use of Pneumatic Pump in place of electrically operated pumps at Blast Furnace, during monsoon session.

p. With the usage of purchased high grade iron ore fines in Sinter making, the Sinter alumina has reduced from 4.95% to 3.8%, total Fe of Sinter has increased from 53.5 to 55%. This has resulted in reduction of Coke rate in Blast Furnace by 10~15 KG/MT.

q. Modification and relocation of BF gas flow meter to 23 mtr level where the BF gas pipe portion is horizontal, easy online cleaning approach with nitrogen purging arrangement, Instrument actual flow around 5000 to 6000m3/Hr. After the implementation, Ignition Furnace Temperature increased from 1000°C to 1050°C by maintaining the proper BF gas and combustion air ratio at Sinter Plant and also fuel rate reduced to 0.25 KG/Tonne of Sinter.

r. 12 KL LDO and 3000 KWH/Annum energy saving, with installation of Floating Switch inside the LDO Storage Tank at Sinter Plant by switching off LDO pump motor on LDO tank high level & avoidance of Oil overflow of LDO.

s. Energy Saving of 96 KWH/Day with use of natural source of light in mill, by installation of transparent sheet over roof shed at WRM.

t. Cooling System provision for Electrode nippling& clamping station for hot Electrode resulted in saving of 0.2kg of Graphite Electrode/MT of steel at SMS.

u. Conversion of existing DC motor & drive to AC motor & drive which has resulted into savings of around 30%.

v. Replacement of conventional lights with LED lights has resulted into power savings.

ii. Steps taken by the Company for utilising alternate sources of energy:

a. Increasing Gas Based Power Generation and reducing the Coal Based Power Generation. The percentage of Gas Based Generation has increased upto 48.76% of the total power generation in FY 17-18 as compared to the average usage of 43.56% during FY 16-17.

b. Green building concepts have been taken by replacing opaque sheets with transparent sheet for roofing at chosen positions.

c. Using of briquette for water heating & energy conservation.

iii. Capital investment on energy conservation equipment:

a. Ceramic coating to be introduced inside the re-heating Furnace at SBWM-1, which is expected to result in saving of fuel by 1LT/MT of production.

b. VFD system to be introduced in Furnace Blower for better control of air as well as Energy saving of 1,400 KWH/Month at SBWM-1.

c. VFD system to be introduced at BF2 Blower for Energy saving of upto 29616 KWH/Day

(B) Technology absorption:

i. Efforts made towards technology absorption:

a. DA replaced by LPG at SMS3 - CCM3 for Bloom cutting. In-house development resulted in cost savings of 90.62 lakhs from Sept' 17 – Mar' 18, in comparison to previous period from Jan' 17 – Aug' 17.

b. Enrichment in combustion air of stove improved the hot blast temperature. In BF-1 hot blast temperature increased 80 degree & in BF-2 hot blast temperature increased 60 degree which results on an average coke rate reduced to 7 kg/THM.

c. The Company is constantly applying Global benchmark in terms of Quality, Cost & Performance and remains committed to TPM & TQM Process – QMS, EMS, OHSAS & EnMS on Plant System Improvement & Development.

d. Company received EnMS ISO 50001: 2011 system accreditation, with focus on to optimize Energy Consumption across the plant & 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.

e. Replacement of defective motors with Energy efficient motors of Class IE-2.

f. Replacement of CFT monitor with LED monitors at plant.

g. Kaizer compressor installed in place of conventional compressor which would help in lesser consumption of power to the extent of 30-35%.

h. Acquisition of new design & technology from external technology houses; collaboration with Indian Institute of Technology, Kharagpur for better technology.

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

a. New grades developed for various OEMs and ancillaries.

b. Sustenance of previous approvals received from various OEMs for supply of Bars (including Bright bars) for the Forging and Machinery industry.

c. Continued development and supply of critical steel for medium and heavy commercial vehicles and auto ancillary producers.

d. Tie up with IIT, Kharagpur for study of various failure analysis for in-house and failure at customer end and taking action accordingly.

e. Effort to increase market share of high end product.

f. Reduction in un burnt carbon in coal at CPP. i.e. At 25 MW in FY 2017-18 average un-burnt carbon in coal 5.82% in comparison to FY 2016-17 average un-burnt carbon in coal 7.4%.

g. Steam generation maximized through process optimization at DRI. In FY 2017-18 average steam generation achieved 25 tonne /hours per kiln in comparison to FY 2016-17 average stem generation of 16 to 17 tonne/hours per kiln.

h. Improved Plant Product quality at Lime Kiln by modification of gas headers. In FY 2017-18 average calcination achieved was 89% in comparison to FY 2016-17 average calcination 83%.

i. In Pellet Plant, use of Iron ore fines from captive mines (which is less than 59% of Fe(T)) & producing prime pellet of more than 62.5 Fe(T).

j. Introduction of environment friendly products by lowering steel consumption and using environment friendly lubricants.

k. High performance of ropes compared to previously designed products.

l. Increased competitiveness in domestic & global market through low cost high quality products.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

Details of technology imported	Year of import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
NIL			

iv)	Expenditure incurred on Research and Development:	Rs. 315 Lakh

(C) Foreign exchange earnings and outgo: (Rs. In Lakh)

i.	Foreign Exchange earned in terms of actual inflows during the year	42,758.07
ii.	Foreign Exchange outgo during the year in terms of actual outflows	2,620.15

On behalf of the Board of Directors

Rajeev Jhawar
Managing Director
DIN: 00086164

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

Place : Kolkata
Date : 21st May, 2018

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, 2018:

Sl. No.	Requirement		Disclosure
i.	The ratio of remuneration of each Director to the median remuneration of employees of the Company for the Financial Year;	a)	Mr. Basant Kumar Jhawar, Chairman Emeritus, Non – Executive, Promoter, Director – 0.38:1*
		b)	Mr. Ghyanendra Nath Bajpai, Chairman, Non – Executive, Independent Director – 2.18:1*
		c)	Mr. Brij Kishore Jhawar, Non – Executive, Promoter, Director – 0.57:1*
		d)	Mr. Prashant Jhawar, Non – Executive, Promoter, Director – 0.19:1*
		e)	Mr. Salil Singhal, Non – Executive, Independent Director – 1.14:1*
		f)	Mr. Jitender Balakrishnan, Non – Executive, Independent Director – 1.80:1*
		g)	Mr. Partha Sarathi Bhattacharyya, Non – Executive, Independent Director – 1.23:1*
		h)	Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Nominee Director – 0.57:1*
		i)	Mr. Mukesh Rohatgi, Non – Executive, Independent Director – 0.85:1*
		j)	Mrs. Aarthi Ramakrishnan, Non – Executive, Independent Director – 0.95:1*
		k)	Mr. Rajeev Jhawar, Promoter, Managing Director – 29.84:1
		l)	Mr. P K Jain, Joint Managing Director [Wire & Wire Rope Business] – 35.11:1
		*constitutes of sitting fees only which are paid to every Non – Executive Director for attending Board and Committee meetings in which such Director is a member	
ii.	Percentage increase / (Decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year;	a)	Mr. Basant Kumar Jhawar, Chairman Emeritus, Non – Executive, Promoter, Director – (20.00%) *
		b)	Mr. Ghyanendra Nath Bajpai, Chairman, Non – Executive, Independent Director –(4.17%)*
		c)	Mr. Brij Kishore Jhawar, Non – Executive, Promoter, Director – (60.00%)*
		d)	Mr. Prashant Jhawar, Non – Executive, Promoter, Director – (66.67)%*
		e)	Mr. Salil Singhal, Non – Executive, Independent Director – (14.29%)*
		f)	Mr. Jitender Balakrishnan, Non – Executive, Independent Director – (17.39%)*
		g)	Mr. Partha Sarathi Bhattacharyya, Non – Executive, Independent Director – NIL*
		h)	Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Nominee Director – 20.00%*
		i)	Mr. Mukesh Rohatgi, Non – Executive, Independent Director –200.00%* [However Mr. Rohatgi was appointed as an Additional Director with effect from 9th December, 2016, hence the sitting fees paid for Financial Years 2016-17 and 2017-18 are not comparable]
		j)	Mrs. Aarthi Ramakrishnan, Non – Executive, Independent Director - 233.00% *[However Mrs. Ramakrishnann was appointed as an Additional Director with effect from 9th December, 2016, hence the sitting fees paid for Financial Years 2016-17 and 2017-18 are not comparable]
		k)	Mr. Rajeev Jhawar, Promoter, Managing Director – 0.43%
		l)	Mr. P K Jain, Joint Managing Director [Wire & Wire Rope Business] – (2.48%)
		m)	Mr. Rohit Nanda, Chief Financial Officer – Not Applicable [Mr. Nanda 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 Chief Financial Officer of the Company of the Company for FY 2017-18]
		n)	Mrs. Shampa Ghosh Ray, Company Secretary – Not Applicable [Mrs. Ghosh Ray was appointed as Company Secretary with effect from 8th August, 2016. Hence the remuneration paid to her as Company Secretary during part of FY 2016-17 is not comparable with the remuneration paid to her as Company Secretary of the Company of the Company for FY 2017-18]
		*constitutes of sitting fees only which are paid to every Non – Executive Director for attending Board and Committee meetings in which such Director is a member.	
iii.	Percentage increase in the median remuneration of employees in the Financial Year;	0.06%. There were no increase of remuneration of employees during the year. However the change in median remuneration was due to changes in remuneration due to turnover of employees during the year.	
iv.	Number of permanent employees on the rolls of the Company.	1,888 [only officers of the Company as on 31st March, 2018 have 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 8.99% compared to 2.05% decrease in the aggregate remuneration paid to managerial personnel (i.e. MD and JMD).
vi.	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	Yes.

On behalf of the Board of Directors

Place : Kolkata
Date : 21st May, 2018

Rajeev Jhawar
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	Pengg Usha Martin Wires Private Limited (PUMWPL), Joint Venture Company
b)	Nature of contracts/arrangements/transactions	Sale of Land
c)	Duration of the contracts/arrangements/transactions	One time
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sale of land to PUMWPL for an amount of Rs. 23.55 crore.*
e)	Date(s) of approval by the Board, if any:	10th November, 2017
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 : 21st May, 2018

Rajeev Jhawar
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

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) Reimbursement 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/Retrial Benefits. The above components consist of the total Cost to the Company of the individual Officer. The yearly increment is given based on an Increment Matrix linked with the Appraisal Points, finalized by his immediate Superior and JMD/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, 2018 comprised of the following Directors:

Name of Directors	Promoter/ Executive/ Non Executive/ Independent	No. of Other* Director-ships 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	2	None	None	82,310	Father of Mr. Prashant Jhawar
Mr. Ghyanendra Nath Bajpai@	Independent, Non Executive, Chairman	7	3	7	20,000	None
Mr. Prashant Jhawar@	Non Executive, Promoter	7	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	4	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	2	7	NIL	None
Mr. Partha Sarathi Bhattacharyya	Independent, Non Executive	7	1	2	NIL	None
Mr. Venkatachalam Ramakrishna Iyer	Non – Executive, Nominee of State Bank of India (Lender)	1	1	1	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.

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.

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 April, 2017 and 30th May, 2017.

Directors Attendance at Board Meetings and Annual General Meeting

Six Board Meetings were held during the year on 25th April, 2017, 30th May, 2017, 8th August, 2017, 19th August, 2017, 10th November, 2017 and 5th February, 2018. Annual General Meeting [AGM] was held on 21st September, 2017.

Name of Directors	Board Meetings during the year/ tenure		Attendance at last AGM
	Held	Attended	
Mr. Basant Kumar Jhawar	6	3	No
Mr. Ghyanendra Nath Bajpai	6	6	No
Mr. Prashant Jhawar	6	2	No
Mr. Brij Kishore Jhawar	6	2	No
Mr. Rajeev Jhawar	6	6	Yes
Mr. Salil Singhal	6	4	No
Mr. Jitender Balakrishnan	6	6	Yes
Mr. Partha Sarathi Bhattacharyya	6	6	No
Mr. Venkatachalam Ramakrishna Iyer	6	6	No
Mr. Mukesh Rohatgi	6	5	Yes
Mrs. Aarthi Ramakrishnan	6	6	No
Mr. Pravin Kumar Jain	6	6	Yes

Code of Conduct

Pursuant to provisions of SEBI LODR, the Board has framed a 'Code of Conduct for Board of Directors and Senior Management' ("Code of Conduct") and is available on the Company's website at www.ushamartin.com. All Directors and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct as at 31st March, 2018.

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.

Four meetings of the Audit Committee were held during the year on 29th May, 2017, 8th August, 2017, 10th November, 2017 and 5th February, 2018.

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	4	4
Mr. Salil Singhal	Member	Independent, Non-Executive	4	3
Mr. Ghyanendra Nath Bajpai	Member	Independent, Non-Executive	4	4

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

The Managing Director, the Joint Managing Director, Chief Financial Officer, Business Heads, 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 21st September, 2017.

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.

Two meetings of the Nomination and Remuneration Committee were held during the year on 29th May, 2017 and 5th February, 2018.

Effective 30th May, 2017, Mr. J Balakrishnan was appointed as the Chairman of Nomination & Remuneration Committee. Mr. J Balakrishnan had attended 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. Jitender Balakrishnan	Chairman	Independent, Non-Executive	2	2
Mr. Ghyanendra Nath Bajpai	Member	Independent, Non-Executive	2	2
Mr. Brij K Jhawar *	Member	Non-Executive	2	1
Mr. Salil Singhal*	Member	Independent, Non-Executive	2	-

* 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.

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 Policy

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.

The break-up of remuneration paid to the Managing Director and Joint Managing Director for the Financial Year 2017-18 is given below:

(Rs. In Lakh)

Names	Mr. Rajeev Jhawar*	Mr. Pravin Kumar Jain**
Position	Managing Director	Jt. Managing Director [Wire & Wire Rope Business]
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	114.00	160.76
Value of perquisites u/s 17(2) Income-tax Act, 1961	23.69	11.93
Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
Others (includes PF, Gratuity, GPA, etc.)	19.51	12.32
Commission	-	-
Total	157.20	185.01
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 ("Mr. 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.

Further the Nomination & Remuneration Committee and Board of Directors, at their respective Meetings held on 5th February, 2018 subject to approval of shareholders, have approved the re-appointment of Mr. Rajeev Jhawar as Managing Director for a period of 5 years effective from 19th May, 2018 to 18th May, 2023. The remuneration to be paid to Mr Jhawar shall not exceed Rs. 1.48 Crore per annum (computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V of the Act)for the period commencing from 19th May, 2018 till 18th May, 2021. Approval of shareholders in this regard will be sought at the Thirty Second Annual General Meeting of the Company.

** Mr. Pravin Kumar Jain was re – appointed as Jt. Managing Director [Wire & Wire Rope Business] effective 1st February, 2015 to 15th January, 2019 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 remuneration upto Rs.1.93 Cr p.a. for the period commencing from 1st February, 2015 till 31st January, 2018.

Further the Nomination & Remuneration Committee and Board of Directors, at their respective Meetings held on 5th February, 2018 subject to approval of shareholders have approved the remuneration to be paid to Mr. Jain which shall not exceed Rs. 1.48 Crore per annum (computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V of the Act) for the period commencing from 1st February, 2018 to 15th January, 2019. Approval of shareholders in this regard will be sought at the Thirty Second Annual General Meeting of the Company.

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 2017-18 is given below: (Rs. In Lakh)

Name of Non – Executive Directors	Sitting Fees	Commission
Mr. Basant Kumar Jhawar	2.00	-
Mr. Ghyanendra Nath Bajpai	11.50	-
Mr. Brij Kishore Jhawar	3.00	-
Mr. Prashant Jhawar	1.00	-
Mr. Salil Singhal	6.00	-
Mr. Jitender Balakrishnan	9.50	-
Mr. Partha Sarathi Bhattacharyya	6.50	-
Mr. Venkatachalam Ramakrishna Iyer	3.00	-
Mr. Mukesh Rohatgi	4.50	-
Mrs. Aarthi Ramakrishnan	5.00	-
Total	**52.00**	**-**

In case of profits, Non – Executive Directors are, from time to time paid commission in accordance with the provisions of the Act. No such payment was made during the Financial Year 2017-18.

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

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

V. Stakeholders' Relationship Committee

In accordance with the provisions of the Act and SEBI (LODR), the Company is having a Stakeholders' Relationship Committee. The terms of reference of this Committee inter-alia includes considering and resolving 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 29th May, 2017, 8th August, 2017, 10th November, 2017 and 5th February, 2018.

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

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

Status of complaints of shareholders is as under:

Complaints pending as on 1st April, 2017	NIL
Number of complaints received during year ended 31st March, 2018	27
Number of complaints attended to/resolved during the year	27
Complaints pending as on 31st March, 2018	NIL

Compliance Officer : Mrs. Shampa Ghosh Ray, Company Secretary
2A, Shakespeare Sarani
Kolkata 700 071.
Phone : 033 7100 6300; Fax : 033 7100 6415
Email : investor@ushamartin.co.in

VI. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of 4 members namely Mr. Basant Kumar Jhawar (Chairman, Non Executive Director), Mr. Brij Kishore Jhawar (Member, Non-Executive Director), Mr. P S Bhattacharyya, (Member, Independent Non-Executive Director) and Mrs. A Ramakrishnan (Independent Non-Executive Director) [wef 8th August, 2017]. 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 30th May, 2017.

VII. Risk Management Committee

Risk Management Committee comprises of Mr. Partha Sarathi Bhattacharyya, (Independent Non – Executive Director) as the Chairman, Mr. Rajeev Jhawar (Managing Director), Mr. Pravin Kumar Jain (Joint Managing Director) and Mr. Mukesh Rohatgi (Independent Non – Executive Director) [wef 30th May, 2017] as Members. The Committee assists the Board in discharging its responsibilities towards management of material business risk (material business risks including 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 19th February, 2018.

VIII. Finance Committee

As on 31st March, 2018, the Finance Committee of the Board of Directors comprised of Mr. G.N. Bajpai (Independent Non-executive Director) as the Chairman, Mr. Prashant Jhawar (Non-executive Director), Mr. J Balakrishnan, (Independent Non–Executive Director), Mr. P K Jain (Joint Managing Director), Mr. Rajeev Jhawar (Managing Director) and Mrs. A Ramakrishnan, (Independent Non–Executive Director) [wef 8th August, 2017] as Members to inter-alia assist the Board in discharging its' financial decision making responsibilities. During the year, the Committee met twice on 8th August, 2017 and 10th November, 2017 respectively.

IX. Investment & Strategy Committee

As on 31st March, 2018, the Investment & Strategy Committee comprised of Mr. G. N. Bajpai as the Chairman, Mr. Prashant Jhawar, 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.

X. Committee of Independent Directors

As on 31st March, 2018, the Committee of Independent Directors comprised of Independent Directors namely Mr. Jitender Balakrishnan as Chairman, Mr. G.N. Bajpai, Mr. Salil Singhal and Mr. Partha Sarathi Bhattacharyya as Members to inter-alia assist the Board in exploring options for augmenting the financial resources of the Company and strategizing to revive Company's performance on a sustainable basis. During the year under review, the Committee had met twice on 29th May, 2017 and 2nd February, 2018.

XI. General Meetings

Date	Type	Venue	Time	No. of Special Resolutions
21st September, 2017	AGM	Vidya Mandir, Kolkata	11.30 A.M.	1
9th August, 2016	AGM	Kala-Mandir, Kolkata	11.00 A.M.	2
30th July, 2015	AGM	Rotary Sadan, Kolkata	2.00 P.M.	NIL

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 35 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 2017 – 18, all mandatory requirements as per the provisions of SEBI (LODR) have been complied with.
- The Company has complied with all other requirements specified in Regulation 17 to 27 and applicable Clauses 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 at www.ushamartin.com.

c) Presentations as and when 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 as and when required.

XIV. General Shareholders' Information

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

The Thirty Second Annual General Meeting of the Company will be held on 18th September, 2018 at 11.30 a.m. at "Vidya Mandir", 1, Moira Street, Kolkata-700017

(b) Financial Calendar

Financial Year ended 31st March, 2018	Meetings held on	Next Financial Year ending 31st March, 2019	Meetings to be held on or before
First Quarter Results – June, 2017	8th August, 2017	First Quarter Results – June, 2018	14th August, 2018
Second Quarter Results – September, 2017	10th November,2017	Second Quarter Results – September, 2018	14th November, 2018
Third Quarter Results – December, 2017	5th February, 2018	Third Quarter Results – December, 2018	14th February, 2019
Audited Results for the year ended 31st March, 2018	21st May, 2018	Audited Results for the year ended 31st March, 2019	30th May, 2019

(c) Book Closure Dates

The Share Transfer Books and Register of Members will be closed from 11th September, 2018 till 18th September, 2018 (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 Bouleverd Joseph II L-1840, Luxembourg	US9173002042

The listing fees for all above stock exchanges have been duly paid for Financial Year 2017-18.

(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	
2017							
April	23.15	17.45	23.15	17.35	86,05,015	3,35,79,199	**4,21,84,214**
May	21.65	17.15	21.70	17.05	36,48,056	1,13,85,364	**1,50,33,420**
June	20.50	17.00	20.55	16.90	17,25,983	96,15,773	**1,13,41,756**
July	22.80	18.65	23.00	18.60	87,70,845	4,22,85,159	**5,10,56,004**
August	24.10	18.25	24.10	18.10	39,54,164	2,32,69,373	**2,72,23,537**
September	27.75	19.90	27.70	19.80	84,30,359	4,55,47,714	**5,39,78,073**
October	28.05	23.70	28.25	23.60	51,53,249	2,70,68,478	**3,22,21,727**
November	28.90	22.55	28.85	22.55	42,24,413	2,11,53,791	**2,53,78,204**
December	25.60	20.20	25.75	20.00	38,97,051	2,12,31,775	**2,51,28,826**
2018							
January	32.30	23.10	32.30	23.40	1,24,74,095	6,17,85,966	**7,42,60,061**
February	27.00	19.45	27.15	18.60	49,77,952	2,46,52,776	**2,96,30,728**
March	22.85	17.90	22.90	17.95	30,54,854	1,81,64,611	**2,12,19,465**

(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
2017				
April	20.50	29,918.40	20.45	9,304.05
May	18.00	31,145.80	18.05	9,621.25
June	18.65	30,921.61	18.80	9,520.90
July	22.45	32,514.94	22.55	10,077.10
August	20.60	31,730.49	20.55	9,917.90
September	24.55	31,283.72	24.50	9,788.60
October	25.90	33,213.13	25.90	10,335.30
November	22.65	33,149.35	22.70	10,226.55
December	24.75	34,056.83	24.80	10,530.70
2018				
January	26.75	35,965.02	26.75	11,027.70
February	22.50	34,184.04	22.45	10,492.85
March	18.30	32,968.68	18.30	10,113.70

(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

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

(i) Share Transfer System

Requests for transfer of shares in physical form received by the Registrar and Share Transfer Agent of the Company are processed within a period of fifteen days from date of receipt, provided the documents are in order. The Company Secretary has been authorised to endorse physical share transfers 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, 2018

Range (No. of shares)	No. of Shareholders	%	Number of Shares	%
1-100	22,393	38.76	12,57,907	0.41
101-500	21,539	37.28	60,64,313	1.99
501-1000	6,373	11.03	53,77,163	1.77
1001-5000	5,651	9.78	1,38,16,507	4.53
5001-10000	900	1.56	70,06,828	2.30
10001 & above	922	1.59	27,12,19,062	89.00
Total	**57,778**	**100**	**30,47,41,780**	**100**
Shareholding in Physical Form included in above	12,851	22.24	22,51,943	0.74

(k) Pattern of Shareholding as on 31st March, 2018

	Category	No. of Shares	% of Total Shareholding
A	**Promoter Holding**	**13,32,53,320**	**43.73**
B	**Public Holding**		
	- Mutual Fund	1,36,134	0.04
	- Financial Institution / Banks	96,074	0.03
	- Insurance Companies	79,89,856	2.62
	Foreign Institutional Investors / Foreign Portfolio Investors	2,45,78,638	8.07
	- Bodies Corporate	4,03,43,878	13.24
	- Individual	7,48,90,930	24.58
	Total {B}	**14,80,35,510**	**48.58**
C	**GDRs (@)**	**2,34,52,950**	**7.69**
	GRAND TOTAL [A+B+C]	**30,47,41,780**	**100.00**

@ As on 31st March, 2018 Promoters and Promoters Group are holding 37,48,716 GDRs (representing 1,87,43,580 Equity Shares).

(l) Dematerialisation of Shares and Liquidity

As at 31st March, 2018, 99.26% of total paid up 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, 2018, there were 46,90,590 Global Depository Receipts (GDRs) outstanding representing 2,34,52,950 Equity Shares.

(n) National Electronic Clearing Service (NECS)

The Company has extended 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 MICR codes of their banks to their DPs.

(p) Permanent Account Number (PAN) of Members

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

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

(q) Plants/Mines Locations in India

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 7100 6300, Fax : +91 33 7100 6415

(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 7100 6300; Fax: +91 33 7100 6415

Email: investor@ushamartin.co.in

B. STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS

Shareholder Rights

The Company from time to time uploads the quarterly and half – yearly financial performance on the website of the Company. 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.

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, 2018.

Place : Kolkata
Date : 21st May, 2018

R. Jhawar
Managing Director
DIN: 00086164

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 2017-18 were as under:

Number of complaints received	: Nil
Number of complaints disposed-off	: Not Applicable

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 31.03.2018.

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

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

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

For A. K. LABH & Co.
Company Secretaries
(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No -3238

Place : Kolkata
Date : 21st May, 2018

Annexure to Directors Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2018 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 statues as mentioned hereinafter.

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

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

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

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;

(iii) The Securities Contracts (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 31.03.2018 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

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

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

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 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 Requirements) Regulation, 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 Board of Directors of the Company, at its Meeting held on 25.04.2017 has appointed Mr. G. N. Bajpai, as the Non Executive Chairman of the Company in place of Mr. Prashant Jhawar.

(b) An application under Section 241 & 242 of the Companies Act, 2013 has been filed before the National Company Law Tribunal, Kolkata Bench, Kolkata against the Company and its Managing Director, Mr. Rajeev Jhawar during the year under report.

For A.K. Labh & Co.
Company Secretaries

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

Place : Kolkata
Date : 21st May, 2018

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, 2018, 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 Standalone Ind AS 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, 2018, 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 38 (a) regarding recoverability of book values of movable and immovable assets including land and advances for land of Rs 15,673 lakhs pertaining to Kathautia and Lohari coal blocks that were deallocated in a prior 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report dated 21st May, 2018 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 17and 33 (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.

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: 21st May, 2018

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:

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

ii. The management has conducted physical verification of inventory at reasonable intervals except for stores and spares of Rs 1,696 lakhs and scrap of Rs 470 lakhs, which have not been verified during or at the end of the year. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31st March, 2018 and no material discrepancies were noticed in respect of such confirmations.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.

v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of manufacture of steel and steel products and are of the opinion that, prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and 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 sales tax, service tax, duty of excise, value added tax and goods and service tax with the appropriate authorities. The Company has been regular, except in few cases, in deposit of duty of custom, provident fund, employees' state insurance, cess, income-tax 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, goods and service 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	Duty of Excise	224	April to May, 2017	June, 2017	Not yet paid
Jharkhand Public Demand Recovery Act	Land Revenue	243	April, 2012 to September, 2017	31st March of respective year	Not yet paid
Adityapur Industrial Area Development Authority regulations	Land rent	124	2016 to 2018	Last day of respective quarter end	Not yet paid
Mines and Minerals (Regulation and development) Act, 1957	Royalty	46	September, 2017	September, 2017	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 / Value Added Tax Act	Duty of central,State sales tax,Value Added Tax and Entry tax	684	1986-87, 2003-04 to 2004-05, 2009-10, 2010-11 to 2011-12	Sales Tax Appellate Tribunal
		8	1984-85, 2006-07	Deputy Commissioner of Commercial Taxes
		3,624	2011-12 to 2013-14	Joint Commissioner of Commercial Taxes
		153	2010-11	Additional Commissioner of Commercial Taxes
		5	2005-06 and 2010-11	Madhya Pradesh High Court
		27	2012-13	Deputy Excise and Taxation Commissioners (Appeal)
		596	2014-15 to 2016-17	Ranchi High Court
		1,853 #	2008-09 to 2011-12	VAT Appellate Tribunal
		380 #	2013-14 to 2014-15	Calcutta High Court
		16	2003-04	Chennai High Court
Central Excise Act, 1944	Duty of excise	7,463	2001-02 to 2012-13	Central Excise and Service Tax Appellate Tribunal
		4,036	2004-05 to 2016-17	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service tax	18	2001-02	Joint Commissioner of Central Excise
		104	2013-14 and 2010-11	Central Excise and Service Tax Appellate Tribunal
Customs Act,1962	Duty of customs	16	1995-96 to 1996-97, 1998-99, 2000-01 and 2008-09	Deputy Commissioner of Customs
		701	1989-90, 1992-93 to 1993-94, 2013-14	Central Excise and Service Tax Appellate Tribunal
		886	1989-90, 1996-97, 2002-03, 2004-05, 2012-13, 2014-15 to 2015-16	Assistant Commissioner of Customs
		**	2005-06	Commissioner of Customs (Appeals)
Income Tax Act, 1961	Income tax	552	Assessment Year 1998-99	Ranchi High Court
		1,120	Assessment Year 2007-08	Income Tax Appellate Tribunal, Ranchi
		2,329	Assessment Year 2007-08 to 2009-10	Commissioner of Income Tax (Appeals)
	Tax collection at source	490	Assessment Year 2013-14 to 2017-18	Commissioner of Income Tax (Appeals)

* Net of amounts paid under protest

** Amount is below the rounding off norm adopted for reporting

To the extent of demand received by the Company which is disputed along with other entry tax matters as explained in Note 33 (c)(i) to the financial statements

viii. In our opinion and according to the information and explanations given by the management, there are no defaults by the Company at the year-end towards repayment of loans or borrowings to a financial institution or banks. The Company did not have any loan 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, except for term loan to the extent of Rs. 5,524 lakhs which, under the terms of loan, is for financing of on-going expenditure for development of the Company's coal mine in a phased manner. 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 / material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management,the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares, or fully or partly convertible debentures during the year.Accordingly, reporting requirements under clause 3(xiv) are not applicable, hence, not commented upon.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & CO. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Raj Agrawal
Partner
Membership Number: 82028
Place of Signature: Kolkata
Date: 21st May, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF USHA MARTIN LIMTED

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, 2018 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31st March, 2018, 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: 21st May, 2018

Balance Sheet as at 31st March, 2018

(All amounts in Rs. Lakhs)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non - current assets			
(a) Property, plant and equipment	**3**	4,29,095	4,48,167
(b) Capital work-in-progress	**3**	2,924	4,469
(c) Intangible assets	**4**	3,404	4,105
(d) Financial assets			
(i) Investments	**5 (i)**	15,065	15,065
(ii) Loans and advances	**5 (ii)**	1,386	1,074
(iii) Other financial assets	**5 (iii)**	1,769	1,910
(e) Advance income tax assets (net)	**6**	3,779	3,500
(f) Other non-current assets	**7**	11,412	10,915
Total non-current assets		**4,68,834**	**4,89,205**
Current assets			
(a) Inventories	**8**	87,226	1,00,862
(b) Financial assets			
(i) Trade receivables	**9 (i)**	55,764	54,406
(ii) Cash and cash equivalents	**9 (ii)**	1,046	402
(iii) Other bank balances	**9 (iii)**	1,243	62
(iv) Loans and advances	**9 (iv)**	1,094	111
(v) Other financial assets	**9 (v)**	1,247	543
(c) Other current assets	**10**	21,056	23,491
Assets held for sale	**38**	4,734	6,590
Total current assets		**1,73,410**	**1,86,467**
Total assets		**6,42,244**	**6,75,672**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	**11**	3,054	3,054
(b) Other equity	**12**	14,301	42,519
Total equity		**17,355**	**45,573**
Liabilities			
Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	**13 (i)**	2,65,579	2,72,801
(ii) Other financial liabilities	**13 (ii)**	-	177
(b) Provisions	**14**	4,536	4,084
(c) Government grants	**15**	3,152	3,041
(d) Deferred tax liabilities (net)	**16 (a)**	-	-
(e) Other non-current liabilities	**17**	1,592	1,888
Total non-current liabilities		**2,74,859**	**2,81,991**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**18 (i)**	82,516	81,877
(ii) Trade payables	**18 (ii)**	1,84,266	1,68,338
(iii) Other financial liabilities	**18 (iii)**	49,135	75,915
(b) Provisions	**19**	1,356	1,552
(c) Current tax liabilities (net)	**20**	110	110
(d) Government grants	**21**	-	110
(e) Other current liabilities	**22**	32,647	20,206
Total current liabilities		**3,50,030**	**3,48,108**
Total liabilities		**6,24,889**	**6,30,099**
Total equity and liabilities		**6,42,244**	**6,75,672**

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 : 21st May, 2018

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, 2018

(All amounts in Rs. Lakhs)

Particulars	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
Income			
Revenue from operations	**23**	4,14,615	3,60,593
Other income	**24**	8,645	11,676
Total income		**4,23,260**	**3,72,269**
Expenses			
Cost of materials consumed	**25**	1,84,615	1,42,777
Purchase of stock-in-trade		514	5,333
(Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product	**26**	19,314	252
Excise duty on sale of goods		10,718	35,939
Employee benefits expenses	**27**	23,810	23,201
Finance costs	**28**	57,098	54,901
Depreciation and amortisation expenses	**29**	27,357	26,858
Other expenses	**30**	1,28,068	1,18,503
Total expenses		**4,51,494**	**4,07,764**
Profit / (loss) before tax		**(28,234)**	**(35,495)**
Tax expense		-	-
Profit / (loss) for the year		**(28,234)**	**(35,495)**
Other comprehensive income / (loss)			
Gains/(losses) that will not be subsequently reclassified to Statement of Profit and Loss:			
Re-measurement gains / (losses) on defined benefit plans, net of tax	**34**	15	(161)
Total comprehensive income / (loss) for the year		**(28,219)**	**(35,656)**
Earnings / (loss) per equity share	**31**		
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, 2017 : Re 1 each)]		(9.27)	(11.65)

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 : 21st May, 2018

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 cash flows for the year ended 31st March, 2018

(All amounts in Rs. Lakhs)

		Year ended 31st March, 2018	Year ended 31st March, 2017
A.	**Operating activities**		
	Profit/(loss) before tax	**(28,234)**	**(35,495)**
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation and amortisation expenses	27,357	26,858
	Net gain on disposal of property, plant and equipment	(3,173)	(3,163)
	Unrealised derivative loss/(gain) (net)	79	2,033
	Finance costs	57,098	54,901
	Bad Debts / advances written off	465	333
	Allowance for doubtful debts and advances (net)	1,871	439
	Tangible assets / capital work-in-progress written off	127	33
	Interest income on financial assets carried at amortised cost	(593)	(684)
	Gain on derivative contracts / cancellation of forward contracts (net)	(1,385)	-
	Dividend income	(246)	(251)
	Unrealised foreign exchange differences (net)	1,701	(1,685)
	Liabilities no longer required written back	(2,102)	(1,099)
	Gain on sale of non-current investments	-	(519)
	Operating profit before working capital changes	**52,965**	**41,701**
	Working capital adjustments:		
	Decrease / (Increase) in inventories	13,637	(2,982)
	(Increase) in trade receivables	(2,922)	(9,936)
	(Increase) / Decrease in loans and advances	(192)	41
	(Increase) / Decrease in other financial assets	(1,111)	121
	Decrease / (Increase) in other assets	1,844	(2,627)
	Increase in trade payables	13,807	31,859
	Increase in provisions	83	405
	(Decrease) / Increase in other financial liabilities	(4,183)	539
	Increase in other liabilities	14,790	1,046
	Cash generated from operations	**88,718**	**60,167**
	Direct taxes (paid) / refund	(279)	287
	Net cash flows from operating activities	**88,439**	**60,454**
B.	**Investing activities**		
	Purchase of property, plant and equipment	(7,129)	(11,104)
	Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale	4,430	8,252
	Proceeds from sale of investment in jointly controlled entity	-	845
	Loans given to related party	(1,000)	-
	Interest received	2,066	607
	Investment in bank deposits (with original maturity more than 3 months)	(1,193)	(9)
	Dividend received	246	251
	Net cash flows used in investing activities	**(2,580)**	**(1,158)**
C.	**Financing activities**		
	Proceeds from long term borrowings	24,750	46,310
	Repayment of long term borrowings	(54,460)	(41,192)
	(Repayment of) / proceeds from working capital loan from bank	(12,995)	8,995
	Proceeds from / (repayment of) short term borrowings	13,633	(18,873)
	Interest paid	(56,143)	(54,469)
	Net cash flows used in financing activities	**(85,215)**	**(59,229)**
	Net increase in cash and cash equivalents (A+B+C)	**644**	**67**
	Cash and cash equivalents at the beginning of the year	**402**	**335**
	Cash and cash equivalents at the year end	**1,046**	**402**

Cash Flow Statement for the year ended 31st March, 2018

(All amounts in Rs. Lakhs)

		Year ended 31st March, 2018	Year ended 31st March, 2017
	Cash and cash equivalents as per Note 9 (ii):		
	Balances with banks:		
	On current accounts	61	148
	Deposits with original maturity less than 3 months	533	-
	Cash on hand	23	26
	Remittances-in-transit	429	228
		1046	**402**

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

The accompanying notes are an integral part of the 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 : 21st May, 2018

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, 2018

(All amounts in Rs. Lakhs)

A) Equity share capital

Equity shares of Re 1 each issued, subscribed and fully paid	Number of shares	Amount
As at 31st March, 2016	**30,47,41,780**	**3,054 ***
Changes in equity share capital during the year	-	-
As at 31st March, 2017	**30,47,41,780**	**3,054 ***
Changes in equity share capital during the year	-	-
As at 31st March, 2018	**30,47,41,780**	**3,054 ***

* Including share forfeited Rs. 7 lakhs (31st March, 2017 : Rs. 7 lakhs)

B) Other equity
For the year ended 31st March, 2018

Particulars	Reserves and surplus							Total
	Securities premium account	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Money received against equity warrant	Other reserves	
As at 31st March, 2016	**85,584**	**369**	**2,285**	**54,575**	**(70,988)**	**2,934**	**3,416**	**78,175**
Profit /(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)
As at 31st March, 2017	**85,584**	**369**	**2,285**	**54,575**	**(1,06,644)**	**-**	**6,350**	**42,519**
Profit /(loss) for the year	-	-	-	-	(28,234)	-	-	(28,234)
Other comprehensive income	-	-	-	-	15	-	-	15
Total Comprehensive income	**-**	**-**	**-**	**-**	**(28,218)**	**-**	**-**	**(28,218)**
Balance as at 31st March, 2018	**85,584**	**369**	**2,285**	**54,575**	**(1,34,862)**	**-**	**6,350**	**14,301**

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 : 21st May, 2018

Rajeev Jhawar
Managing Director
DIN: 00086164

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

Rohit Nanda
Chief Financial Officer

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Company Secretary
ACS 16737

1. **Company overview**

Usha Martin Limited (the 'Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on two recognised stock exchanges in India and its GDRs are listed on stock exchange in Luxembourg. The registered office of the Company is located at 2A, Shakespeare Sarani, Kolkata - 700071. The Company 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) These financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(ii) These financial statements were approved for issue by the Board of Directors on 21st May, 2018.

b. **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.

c. **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.

The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017,and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115- Revenue from Contracts with Customers:

Ind AS 115 was issued on 28th March, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1st April, 2018.

The Company plans to adopt the new standard on 1st April, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31st March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

On the basis of the analysis conducted, the new standard would result in identification of various standalone components of each revenue contracts as separate performance obligations implying segregation of revenue based on fulfilment of each such standalone obligation. The overall effect of implementation of Ind AS 115 is not material on the recognition and measurement of revenues, though there would be significant additional disclosure requirements for the Company to comply with. The Company will adopt the modified transitional approach to implementation where any transitional adjustment is recognised in retained earnings at 1st April, 2018 without adjustment of comparatives and the new standard will only be applied to contracts that remain in force at that date.

Appendix B to Ind AS 21- Foreign currency transactions and advance consideration:

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 12 - Income Taxes:

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Ind AS 28 - Investments in Associates and Joint ventures

Clarification that measuring investees at fair value through profit and loss is an investment-by investment choice :

i) An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit and loss

ii) If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which:

(a) the investment entity associate or joint venture is initially recognised;

(b) the associate or joint venture becomes an investment entity; and

(c) the investment entity associate or joint venture first becomes a parent.

Amendments to Ind AS 112 : Disclosure of Interests in other entities and Ind AS 40 : Investment property are not applicable to the Company.

d. **New and amended standards and interpretations**

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7- Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for both the current and the comparative period in note 13(i).

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. The Company has identified twelve months as its operating cycle.

b. Basis of measurement

Fair value measurement

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

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

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

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

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

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

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

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

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

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

c. 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 excluding taxes and duties collected on behalf of the Government.

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 Company on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

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

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.

Rendering of services

Revenue from the sale of services is recognised upon the rendering of services and are recognised net of service tax / Goods and Service Tax (GST).

Interest income

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

Dividends

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

Rental Income

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

d. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Notes to the financial statements (All amounts in Rs. Lakhs)

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

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

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

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

(i) Capital work-in-progress

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

(ii) Depreciation

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

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

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

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

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

Leasehold land is amortised over the tenure of respective leases. Mining lease and development is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.

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

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

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

e. Intangible assets

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

The Company has intangible assets with finite useful lives.

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

Expenditure related to development of mines are amortized on unit of production basis in proportion to mineral resources expected to be economically recoverable.

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

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

Research and development costs

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

(i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

(ii) Its intention to complete and its ability and intention to use or sell the asset

(iii) How the asset will generate future economic benefits

(iv) The availability of resources to complete the asset

(v) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit and the expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

f. 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 disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in profit and loss.

g. 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. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale / distribution will be made or that the decision to sell / distribute will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

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

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

Non-current assets held for sale to owners 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.

h. Foreign currencies

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

The Company had applied paragraph 46A of AS 11 under Indian GAAP, Ind AS 101: First time adoption of Indian Accounting Standards gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized up to 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 depreciated over the remaining useful lives of the assets.

From accounting periods commencing on or after 1st April, 2016, exchange differences arising on translation/settlement of long-term foreign currency monetary items, acquired post 1st April, 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.

i. Government grants

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

j. Taxes

Current income tax

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

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

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

k. 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.

l. Leases

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

Company as a lessee

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

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

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.

m. Inventories

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

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

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

Scrap / by products are valued at net realisable value.

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

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

n. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

o. 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.

p. 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 and wire mill of Jamshedpur unit are made to the regulatory authorities. Such provident fund benefit is classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the statement of profit and loss.

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

Gratuity

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

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

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

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

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

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

Provident fund

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

Long term service award

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

q. Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

(i) Debt instruments at amortised cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(iv) Equity investments

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

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

Derecognition

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

Impairment of financial assets

In accordance with Ind AS 109:Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables 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 whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial Liabilities at Fair Value through Profit and Loss

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

r. Derivative financial instruments

Initial recognition and subsequent measurement

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

s. Cash and cash equivalents

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

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

t. 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.

u. Earnings per share

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

v. 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"

w. Use of estimates and critical accounting judgments

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

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

Notes to the financial statements

(All amounts in Rs. Lakhs)

3. Property, plant and equipment

	Freehold land [Refer Note (b) (I) below]	Leasehold land [Refer Note (b) (II) below]	Mining lease and development	Buildings [Refer Note (b) (III) below]	Plant and equipment	Railway siding	Electrical installation	Water treatment and supply plant	Office equipment	Furniture and fixture	Vehicles	Total	Capital work-in-progress
Gross block													
As at 31st March, 2016	**13,080**	**557**	**2,676**	**29,331**	**3,96,879**	**2,012**	**54,790**	**686**	**277**	**266**	**607**	**5,01,161**	**4,481**
Additions [Refer Note (d)]	-	-	-	1,954	3,371	-	84	57	215	8	85	5,774	3,818
Disposals / adjustments [Refer Note (c)]	2,781	349	-	1,367	371	-	268	-	3	23	71	5,233	3,830
As at 31st March, 2017	**10,299**	**208**	**2,676**	**29,918**	**3,99,879**	**2,012**	**54,606**	**743**	**489**	**251**	**621**	**5,01,702**	**4,469**
Additions [Refer Note (d)]	68	-	-	546	6,803	-	371	-	80	25	48	7,941	1,822
Disposals / adjustments [Refer Note (c)]	93	-	-	42	700	-	9	18	1	2	46	911	3,367
As at 31st March, 2018	**10,274**	**208**	**2,676**	**30,422**	**4,05,982**	**2,012**	**54,968**	**725**	**568**	**274**	**623**	**5,08,732**	**2,924**
Accumulated Depreciation													
As at 31st March, 2016	**-**	**7**	**209**	**3,002**	**21,097**	**226**	**2,511**	**16**	**77**	**53**	**125**	**27,323**	**-**
Charge for the year (refer note 29)	-	21	438	3,040	20,112	226	2,423	20	89	46	111	26,526	-
Disposals / adjustments	-	8	-	81	80	-	114	-	3	8	20	314	-
As at 31st March, 2017	**-**	**20**	**647**	**5,961**	**41,129**	**452**	**4,820**	**36**	**163**	**91**	**216**	**53,535**	**-**
Charge for the year (refer note 29)	-	3	250	2,450	20,988	226	2,383	19	108	31	102	26,560	-
Disposals / adjustments	-	-	-	6	412	-	1	1	1	1	36	458	-
As at 31st March, 2018	**-**	**23**	**897**	**8,405**	**61,705**	**678**	**7,202**	**54**	**270**	**121**	**282**	**79,637**	**-**
Net block													
As at 31st March, 2018	**10,274**	**185**	**1,779**	**22,017**	**3,44,277**	**1,334**	**47,766**	**671**	**298**	**153**	**341**	**4,29,095**	**2,924**
As at 31st March, 2017	10,299	188	2,029	23,957	3,58,750	1,560	49,786	707	326	160	405	4,48,167	4,469

Notes

a) For lien / charge against property, plant and equipment refer note 13(i), note 18(i) and note 18 (iii).

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

1. Two plots of land of Rs. 2,315 lakhs as at 31st March, 2018 (31st March, 2017 : Rs. 2,315 lakhs) located at Ranchi, acquired pursuant to a scheme of arrangement which are held in the name of the transferor company.
2. Three plots (31st March, 2017 : two plots) of land of Rs. 742 lakhs as at 31st March, 2018 (31st March, 2017 : Rs. 674 lakhs) located at Jamshedpur, in respect of which conveyance deed is yet to be executed in favour of the Company.
3. One plot of land of Rs 29 lakhs as at 31st March, 2018 (31st March, 2017 : Rs 29 lakhs) located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
4. One plot of land of Rs. 42 lakhs as at 31st March, 2018 (31st March, 2017 : Rs. 42 lakhs) located at Kolkata in respect of which title deeds are not readily traceable.

II. Leasehold land includes :

Two plots of land gross block and net block of Rs. 5 lakhs and Rs. 3 lakhs as at 31st March, 2018 (31st March, 2017 : gross block Rs. 5 lakhs and net block Rs. 4 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. 1 lakh and Rs. 1 lakh as at 31st March, 2018 (31st March, 2017 : gross block Rs. 1 lakh and net block Rs. 1 lakh)] located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
2. Two properties [gross block and net block of Rs. 8 lakhs and Rs. 7 lakhs as at 31st March, 2018 (31st March, 2017 : gross block Rs. 8 lakhs and net block Rs. 8 lakhs)] located at Kolkata in respect of which title deeds are not readily traceable.

c) Disposal/adjustments during the year includes transfer to assets held for sale related to land located at Daltongunj amounting to Rs 114 lakhs (31st March, 2017 : Rs 1,386 lakhs for assets held for sale related to Chennai Bright bar and Rs 750 lakhs for sale of land related to Ranchi).

d) Additions comprise adjustments on account of exchange loss of Rs. 2,136 lakhs (31st March, 2017 : Rs. 437 lakhs).

Notes to the financial statements (All amounts in Rs. Lakhs)

4. Intangible assets

	Computer software	Mining Rights	Total intangible assets
Gross block			
As at 31st March, 2016	**249**	**1,389**	**1,638**
Additions	3,076	-	3,076
As at 31st March, 2017	**3,325**	**1,389**	**4,714**
Additions	96	-	96
As at 31st March, 2018	**3,421**	**1,389**	**4,810**
Amortisation			
As at 31st March, 2016	**80**	**87**	**167**
Charge for the year (refer note 29)	297	145	442
As at 31st March, 2017	**377**	**232**	**609**
Charge for the year (refer note 29)	652	145	797
As at 31st March, 2018	**1,029**	**377**	**1,406**
Net book value			
As at 31st March, 2018	**2,392**	**1,012**	**3,404**
As at 31st March, 2017	2,948	1,157	4,105

Non - current assets

5. Financial assets

	As at 31st March, 2018	As at 31st March, 2017
(i) Investments		
Investments - at cost unless otherwise stated		
Investment in equity instruments (unquoted)		
(a) Investment in subsidiary companies		
Usha Martin International Limited		
59,09,388 (31st March, 2017 : 59,09,388) ordinary shares of GBP 1 each, fully paid	6,181	6,181
Usha Siam Steel Industries Public Company Limited #		
1,32,00,000 (31st March, 2017 : 1,32,00,000) ordinary shares of Thai Baht 10 each, fully paid	2,620	2,620
Usha Martin Singapore Pte Limited		
10,00,000 (31st March, 2017 : 10,00,000) ordinary shares of SGD 1 each, fully paid	268	268
Brunton Wolf Wire Rope, FZCO #		
114 (31st March, 2017 : 114) ordinary shares of AED 1,00,000 each, fully paid	1,777	1,777
Usha Martin Americas Inc.##		
40,00,000 (31st March, 2017 : 40,00,000) shares of USD 1 each, fully paid	1,660	1,660
Gustav Wolf Speciality Cords Limited		
150,000 (31st March, 2017 : 150,000) equity shares of Rs.10 each, fully paid	168	168
UM Cables Limited		
1,11,29,660 (31st March, 2017 : 1,11,29,660) equity shares of Rs.10 each, fully paid	1,271	1,271
Usha Martin Power and Resources Limited		
50,000 (31st March, 2017 : 50,000) equity shares of Rs. 10 each, fully paid	4	4
Bharat Minex Private Limited		
2,00,000 (31st March, 2017 : 2,00,000) equity shares of Rs. 10 each fully paid	-	-
Total	**13,949**	**13,949**
(b) Investment in jointly controlled entities		
Pengg Usha Martin Wires Private Limited ##		
1,08,00,000 (31st March, 2017 : 1,08,00,000) equity shares of Rs.10 each, fully paid	1,080	1,080
CCL Usha Martin Stressing System Limited		
4,73,195 (31st March, 2017 : 4,73,195) equity shares of Rs.10 each, fully paid	31	31
Total	**1,111**	**1,111**

	As at 31st March, 2018	As at 31st March, 2017
Investments - at fair value through profit and loss		
Investment in equity instruments (unquoted)		
(c) Investment in other companies		
Adityapur Toll Bridge Company Limited		
1,00,000 (31st March, 2017 : 1,00,000) equity shares of Rs.10 each, fully paid [Cost Rs. 10 lakhs (31st March, 2017 : Rs 10 lakhs), Rs 5 lakhs (31st March, 2017 : Rs 5 lakhs), impaired]	5	5
Usha Communications Technology Limited BVI		
1,21,10,242 (31st March, 2017 : 1,21,10,242) ordinary shares of USD 0.50 each, fully paid [Cost Rs. 28 lakhs (31st March, 2017 : Rs 28 lakhs), Rs 28 lakhs (31st March, 2017 : Rs 28 lakhs), fully impaired]	-	-
UMI Special Steel Limited (in liquidation)		
1,80,68,472 (31st March, 2017 : 1,80,68,472) equity shares of Rs.10 each, fully paid	*	*
Adityapur Auto Cluster		
1,000 (31st March, 2017 : 1,000) equity shares of Rs.1,000 each, fully paid [Cost Rs. 10 lakhs (31st March, 2017 : Rs 10 lakhs), Rs 10 lakhs (31st March, 2017 : Rs 10 lakhs), fully impaired]	-	-
Total	**5**	**5**
Total investments	**15,065**	**15,065**
Aggregate book value of unquoted investments	15,065	15,065

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

Refer note 33B(ii)(b) and 33B(iii)(b)

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

	As at 31st March, 2018	As at 31st March, 2017
(ii) Loans and advances		
(Unsecured, considered good unless otherwise stated)		
Loans and advances to related parties (Refer note 35)	1,274	941
Loans and advances to employees	112	133
Total	**1,386**	**1,074**

	As at 31st March, 2018	As at 31st March, 2017
(iii) Other financial assets		
(Unsecured, considered good unless otherwise stated)		
Bank deposits with more than 12 months maturity	7	-
Security deposits	1,593	1,628
Interest accrued but not due on deposits	169	282
Total	**1,769**	**1,910**

6. Advance income tax assets (net)	As at 31st March, 2018	As at 31st March, 2017
Advance payment of income tax [net of provision for tax - Rs. 42 lakhs (31st March, 2017 : Rs. 45 lakhs)]	**3,779**	**3,500**

7. Other non current assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless otherwise stated)		
Capital advances		
Considered good	2,759	2,861
Considered doubtful	309	240
Less : Allowance for doubtful capital advances	(309)	(240)
Leasehold land prepayments *	624	652
Prepaid expenses	55	83
Balances with Government authorities		
Excise / Service Tax	60	52
Sales tax / Value Added Tax	1,194	1,153
Deposit for legal case	325	-
Deposit for fuel surcharge / other electricity matter	2,885	2,885
Claims receivable		
Considered good	378	378
Considered doubtful	-	92
Less : Allowance for doubtful claims receivable	-	(92)
Advance against land - coal mines [refer note 38 (a)]	2,851	2,851
Export incentive receivable	281	-
Total	**11,412**	**10,915**

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

Current assets

8. Inventories (at lower of cost and net realisable value)	As at 31st March, 2018	As at 31st March, 2017
Raw materials (including packing materials)	23,973	17,701
Goods-in-transit	514	551
	24,487	**18,252**
Work-in-progress*	**30,708**	**31,495**
Finished goods	17,133	36,729
Goods-in-transit	3,800	2,736
	20,933	**39,465**
Stock-in-trade	**44**	**22**
Stores and spares parts	4,214	4,213
Goods-in-transit	663	773
	4,877	**4,986**
Loose tools	**699**	**1,147**
Scrap / by-product	**5,478**	**5,495**
Total	**87,226**	**1,00,862**

Note : The value of inventories recognised as an expense includes Rs. 968 lakhs (31st March, 2017 : Rs. 638 lakhs) in respect of write-downs to net realisable value and provision for slow moving.

* Inventories at the year-end include slow moving iron ore fines aggregating Rs. 7,709 lakhs. Use of such fines for manufacture of pellets in earlier year was adversely affected by fall in price of pellets, resulting in inventory build up. In view of recent improvement in selling price of pellets, management is in the process of implementing plans for utilisation of such fines for manufacture of pellets, to be sold at prices that are expected to be higher than their corresponding costs.

Notes to the financial statements (All amounts in Rs. Lakhs)

9. Financial assets		
	As at 31st March, 2018	As at 31st March, 2017
(i) Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Due from related parties (Refer note 35)	12,481	5,422
Others, considered good	43,283	48,984
Others, considered doubtful	1,616	453
Less: Allowance for doubtful receivables	(1,616)	(453)
Total	**55,764**	**54,406**

No trade or other receivables 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 firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are generally on terms of 30 to 90 days.

	As at 31st March, 2018	As at 31st March, 2017
(ii) Cash and cash equivalents		
Balances with banks:		
On current accounts	61	148
Deposits with original maturity less than 3 months	533	-
Remittances-in-transit	429	228
Cash on hand	23	26
Total	**1,046**	**402**

	As at 31st March, 2018	As at 31st March, 2017
(iii) Other bank balances		
Unpaid dividend accounts #	16	28
Deposits with original maturity for more than 3 months but upto 12 months ##	1,227	34
Total	**1,243**	**62**

Earmarked for payment of unclaimed dividend

Earmarked as margin money against issue of letter of credit

	As at 31st March, 2018	As at 31st March, 2017
(iv) Loans and advances		
(Unsecured considered good unless otherwise stated)		
Loans and advances to related parties (Refer note 35)	1,000	-
Loans and advances to employees		
Considered good	94	111
Considered doubtful	10	10
Less: Allowance for doubtful loans and advances to employees	(10)	(10)
Total	**1,094**	**111**

	As at 31st March, 2018	As at 31st March, 2017
(v) Other financial assets		
(Unsecured considered good unless otherwise stated)		
Accrued interest on loan to subsidiaries (refer note 35)	26	12
Accrued interest on deposits and others	14	-
Claims /advances receivable	447	-
Security deposits	131	141
Balances with related parties (refer note 35)	629	390
Total	**1,247**	**543**

10. Other current assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured considered good unless otherwise stated)		
Advance against land - coal mines [refer note 38 (a)]	10,532	10,532
Advances to suppliers **		
Considered good	4,707	3,519
Considered doubtful	927	302
Less: Allowance for doubtful advances	(927)	(302)
Balance with statutory / Government authorities		
Considered good	3,230	5,775
Considered Doubtful	615	1,523
Less: Allowance for doubtful balance	(615)	(1,523)
Export incentive receivables	1,067	1,942
Prepaid expenses	1,492	1,695
Leasehold land prepayments *	28	28
Total	**21,056**	**23,491**

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

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

Equity

11. Share capital	As at 31st March, 2018	As at 31st March, 2017
Authorised		
50,00,00,000 (31st March, 2017 : 50,00,00,000) equity shares of Re. 1 each	5,000	5,000
1,00,00,000 (31st March, 2017 : 1,00,00,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000
Total	**10,000**	**10,000**
Issued, subscribed and fully paid-up		
30,47,41,780 (31st March, 2017 : 30,47,41,780) equity shares of Re. 1 each	3,047	3,047
Add: Shares forfeited (amount originally paid-up)	7	7
Total	**3,054**	**3,054**

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

Number of equity shares outstanding at the beginning and end of the year	Numbers	30,47,41,780	30,47,41,780
Amount of equity shares outstanding at the beginning and end of the year	Amount in Rs. Lakhs	3,047	3,047

b) 2,34,52,950 (31st March, 2017 : 3,20,83,550) equity shares of face value of Re 1 each are represented by Global Depository Receipts (GDRs). Each GDR represents five underlying equity shares.

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

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

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

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

Name of the shareholder	As at 31st March, 2018	As at 31st March, 2017
Equity shares of Re 1 each fully paid-up		
UMIL Share & Stock Broking Services Limited	3,88,88,369	3,88,88,369
% holding	12.76%	12.76%
Usha Martin Ventures Limited	2,06,27,588	2,06,27,588
% holding	6.77%	6.77%
Peterhouse Investments Limited	2,39,71,455	1,89,71,455
% holding	7.87%	6.23%
Peterhouse Investments India Limited	2,07,67,330	2,07,67,330
% holding	6.81%	6.81%

Name of the shareholder	As at 31st March, 2018	As at 31st March, 2017
Deutsche Bank Trust Company Americas #	2,34,52,950	3,20,83,550
% holding	7.70%	10.53%

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

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

12. Other equity	As at 31st March, 2018	As at 31st March, 2017
Securities premium (Securities premium represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013)	85,584	85,584
Capital reserve (Capital reserve represents mainly state capital subsidy received from different state Governments)	369	369
Capital redemption reserve (Capital redemption reserve is created on redemption of preference shares as per statutory requirement and can be utilised in accordance with the provisions of the Companies Act, 2013)	2,285	2,285
General reserve (General reserve mainly represents appropriation from the statement of profit and loss and can be utilised in accordance with the provisions of the Companies Act, 2013)	54,575	54,575
Retained earnings (Retained earnings represent the cumulative profit / (loss) of the Company and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013)	(1,34,862)	(1,06,644)
Other reserves (Represent money received against equity warrants earlier forfeited and can be utilised in accordance with the provisions of the Companies Act, 2013)	6,350	6,350
Total	**14,301**	**42,519**

Non - current liabilities

13. Financial liabilities	As at 31st March, 2018	As at 31st March, 2017
(i) Borrowings		
Secured		
Term loans		
- Banks (Rupee loans)	2,46,246	2,51,522
- Financial institution (Rupee loans)	18,671	20,149
- From a body corporate (Rupee loan)	662	1,130
Total *	**2,65,579**	**2,72,801**

* Net of unamortised borrowing cost of Rs. 1,122 lakhs (31st March, 2017 : Rs. 1,372 lakhs)

	Term loans (secured)	Nature of security	As at 31st March, 2018	As at 31st March, 2017
	From banks			
(i)	ICICI Bank Limited	A, D	15,000	18,740
(ii)	ICICI Bank Limited	A, D	10,107	11,992
(iii)	ICICI Bank Limited	A, B, C, D	9,836	9,829
(iv)	State Bank of India	A, D	18,748	20,620
(v)	State Bank of India	A, B, C, D	45,375	49,350
(vi)	State Bank of India	A, B, C, D	89,307	89,591
(vii)	State Bank of India	A, B, C, D	9,000	-
(viii)	State Bank of India (erstwhile State Bank of Hyderabad)	A, B, C, D	7,452	6,467
(ix)	HDFC Bank Limited	A, B, D	1,915	1,983
(x)	RBL Bank Limited (erstwhile Ratnakar Bank Limited)	A, B, D	9,739	11,119
(xi)	Bank of Baroda	A, B, D	12,078	13,198
(xii)	Axis Bank Limited	A, B, C, D	4,988	4,870
(xiii)	Axis Bank Limited	A, B, C, D	12,701	13,763
			2,46,246	**2,51,522**
	From financial institutions			
(xiv)	Export Import Bank of India	A, D	-	16,247
(xv)	Export Import Bank of India	A, B, C, D	18,671	3,902
			18,671	**20,149**
(xvi)	**From a body corporate**	E	662	1,130
			662	**1,130**
	Total		**265,579**	**272,801**

Loan covenants

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

Nature of security

A These are secured by a first pari-passu charge by hypothecation/ mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders.

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.

E These are secured against underlying assets.

Secured term loan - interest rate and terms of repayment

(a) Rupee term loan from a bank amounting to Rs. 15,000 lakhs (31st March, 2017 : Rs. 18,740 lakhs) is repayable in twelve quarterly instalments from 29th June, 2019 to 29th March, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(b) Rupee term loan from a bank amounting to Rs. 10,107 lakhs (31st March, 2017 : Rs. 11,992 lakhs) is repayable in fourteen quarterly instalments from 30th June, 2019 to 30th September, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(c) Rupee term loan from a bank amounting to Rs. 9,836 lakhs (31st March, 2017 : Rs. 9,829 lakhs) is repayable in twenty seven quarterly instalments from 30th June, 2019 to 31st December, 2025. 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. 18,748 lakhs (31st March, 2017 : Rs. 20,620 lakhs) is repayable in twelve quarterly instalments from 30th June, 2019 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.

(e) Rupee term loan from a bank amounting to Rs. 45,375 lakhs (31st March, 2017 : Rs. 49,350 lakhs) is repayable in nineteen quarterly instalments from 30th June, 2019 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.

(f) Rupee term loan from a bank amounting to Rs. 89,307 lakhs (31st March, 2017 : Rs. 89,591 lakhs) is repayable in twenty seven quarterly instalments 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.

(g) Rupee term loan from a bank amounting to Rs. 9,000 lakhs (31st March, 2017 : Rs. Nil) is repayable in forty quarterly instalments from 31st December, 2019 to 30th September, 2029. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.50% p.a.

(h) Rupee term loan from a bank amounting to Rs. 7,452 lakhs (31st March, 2017 : Rs. 6,467 lakhs) is repayable in twenty seven quarterly instalments from 30th June, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.70% p.a.

(i) Rupee term loan from a bank amounting to Rs. 1,915 lakhs (31st March, 2017 : Rs. 1,983 lakhs) is repayable in twenty seven quarterly instalments from 30th June, 2019 to 31st December, 2025. Interest is payable on monthly basis at 11.55% p.a.

(j) Rupee term loan from a bank amounting to Rs. 9,739 lakhs (31st March, 2017 : Rs.11,119 lakhs) is repayable in eighteen quarterly instalments from 30th April, 2019 to 31st July, 2023. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a. Under the terms of the loan, the bank has a put/call option that can be exercised at the end of the fourth year from the date of first disbusement of the loan which will fall due on 31st July, 2018, with one month's prior notice. Management has reasonable grounds to believe that the bank is not likely to exercise such option and hence the loan has been considered as non-current borrowing in the financial statements.

(k) Rupee term loan from a bank amounting to Rs.12,078 lakhs (31st March, 2017 : Rs. 13,198 lakhs) is repayable in fifteen quarterly instalments from 30th June, 2019 to 31st December, 2022. Interest is payable on monthly basis at base rate of the bank plus 4.00% p.a.

(l) Rupee term loan from a bank amounting to Rs. 4,988 lakhs (31st March, 2017 : Rs. 4,870 lakhs) is repayable in twenty seven equal quarterly instalments from 30th June, 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.

(m) Rupee term loan from a bank amounting to Rs. 12,701 lakhs (31st March, 2017 : Rs. 13,763 lakhs) is repayable in twenty quarterly instalments from 30th June, 2019 to 31st March, 2024. Interest is payable on monthly basis at base rate of the bank plus 1.65% p.a.

(n) Rupee term loan from a financial institution amounting to Rs. Nil (31st March, 2017 : Rs. 16,247 lakhs) is repayable in three quarterly instalments 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.

(o) Rupee term loan from a financial institution amounting to Rs. 18,671 lakhs (31st March, 2017 : Rs.3,902 lakhs) is repayable in forty quarterly instalments 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.

(p) Rupee loan from a body corporate amounting to Rs. 662 lakhs (31st March, 2017 : Rs. 1,130 lakhs) is repayable in fifty nine 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.

(q) Outstanding balances of loans and terms of repayment as indicated in (a) to (p) above are exclusive of current maturities of such loans as disclosed in Note 18(iii).

Changes in liabilities arising from financing activities

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

Particulars	1st April, 2016	Cash flows	Exchange differences	EIR adjustment	Others*	31st March, 2017
Non Current borrowing	2,81,601	46,310	-	-	(55,110)	**2,72,801**
Current maturities of long term borrowing	41,192	(41,192)	(703)	53	55,110	**54,460**
Loans repayable on demand	45,324	(13,473)	-	-	-	**31,851**
Working capital loans from banks	4,000	9,001	(6)	-	-	**12,995**
Buyer's credit including acceptances from banks	28,118	(11,826)	-	-	-	**16,292**
Loan from a related party	150	-	-	-	-	**150**
Indian Rupee bill discounting	14,169	6,420	-	-	-	**20,589**
Total liabilities from financing activities	**4,14,554**	**(4,760)**	**(709)**	**53**	**-**	**4,09,138**

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

(ii) Other financial liabilities	**As at 31st March, 2018**	**As at 31st March, 2017**
Security deposits	-	**177**

14. Provisions	As at 31st March, 2018	As at 31st March, 2017
Provision for employee benefits		
Gratuity (refer note 34)	2,553	2,285
Long service award (refer note 34)	57	60
Others		
Provision for site restoration and rehabilitation	1,926	1,739
Total	**4,536**	**4,084**
Site restoration and rehabilitation		
	Year ended 31st March, 2018	**Year ended 31st March, 2017**
Opening balance	**1,739**	**1,597**
Add: Unwinding of discount	187	142
Closing balance	**1,926**	**1,739**

15. Government grants	As at 31st March, 2018	As at 31st March, 2017
Grants relating to property, plant and equipment*	**3,152**	**3,041**

*released to the statement of profit and loss Rs. Nil (31st March, 2017 : Rs. 110 lakhs)

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. Income from such grant is estimated on the basis of fulfilment of related export obligations. Hitherto, such income was being estimated based on useful lives of concerned property, plant and equipment. The impact of such change in estimate is not material. Contingencies attached to these grants has been disclosed in note 33B(ii)(a).

16. Income taxes

	As at 31st March, 2018	As at 31st March, 2017
(a) Deferred tax liabilities (net)		
Deferred tax assets (DTA)		
On expenses allowable against taxable income in future years	2,958	5,333
On carry-forward unabsorbed depreciation *	62,994	58,756
On carry-forward business losses	12,109	9,495
Total DTA	**78,061**	**73,584**
Deferred tax liabilities (DTL)		
Arising out of temporary difference in depreciable assets	77,571	73,003
Others	490	581
Total DTL	**78,061**	**73,584**
Deferred tax liabilities (net)	**-**	**-**
Unabsorbed depreciation which can be carried forward for an indefinite period on which no DTA has been recognised	69,468	46,238

* Deferred tax assets on unabsorbed depreciation have been recognised to the extent of aggregate deferred tax liabilities at the year end, in view of the uncertainty of recovery of such assets against future taxable income.

(b) A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated is as follows:		
Particulars	**Year ended 31st March, 2018**	**Year ended 31st March, 2017**
Accounting profit / (loss) before tax	(28,234)	(35,495)
Statutory income tax rate	34.94%	34.61%
Tax loss at statutory income tax rate	**(9,866)**	**(12,285)**
Tax expense recognised in the statement of profit and loss	**-**	**-**
Adjustments:		
Disallowable expenses	764	406
Unrecognised tax assets on unabsorbed depreciation	8,273	10,345
Other non-deductible differences	829	1,534
Total	**-**	**-**

17. Other non-current liabilities	As at 31st March, 2018	As at 31st March, 2017
Accruals for various obligations *	**1,592**	**1,888**

* Towards obligations in respect of entry tax, sales tax and other legal cases

Current liabilities

18. Financial liabilities	As at 31st March, 2018	As at 31st March, 2017
(i) Borrowings		
Secured *		
Loans repayable on demand	48,061	31,851
Working capital loans from banks	-	12,995
Buyer's credit including acceptances from banks	10,740	16,292
Unsecured		
From a related party # (refer note 35)	150	150
Indian rupee bill discounting ##	23,565	20,589
Total	**82,516**	**81,877**

* **Nature of security** - Secured by hypothecation of all current assets of the Company. Further such loans from banks are also secured by charge on certain immovable properties, subject to prior charges in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/ accommodation which has been/may be obtained by the Company. Further, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis. The loans are repayable on demand and carry interest @ 10.45% to 14.75% p.a. payable at monthly rests. Import buyer's credit carries interest @ 1/2/3/6 months LIBOR plus 25 bps p.a. to 100 bps p.a and acceptances carry interest @ 8% to 9% p.a. Such buyer's credit and acceptances 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 10% p.a. and are repayable within 180 days.

(ii) Trade payables	As at 31st March, 2018	As at 31st March, 2017
Total outstanding dues of micro and small enterprises (refer note 40)	1,436	920
Total outstanding dues of creditors other than micro and small enterprises	69,223	51,473
Dues to related parties (refer note 35)	383	259
Acceptances	1,13,224	1,15,686
Total	**1,84,266**	**1,68,338**

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

Import acceptances carry interest @ applicable LIBOR plus 25 bps p.a. to 100 bps p.a and inland acceptances carry interest @ 8% to 9% p.a. Such acceptances are repayable not later than 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.

Refer note 37B for explanations on the Company's liquidity risk management processes.

(iii) Other financial liabilities	As at 31st March, 2018	As at 31st March, 2017
Derivatives not designated as hedges		
Foreign exchange forward contracts #	79	3,329
Other financial liabilities at amortised cost		
Current maturities of long-term borrowings ###	32,222	54,460
Interest accrued but not due on borrowings	2,356	2,780
Interest accrued on trade payables and others	2,059	931
Unclaimed dividends ##	16	28
Equity warrant application money received in excess	10	10
Security deposits received	779	835
Liability towards project vendors (including acceptances)	6,705	7,712
Payable relating to coal mines	1,384	1,384
Employees benefits payable @	3,080	4,000
Payable to a related party (refer note 35)	25	25
Other payables	420	421
Total	**49,135**	**75,915**

@ Includes payable to key management personnel Rs 20 lakhs (31st March, 2017 : Rs 22 lakhs)

Financial liabilities at fair value through profit and loss

Derivative instruments at fair value through profit and loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 37B for details regarding the nature and extent of risks arising from financial instruments to which the Company is exposed at the end of the reporting year.

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

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

	Term Loan (secured)	Nature of security	As at 31st March, 2018	As at 31st March, 2017
	From banks			
(i)	State Bank of India	A, D	1,876	1,875
(ii)	State Bank of India	A, B, C, D	4,125	2,750
(iii)	State Bank of India	A, B, C, D	225	-
(iv)	State Bank of India	A, B, C, D	19	-
(v)	State Bank of India - External Commercial Borrowing	A, B, D	-	32,425
(vi)	HDFC Bank Limited	A, B, D	71	-
(vii)	RBL Bank Limited (erstwhile Ratnakar Bank Limited)	A, B, D	1,400	1,400
(viii)	Bank of Baroda	A, B, D	1,125	846
(ix)	ICICI Bank Limited	A, D	1,875	-
(x)	ICICI Bank Limited	A, D	3,750	-
(xi)	ICICI Bank Limited	A, B, C, D	25	-
(xii)	Axis Bank Limited	A, B, C, D	1,000	-
(xiii)	Axis Bank Limited	A, B, C, D	13	-
			15,504	**39,296**
	From financial institutions			
(xiv)	Export Import Bank of India	A, D	-	13,750
(xv)	Export Import Bank of India	A, B, C, D	16,250	1,000
			16,250	**14,750**
(xvi)	**From a body corporate**	E	468	414
			468	**414**
	Total		**32,222**	**54,460**

Nature of security

A These are secured by a first pari-passu charge by hypothecation / mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders.

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.

E These are secured against underlying assets.

Secured term loan - interest rate and terms of repayment

(a) Rupee term loan from a bank amounting to Rs. 1,876 lakhs (31st March, 2017 : Rs. 1,875 lakhs) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.40% p.a.

(b) Rupee term loan from a bank amounting to Rs. 4,125 lakhs (31st March, 2017 : Rs. 2,750 lakhs) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a.

(c) Rupee term loan from a bank amounting to Rs. 225 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.50% p.a.

(d) Rupee term loan from a bank amounting to Rs. 19 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.85% p.a.

(e) External commercial borrowing from a bank amounting to Rs. Nil (31st March, 2017 : Rs. 32,425 lakhs) was repayable in three quarterly instalment from 28th April 2017 to 31st January 2018. Interest was payable on quarterly basis at three month LIBOR plus 2.85% p.a.The loan has been repaid during the year.

(f) Rupee term loan from a bank amounting to Rs. 71 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. Interest is payable on monthly basis at 11.55% p.a.

(g) Rupee term loan from a bank amounting to Rs. 1,400 lakhs (31st March, 2017 : Rs. 1,400 lakhs) is repayable in four quarterly instalments from 30th April, 2018 to 31st January, 2019. 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. 1,125 lakhs (31st March, 2017 : Rs. 846 lakhs) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at base rate of the bank plus 1.75% p.a.

(i) Rupee term loan from a bank amounting to Rs. 1,875 lakhs (31st March, 2017 : Rs. Nil) is repayable in four quarterly instalments from 28th June, 2018 to 29th March, 2019. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(j) Rupee term loan from a bank amounting to Rs. 3,750 lakhs (31st March, 2017 : Rs. Nil) is repayable in four quarterly instalments from 28th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(k) Rupee term loan from a bank amounting to Rs. 25 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalments on 31st March, 2019. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(l) Rupee term loan from a bank amounting to Rs. 1,000 lakhs (31st March, 2017 : Rs. Nil) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at base rate of the bank plus 1.65% p.a.

(m) Rupee term loan from a bank amounting to Rs. 13 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. 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 financial institution amounting to Rs. Nil (31st March, 2017 : Rs. 13,750 lakhs) was repayable in three quarterly instalments from 1st April 2017 to 1st October, 2017. Interest was payable on monthly basis at long-term minimum lending rate plus 2.00% p.a. The loan has been repaid during the year.

(o) Rupee term loan from a financial institution amounting to Rs. 16,250 lakhs (31st March, 2017 : Rs. 1,000 lakhs) is repayable in three quarterly instalments 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.

(p) Rupee loans from a body corporate amounting to Rs. 468 lakhs (31st March, 2017 : Rs. 414 lakhs) is repayable in sixty quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2018 to 31st March, 2019. Interest is payable on quarterly basis at 11.81% p.a.

19. Provisions	**As at 31st March, 2018**	**As at 31st March, 2017**
Provision for employee benefits		
Gratuity (refer note 34)	287	254
Leave encashment	1,054	1,281
Long service award (refer note 34)	15	17
Total	**1,356**	**1,552**

20. Current tax liabilities	**As at 31st March, 2018**	**As at 31st March, 2017**
Provision for income tax [net of taxes paid Rs 713 lakhs (31st March, 2017 : Rs 713 lakhs)]	**110**	**110**

21. Government grants	**As at 31st March, 2018**	**As at 31st March, 2017**
Grants relating to property, plant and equipment	**-**	**110**

22. Other current liabilities	**As at 31st March, 2018**	**As at 31st March, 2017**
Advance received from customers *	11,655	5,783
Statutory dues payable #	18,136	11,241
Advance received against sale of land [refer note 38(d)]	390	1,239
Other liabilities ##	2,466	1,943
Total	**32,647**	**20,206**

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

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

represent liabilty towards renewable power obligation

23. Revenue from operations	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of goods (including excise duty)	3,99,789	3,49,812
Sale / rendering of services	677	785
Other operating revenue:		
Product scrap sales	11,888	8,429
Sale of captive power	426	395
Export incentives	1,835	1,172
Total	**4,14,615**	**3,60,593**

Sale of goods includes excise duty collected from customers of Rs. 10,718 lakhs (31st March, 2017: Rs. 35,939 lakhs). Sale of goods net of excise duty is Rs. 3,89,071 lakhs (31st March, 2017: Rs. 3,13,873 lakhs). Revenue from operations for periods up to 30th June, 2017 includes excise duty. From 1st July, 2017 onwards the excise duty and most indirect taxes have been replaced by Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31st March, 2018 is not comparable with 31st March, 2017.

24. Other income	Year ended 31st March, 2018	Year ended 31st March, 2017
Dividend income	246	251
Miscellaneous scrap sales	210	411
Exchange differences (net)	-	1,291
Gain on derivative contracts / cancellation of forward contracts (net)	1,385	-
Liabilities no longer required written back	2,102	1,099
Claims received	230	135
Net gain on disposal of property, plant and equipment #	3,173	3,163
Gain on sale of non-current investments ##	-	519
Miscellaneous income ###	706	4,123
Interest inome on financial assets carried at amortised cost	593	684
Total	**8,645**	**11,676**

Rs. 3,335 lakhs (31st March, 2017 : Rs. 3,310 lakhs) on account of profit on sale of land.

Rs. Nil (31st March, 2017 : Rs. 519 lakhs) towards sale of its entire stake in Dove Airlines Private Limited.

Rs. Nil (31st March, 2017 : 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.

25. Cost of materials consumed	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Stock	18,252	16,173
Add: Purchases	1,90,850	1,44,856
	2,09,102	**1,61,029**
Less: Closing stock	24,487	18,252
Cost of materials consumed *	**1,84,615**	**1,42,777**

* Cost of materials consumed includes packing materials amounting to Rs 3,415 lakhs (March 2017 : Rs. 3,202 lakhs)

Notes to the financial statements (All amounts in Rs. Lakhs)

26. (Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/ by-product	Year ended 31st March, 2018	Year ended 31st March, 2017
(A) Finished goods		
Opening stock	39,465	43,984
Less : Closing stock	20,933	39,465
	18,532	**4,519**
(B) Work-in-progress		
Opening stock	31,495	30,036
Less : Closing stock	30,708	31,495
	787	**(1,459)**
(C) Stock-in-trade		
Opening stock	22	37
Less : Closing stock	44	22
	(22)	**15**
(D) Scrap/by-product		
Opening stock	5,495	2,672
Less : Closing stock	5,478	5,495
	17	**(2,823)**
Net (increase) / decrease in inventories [(A) + (B) + (C) + (D)]	**19,314**	**252**

27. Employee benefits expenses	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, wages and bonus	20,562	20,209
Contribution to provident and other funds	1,768	1,555
Gratuity expense (refer note 34)	316	284
Staff welfare expenses	1,164	1,153
Total	**23,810**	**23,201**

28. Finance costs	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expense on financial liabilities measured at amortised cost	53,933	52,280
Unwinding of discount (refer note 14)	187	142
Total interest expenses	**54,120**	**52,422**
Other borrowing costs*	2,978	2,479
Total	**57,098**	**54,901**

* includes letter of credit opening and retirement charges, loan processing fees etc.

29. Depreciation and amortisation expenses	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation of property, plant and equipment (refer note 3)	26,560	26,526
Amortization of intangible assets (refer note 4)	797	442
	27,357	**26,968**
Less: recoupment from Government grants (refer note 15)	-	(110)
Total	**27,357**	**26,858**

30. Other expenses	Year ended 31st March, 2018		Year ended 31st March, 2017	
Power and fuel [refer note (iv) below]		36,650		32,898
Consumption of stores and spares / loose tools		24,758		19,693
Material handling charges		17,830		13,481
Freight and forwarding charges		14,605		14,169
Operations and maintenance :				
Plant and machinery		11,945		13,363
Buildings		1,940		1,423
Processing charges		6,341		5,854
Royalty		6,179		3,424
Allowance for doubtful debts and advances (net)		1,871		439
Consultants and professional fees		1,776		1,972
Exchange differences (net)		805		-
Insurance		764		860
Travelling and conveyance		577		792
Rent and hire charges		495		633
Bad Debts / advances written off	1,479		347	
Less: adjusted against provision for doubtful debts and advances	(1,014)	465	(14)	333
Rates and taxes		288		287
Tangible assets / capital work-in-progress written off		127		33
Corporate social responsibility (CSR) expenditure [refer note (ii) below]		83		186
Remuneration to auditors [refer note (i) below]		74		121
Directors' sitting fees		52		56
Leasehold prepayments amortisation		28		28
Fair value loss on derivative contracts (net)		-		3,762
Excise Duty on increase/(decrease) in inventories		(5,380)		213
Miscellaneous expenses [refer note (iii) below]		5,795		4,483
Total		**1,28,068**		**1,18,503**

(i) Remuneration to auditors comprises of :	**Year ended 31st March, 2018**	**Year ended 31st March, 2017**
As auditor:		
As auditor - for statutory audit and limited reviews	55	73
Tax audit fee	5	13
For other services	10	31
Reimbursement of expenses	4	4
Total *	**74**	**121**
* Remuneration to auditors for the year ended 31st March, 2017 includes Rs. 38 lakhs paid to predecessor statutory auditors.		
(ii) Details of CSR expenditure:		
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	83	186
Total	**83**	**186**
(iii) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 315 lakhs (31st March, 2017: Rs 347 lakhs), and are recognised in miscellaneous expenses.		
(iv) The following expenses are included in Power and fuel expenses in the Statement of Profit and Loss :		
Consumption of stores and spares / loose tools	1,825	1,970
Material handling charges	738	577
Operations and maintenance: plant and machinery	3,657	3,631
Operations and maintenance: buildings	155	263
Miscellaneous expenses	438	485
Total	**6,813**	**6,926**

Notes to the financial statements (All amounts in Rs. Lakhs)

31. Earnings / (loss) per equity share (EPS)	Year ended 31st March, 2018	Year ended 31st March, 2017
The following reflects the income and share data used in the basic and diluted EPS computations :		
Net profit /(loss) before OCI attributable to equity holders for basic and diluted EPS	**(28,234)**	**(35,495)**
Weighted average number of equity shares outstanding for the purpose of basic and diluted EPS	30,47,41,780	30,47,41,780
Basic and diluted earnings / (loss) per share (Rs.)	(9.27)	(11.65)
Nominal value per share (Re.)	1	1

32. Significant accounting judgements, estimates and assumptions

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

(i) 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.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

(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 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 and rehabilitation

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 upon the expiration of the lease and calculates the provision using the DCF method.

The iron ore mines is being governed by Mineral Conservation and Development Rules, 1988 (MCDR), which requires final mines closure plan to be submitted before two years from the date of intended closure. The mining lease operation is valid up to the year 2055 and accordingly, final mining closure plan is required to be submitted in the year 2053 or any earlier date when mine is intended to be closed due to any reason in future, which is not visible in next two years.

MCDR requires mining plan to be approved for every 5 years which consists of progressive mine closure plan which is being reviewed for implementation at every occasion of approval in 5 years and devised for next 5 years. As such, in case of iron ore mine there will be no incremental activities required at the stage of final mine closure plan beyond the activities of progressive mine closure plan.

(iv) Defined benefit plans

The cost and the present value of the defined benefit gratuity plan and long term service award are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(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.

(vi) Fair value measurement

When fair value of financial assets and financial liabilities recorded in the balance sheet can not be measured based on quoted prices in active markets, their fair value are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future.

(vii) Non-current assets held for sale

Assets and liabilities of non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sale. The determination of fair value less costs to sale include use of management estimates and assumptions. The fair value has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

(viii) Valuation of Inventories

The Company follows suitable provisioning norms for writing down the value of slow-moving, non-moving and surplus inventory. This involves various judgements and assumptions that may differ from actual developments in the future. Slow moving inventory has been disclosed under Note 8 - Inventories.

33. 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. There are no subleases and contingent rent in the lease arrangements.

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	**As at 31st March, 2018**	**As at 31st March, 2017**
Within one year	1,373	1,490
After one year but not more than five years	4,245	4,117
More than five years	3,033	4,534

Operation and maintenance charges	**As at 31st March, 2018**	**As at 31st March, 2017**
Within one year	350	391
After one year but not more than five years	1,265	1,223
More than five years	1,270	1,662

The above amounts are exclusive of taxes and duties. The Company has charged the following amount in the statement of profit and loss on account of the aforesaid leases.

	Year ended 31st March, 2018	**Year ended 31st March, 2017**
Lease rent	1,490	1,581
Operation and maintenance charges	391	399
Escalation charges and taxes	370	392
Total *	**2,251**	**2,372**

* Rs. 2,086 lakhs (31st March, 2017 : Rs. 2,197 lakhs) and Rs. 165 lakhs (31st March, 2017 : Rs. 175 lakhs) is booked under consumption of stores and spares / loose tools and Rent and hire charges respectively.

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.There are no subleases and contingent rent in the lease arrangements. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs. 358 lakhs (31st March, 2017 : Rs. 486 lakhs) have been debited to the Statement of Profit and Loss in Rent and hire charges.

B Commitments

		As at 31st March, 2018	**As at 31st March, 2017**
(i)	**Capital commitments** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	799	2,284
(ii)	**Other commitments**		
(a)	Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme. If the Company is unable to meet these obligations, its liability would be Rs. 3,482 lakhs (31st March, 2017 : 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.	2,29,144	2,35,102
(b)	The Company has committed to provide such financial and other support as may be necessary to enable its wholly owned subsidiary, Usha Martin Americas Inc., to continue as going concern. The subsidiary has been incurring book and cash losses at the year end.		
(iii)	**Guarantees**		
(a)	Corporate guarantee given by the Company to secure the financial assistance / accommodation extended to other body corporates	5,015	6,087

		As at 31st March, 2018	As at 31st March, 2017
(b)	The Company has provided a letter of comfort to a bank that has provided credit facilities to its jointly controlled entity, Pengg Usha Martin Limited. Such facilities have been utilised to the extent of Rs. 4,875 lakhs as at 31st March, 2018 by the jointly controlled entity. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that jointly controlled entity and to provide full support to its operations.		
(iv)	**Bank guarantees**		
	The Company has given bank guarantees details of which are as below:		
(a)	in favour of the nominated authority, New Delhi against the allocation of Brinda and Sasai coal block	13,371	13,371
(b)	in favour of the regional controller of mines against the progressive mines closure plan	189	-
(c)	in favour of various parties against various contracts	1,466	1,365
	The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.		

C Contingent liabilities

		As at 31st March, 2018	As at 31st March, 2017
(i)	**Claims against the Company not acknowledged as debt ***		
	Tax and duty for which the Company has preferred appeal before appropriate authorities:		
	Demand for income tax matters	4,491	1,940
	Demand for sales tax, entry tax and electricity duty **	10,110	8,409
	Demand for excise duty and service tax	12,965	7,926
	Demand for customs duty	1,603	868
	Outstanding labour disputes	60	77
	Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	13,443	9,791
	Electricity demand on account of low power factor pending with appropriate authority	4,715	4,715
	Demand for mining matter is pending with appropriate authority #	4,784	7,534
	Demand for differential royalty on different grade of coal extracted	5,734	5,734
	Demand for compensation on account of mining and dump / infrastructure / colony established outside approved mining lease area	27,146	27,146
	Demand for financial assurance amount in Escrow account	226	226
	Disputed claims by parties not acknowledged by the Company	465	1,286

** Includes demand aggregating to Rs. 2,968 lakhs (31st March, 2017 : Rs. 2,813 lakhs) received by the Company towards entry tax in West Bengal and Punjab. Subsequent to the decision of the Hon'ble Supreme Court of India, vide order dated 11th November, 2016, upholding the rights of State Governments to impose entry tax, the Company has filed petitions before the Hon'ble High Courts of the aforesaid States and also Jharkhand on grounds that entry tax imposed by respective State legislations is discriminatory in nature. Pending decisions by the Hon'ble High Courts, the Company's obligation, if any, towards entry tax is not ascertainable. Based on legal opinion obtained, management believes that there will be no adverse impact on the Company.

In respect of one case, the Company has given an undertaking to deposit Rs. 1,922 lakhs in six instalments within a period of six months from January 2018. Against the same, the Company has deposited Rs. 300 lakhs in respect of first instalment in January 2018.

* 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.

Notes to the financial statements (All amounts in Rs. Lakhs)

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

	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Post employment defined contribution plans		
Amount recognised in the statement of profit and loss		
(i) Provident fund paid to the authorities *	12	17
(ii) Pension fund paid to the authorities	579	577
(iii) Superannuation fund - contribution payable / paid to a Trust	395	364
Total	**986**	**958**

* 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.

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, 2018**		**Year ended 31st March, 2017**	
		Gratuity	**Long term service award**	**Gratuity**	**Long term service award**
1	Current / past service cost	142	55	146	9
2	Net Interest cost	174	(55)	138	1
3	**Total (i)**	**316**	**-**	**284**	**10**
	Expenses recognised in other comprehensive income				
4	**Remeasurement (gains)/losses on defined benefit plans**				
	Arising from changes in experience	61	-	618	-
	Arising from changes in financial assumptions	(76)	-	(457)	-
5	**Total (ii)**	**(15)**	**-**	**161**	**-**
6	**Total expense (i)+(ii)**	**301**	**-**	**445**	**10**

B. Net asset / (liability) recognised in the balance sheet		**As at 31st March, 2018**		**As at 31st March, 2017**	
		Gratuity	**Long term service award**	**Gratuity**	**Long term service award**
1	Present value of defined benefit obligation	4,961	72	5,022	77
2	Fair value of plan assets	2,121	-	2,483	-
3	Net asset / (liability)	(2,840)	(72)	(2,539)	(77)

C. Change in the present value of the defined benefit obligation during the year		**As at 31st March, 2018**		**As at 31st March, 2017**	
		Gratuity	**Long term service award**	**Gratuity**	**Long term service award**
1	**Present value of defined benefit obligation at the beginning of the year**	**5,022**	**77**	**4,911**	**78**
2	Current service cost /plan ammendments	142	55	146	9
3	Interest cost	365	(55)	348	1
4	Benefits paid	(553)	(5)	(544)	(11)
5	Remeasurement (gains)/losses	(15)	-	161	-
6	**Present value of defined benefit obligation at the end of the year**	**4,961**	**72**	**5,022**	**77**

D. Change in the fair value of plan assets during the year		As at 31st March, 2018	As at 31st March, 2017
		Gratuity	
1	**Plan assets at the beginning of the year**	**2,483**	**2,793**
2	Interest income	191	210
3	Contribution by employer	-	24
4	Actual benefits paid	(553)	(544)
5	**Plan assets at the end of the year**	**2,121**	**2,483**

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

E. In 2018-19, the Company expects to contribute Rs 75 lakhs to gratuity fund.

F.	**The major categories of plan assets as a percentage of the fair value of total plan assets**	**As at 31st March, 2018**	**As at 31st March, 2017**
	Investments with insurer	96%	99%
	Cash and cash equivalent	4%	1%
	Total	**100%**	**100%**

G. Actuarial assumptions		As at 31st March, 2018		As at 31st March, 2017	
		Gratuity	Long term service award	Gratuity	Long term service award
1	Discount rate	7.70%	7.70%	7.50%	7.50%
2	Expected rate of return on plan assets	7.70%	NA	7.50%	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)	Gratuity		Long term service award	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
Expected benefit payments for the year ending				
Not later than 1 year	518	512	15	18
Later than 1 year and not later than 5 years	1,533	1,658	43	47
Later than 5 years and not later than 10 years	1,899	2,068	40	41
More than 10 years	6,083	6,689	40	46
Total expected payments	**10,033**	**10,927**	**138**	**152**

The weighted average duration of the defined benefit obligation as at 31st March, 2018 is 17 years (31st March, 2017 : 17 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	As at 31st March, 2018		As at 31st March, 2017	
	Gratuity	Long term service award	Gratuity	Long term service award
Discount rate				
Increase by 0.5%	(127)	(2)	(238)	(3)
Decrease by 0.5%	134	2	237	2
Expected rate of increase in compensation level of covered employees				
Increase by 0.5%	58	2	211	2
Decrease by 0.5%	(65)	(2)	(215)	(2)
Expected rate of increase in attrition rate				
Increase by 0.5%	3	*	28	2
Decrease by 0.5%	(3)	*	(29)	(2)
Expected rate of increase in mortality rate				
Increase by 0.5%	25	*	15	2
Decrease by 0.5%	(25)	*	(16)	(2)

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

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the project unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

K Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

(i) Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

(ii) Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

(iii) Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(iv) Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

III Provident Fund

Provident Fund contributions in respect of employees [other than those covered in (a) above] are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. Both the employer and the employees contribute to this Fund and such contributions together with interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of services by the employee. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. In terms of the guidance on implementing Indian Accounting Standard 19 on Employee Benefits, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using projected unit credit method and deterministic approach as outlined in the guidance note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. Further during the period, the Company's contribution Rs 554 lakhs (31st March, 2017 : Rs 513 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:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Discount Rate	7.70%	7.50%
Expected rate of increase in compensation level of covered employees	5.00%	5.00%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate
EPFO Return	8.65%	8.65%

Notes to the financial statements (All amounts in Rs. Lakhs)

35. Related party disclosures		
(i)	**Related parties**	
(a)	**Subsidiaries**	Usha Martin International Limited (UMIL)
		Usha Martin UK Limited (UMUK) @
		European Management and Marine Corporation Limited (EMMC) @
		Brunton Shaw UK Limited (BSUK) @
		De Ruiter Staalkabel B.V. (De Ruiter) @
		Usha Martin Europe B.V. (UMEBV) @
		Usha Martin Italia S.R.L (UMISRL) @
		Usha Martin Singapore Pte. Limited (UMSPL)
		Usha Martin Vietnam Co. Limited (UMVCL) @
		Usha Martin Australia Pty Limited (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. (BWWR)
		U M Cables Limited (UMCL)
		Usha Martin Power and Resources Limited (UMPRL)
		Bharat Minex Private Limited (BMPL)
		Gustav Wolf Speciality Cords Limited (GWSCL)
(b)	**Jointly controlled entities**	Pengg Usha Martin Wires Private Limited (PUMWPL)
		CCL Usha Martin Stressing Systems Limited (CCLUMSSL)
		Tesac Usha Wirerope Company Limited (TUWCL)*
(c)	**Key management personnel**	Mr. Basant Kumar Jhawar, Chairman Emeritus
		Mr. G.N.Bajpai, Chairman (w.e.f. 25th April, 2017)
		Mr. Brij K Jhawar, Director
		Mr. Prashant Jhawar, Director (Chairman till 25th April, 2017)
		Mr. Salil Singhal, Director
		Mr. Jitendra Balakrishnan, Director
		Mr. P.S.Bhattacharyya, Director
		Mr. M. Rohatgi, Director (w.e.f. 9th December, 2016)
		Ms. A. Ramakrishnan, Director (w.e.f. 9th December, 2016)
		Mr. V. Ramakrishna Iyer, Director
		Mr. Rajeev Jhawar, Managing Director
		Mr. P. K. Jain, Joint Managing Director (Wire and Wire Rope Business)
		Mr. Rohit Nanda, Chief Financial Officer (w.e.f. 1st July, 2016)
		Ms. Shampa Ghosh Ray, Company Secretary (w.e.f. 8th August, 2016)
		Mr. A. K. Somani, Chief Financial Officer and Company Secretary (up to 30th June, 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 step-down subsidiaries.

* Represents step-down jointly controlled entity.

Notes to the financial statements

(All amounts in Rs. Lakhs)

35. Related party disclosures

(ii) Particulars of transactions

Name and relationship		Sale of products and services	Sale of property, plant and equipments	Purchase of goods	Dividend received	Interest expenses/ (income) (net)	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	Loans/ advances (taken)	Repayment of loans/ advances taken	Loans/ advances given	(Receipt) of loans/ advances given	Contribution to employees provident fund trust
		Transactions during the period														
Subsidiary Companies																
UMIL	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**166**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	(1)	170	-	-	-	-	-	-
UMAI	**31st March, 2018**	**2,330**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28)**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	1,718	-	-	-	*	-	1	(2)	(49)	-	-	-	-	-	-
UMUK	**31st March, 2018**	**5,906**	**-**	**39**	**-**	**(1)**	**-**	**6**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	3,526	-	46	-	(1)	-	4	(4)	-	-	-	-	-	-	-
UMVCL	**31st March, 2018**	**920**	**-**	**-**	**-**	**-**	**-**	**-**	*****	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	463	-	-	-	-	-	-	*	-	-	-	-	-	-	-
UMAUS	**31st March, 2018**	**1,840**	**-**	**-**	**-**	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	827	-	-	-	-	-	2	41	-	-	-	-	-	-	-
BMPL	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	(40)	-	-	-	-	-	-
PTUMI	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*****	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	*	-	-	-	-	-	-	-
USSIL	**31st March, 2018**	**5,771**	**-**	**294**	**-**	**(55)**	**-**	**15**	**-**	**(119)**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	3,583	-	-	-	(60)	-	53	(4)	(113)	-	-	-	-	-	-
UMSPL	**31st March, 2018**	**4,598**	**-**	**-**	**-**	**-**	**-**	**31**	**(20)**	**(36)**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	2,212	-	-	-	(2)	-	8	(2)	(29)	-	-	-	-	-	-
BWWR	**31st March, 2018**	**8,684**	**-**	**73**	**166**	**-**	**-**	**13**	**(1)**	**35**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	6,541	-	5	172	*	-	17	22	31	-	-	-	-	-	-
UMCL	**31st March, 2018**	**28**	**-**	**-**	**-**	**21**	**-**	**-**	**(59)**	**(133)**	**-**	**(1,265)**	**1,265**	**1,130**	**(130)**	**-**
	31st March, 2017	22	-	-	-	-	-	-	(212)	(110)	-	-	-	-	-	-
UMCCL	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-
GWSCL	**31st March, 2018**	**875**	**-**	**-**	**-**	**13**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	13	-	-	89	2	-	-	-	-	-	-
Total	**31st March, 2018**	**30,952**	**-**	**406**	**166**	**(22)**	**-**	**70**	**(77)**	**(115)**	**-**	**(1,265)**	**1,265**	**1,134**	**(130)**	**-**
	31st March, 2017	18,892	-	51	172	(50)	-	85	(74)	(138)	-	-	-	-	-	-
Jointly controlled entities																
PUMWPL	**31st March, 2018**	**4,669**	**2,355**	**-**	**80**	**-**	**-**	**-**	**(31)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	3,584	-	1	80	-	-	-	(60)	-	-	-	-	-	-	-
Total	**31st March, 2018**	**4,669**	**2,355**	**-**	**80**	**-**	**-**	**-**	**(31)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	3,584	-	1	80	-	-	-	(60)	-	-	-	-	-	-	

(All amounts in Rs. Lakhs)

Name and relationship		Transactions during the period														
		Sale of products and services	Sale of property, plant and equipments	Purchase of goods	Dividend received	Interest expenses/ (income) (net)	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	Loans/ advances (taken)	Repayment of loans/ advances taken	Loans/ advances given	(Receipt) of loans/ advances given	Contribution to employees provident fund trust
Key management personnel																
Mr. Rajeev Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**125**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	178	-	-	-	-	-	-	-	-	-
Mr. Brij K Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	7	-	-	-	-	-
Mr. P. K. Jain	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**142**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	189	-	-	-	-	-	-	-	-	-
Mr. A. K. Somani	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	54	-	-	-	-	-	-	-	-	-
Mr. Rohit Nanda	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**116**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	83	-	-	-	-	-	-	-	-	-
Ms. Shampa Ghosh Ray	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**19**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	14	-	-	-	-	-	-	-	-	-
Mr. Basant Kumar Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
Mr. Prasant Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
Mr. Jitendra Balakrishnan	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	12	-	-	-	-	-
Mr. G.N.Bajpai	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	12	-	-	-	-	-
Mr. Salil Singhal	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	7	-	-	-	-	-
Mr. P.S. Bhattacharyya	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	7	-	-	-	-	-
Mr. V. Ramakrishna Iyer	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
Mr. M. Rohatgi	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
Ms. A. Ramakrishnan	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
Total	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**402**	**-**	**-**	**-**	**52**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	-	-	518	-	-	-	56	-	-	-	-	-
Others																
Usha Martin Employees provident Fund Trust	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**554**
	31st March, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-	513
Grand Total	**31st March, 2018**	**35,621**	**2,355**	**406**	**246**	**(22)**	**402**	**70**	**(108)**	**(115)**	**52**	**(1,265)**	**1,265**	**1,134**	**(130)**	**554**
	31st March, 2017	22,476	-	52	252	(50)	518	85	(134)	(138)	56	-	-	-	-	513

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

Notes to the financial statements (All amounts in Rs. Lakhs)

35. Related party disclosures								
(iii) Balance outstanding at the year end 31st March, 2018								
Name and relationship		Balance outstanding at the year end						
		Corporate / other guarantees given	Trade receivables	Trade payables/ other financial 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, 2018**	**-**	**-**	**-**	**-**	**-**	*****	**-**
	31st March, 2017	-	-	-	-	-	*	-
Total	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	*****	**-**
	31st March, 2017	-	-	-	-	-	*	-
Subsidiary companies								
UMIL	**31st March, 2018**	**-**	**-**	**63**	**-**	**53**	**6,181**	**-**
	31st March, 2017	-	-	60	-	5	6,181	-
UMAI	**31st March, 2018**	**1,792**	**1,068**	**7**	**-**	**45**	**1,660**	**-**
	31st March, 2017	2,270	389	7	-	12	1,660	-
UMUK	**31st March, 2018**	**-**	**2,032**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	1,202	23	-	-	-	-
UMVCL	**31st March, 2018**	**-**	**301**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	144	-	-	-	-	-
UMAUS	**31st March, 2018**	**-**	**522**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	107	-	-	-	-	-
UMPRL	**31st March, 2018**	**-**	**-**	**-**	**-**	**4**	**4**	**-**
	31st March, 2017	-	-	-	-	-	4	-
BMPL	**31st March, 2018**	**-**	**-**	**38**	**-**	**8**	**-**	**-**
	31st March, 2017	-	-	-	-	4	-	-
USSIL	**31st March, 2018**	**3,224**	**2,823**	**103**	**-**	**1,373**	**2,620**	**-**
	31st March, 2017	2,888	635	-	-	1,136	2,620	-
UMSPL	**31st March, 2018**	**-**	**1,892**	**-**	**-**	**38**	**268**	**-**
	31st March, 2017	-	1,197	-	-	2	268	-
BWWR	**31st March, 2018**	**-**	**2,347**	**96**	**-**	**3**	**1,777**	**-**
	31st March, 2017	529	837	53	-	1	1,777	-
UMCL	**31st March, 2018**	**-**	**12**	**-**	**-**	**1,404**	**1,271**	**-**
	31st March, 2017	-	12	-	-	183	1,271	-
GWSCL	**31st March, 2018**	**-**	**299**	**101**	**150**	**1**	**168**	**-**
	31st March, 2017	-	-	116	150	-	168	-
Total	**31st March, 2018**	**5,016**	**11,296**	**408**	**150**	**2,929**	**13,949**	**-**
	31st March, 2017	5,687	4,523	259	150	1,343	13,949	-
Jointly controlled entities								
PUMWPL	**31st March, 2018**	**-**	**1,185**	**-**	**-**	**-**	**1,080**	**-**
	31st March, 2017	400	899	-	-	-	1,080	-
CCLUMSSL	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**31**	**-**
	31st March, 2017	-	-	-	-	-	31	-
Total	**31st March, 2018**	**-**	**1,185**	**-**	**-**	**-**	**1,111**	**-**
	31st March, 2017	400	899	-	-	-	1,111	-

(All amounts in Rs. Lakhs)

Name and relationship		Balance outstanding at the year end						
		Corporate / other guarantees given	Trade receivables	Trade payables/ other financial liabilities	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
Key management personnel								
Mr. Rajeev Jhawar	**31st March, 2018**	**2,03,750**	**-**	**2**	**-**	**-**	**-**	**-**
	31st March, 2017	1,81,750	-	2	-	-	-	-
Mr. Brij. K Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-	-
Mr. Prashant Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-	-
Mr. G.N.Bajpai	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-	-
Mr. Jitender Balakrishnan	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-	-
Mr. P. K. Jain	**31st March, 2018**	**-**	**-**	**8**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	8	-	-	-	-
Mr. Rohit Nanda	**31st March, 2018**	**-**	**-**	**9**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	11	-	-	-	-
Ms. Shampa Ghosh Ray	**31st March, 2018**	**-**	**-**	**1**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	1	-	-	-	-
Total	**31st March, 2018**	**2,03,750**	**-**	**20**	**-**	**-**	**-**	**-**
	31st March, 2017	1,81,750	-	22	-	-	-	-
Others								
Usha Martin Employees provident Fund Trust	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**46**
	31st March, 2017	-	-	-	-	-	-	53
Grand Total	**31st March, 2018**	**2,08,766**	**12,481**	**428**	**150**	**2,929**	**15,060**	**46**
	31st March, 2017	1,87,837	5,422	281	150	1,343	15,060	53

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

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2018 and 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.

As the future liability for gratuity and leave is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

Notes to the financial statements (All amounts in Rs. Lakhs)

36. Segment information

Based on evaluation of the Company's business performance by the Chief operating decision maker, the Company's businesses are organised in the following reportable segments :

- The 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.
- Others include manufacturing and selling of wire drawing and allied machines.

The Company's financing (including finance costs and finance income) and income taxes are managed on a Company level and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis.

The following table presents revenue and profit information and certain asset information regarding the Company's business segment as at and for the year ended 31st March, 2018 and 31st March, 2017.

I Business segment analysis Year ended 31st March, 2018					
Particulars	**Business Segments**			**Adjustments and eliminations**	**Total**
	Steel	**Wire and wire ropes**	**Others**		
Segment revenue					
External revenue	**2,62,643**	**1,51,234**	**738**	**-**	**4,14,615**
	2,25,311	1,34,697	585	-	3,60,593
Inter-segment revenue	**79,476**	**562**	**12**	**(80,050)**	**-**
	76,784	658	482	(77,924)	-
Total revenue from operations	**3,42,119 ***	**1,51,796**	**750**	**(80,050)**	**4,14,615**
	3,02,095 *	1,35,355	1,067	(77,924)	3,60,593
Segment profit	**9,978**	**20,938**	**(216)**	**(58,934)**	**(28,234)**
	7,929	14,107	(301)	(57,230)	(35,495)
Total assets	**524,470**	**106,224**	**7,762**	**3,788**	**642,244**
	560,141	106,744	5,278	3,509	675,672
Total liabilities	**204,921**	**30,681**	**8,860**	**380,427**	**624,889**
	180,126	31,130	9,595	409,248	630,099
Reconciliations to amounts reflected in the financial statements					
Reconciliation of profit					
Segment profit	**9,978**	**20,938**	**(216)**	**-**	**30,700**
	7,929	14,107	(301)	-	21,735
Less : Finance costs (note 28)					**57,098**
					54,901
Less : Other unallocable expenditure (net of unallocable income)					**1,836**
					2,329
Net profit / (loss) before tax					**(28,234)**
					(35,495)
Reconciliation of assets					
Segment assets	**5,24,470**	**1,06,224**	**7,762**	**-**	**6,38,456**
	5,60,141	1,06,744	5,278	-	6,72,163
Investments -unallocable					**9**
					9
Advance income tax assets (net) (note 6)					**3,779**
					3,500
Total assets					**6,42,244**
					6,75,672
Reconciliation of liabilities					
Segment liabilities	**2,04,921**	**30,681**	**8,860**	**-**	**2,44,462**
	1,80,126	31,130	9,595	-	2,20,851
Long-term borrowings including current maturities [note 13(i) and 18(iii)]					**2,97,801**
					3,27,261

Particulars	Business Segments			Adjustments and eliminations	Total
	Steel	Wire and wire ropes	Others		
Short-term borrowings [note 18(i)]					**82,516**
					81,877
Current tax liabilities (net) (note 20)					**110**
					110
Total liabilities					**6,24,889**
					6,30,099

Note: Figures in normal type relate to 31st March, 2017

II Geographical segment analysis

The Company's operations are located in India. The following table provides an analysis of Company's sales by region in which the customer is located, irrespective of the origin of the goods.

Revenue by geographical segment	Year ended 31st March, 2018	Year ended 31st March, 2017
India *	3,69,943	3,28,055
Outside India	44,672	32,538
Total revenue from operations as per statement of profit and loss	**4,14,615**	**3,60,593**

* Revenue aggregating Rs. 55,364 lakhs from one customer constituted 10% or more of the Company's total revenue for the year. However, revenue from any single customer did not constitute 10% or more of the total revenue during the previous year.

Details of non-current assets (property, plant and equipment, capital work-in-progress and other intangible assets) based on geographical area are as below:

	As at 31st March, 2018	As at 31st March, 2017
India	4,35,423	4,56,741

Segment capital expenditure

	Year ended 31st March, 2018	Year ended 31st March, 2017
India	1,822	3,818

37 A. Fair value hierarchy

a) Financial instruments by category								
Date of valuation	**As at 31st March, 2018**				**As at 31st March, 2017**			
	Fair value through profit and loss	**Amortised cost**	**Total carrying value**	**Total fair value**	**Fair value through profit and loss**	**Amortised cost**	**Total carrying value**	**Total fair value**
Financial assets								
Investments	5	15,060	15,065	15,065	5	15,060	15,065	15,065
Trade receivables	-	55,764	55,764	55,764	-	54,406	54,406	54,406
Cash and cash equivalents	-	1,046	1,046	1,046	-	402	402	402
Other bank balances	-	1,243	1,243	1,243	-	62	62	62
Loans and advances	-	2,480	2,480	2,480	-	1,185	1,185	1,185
Other financial assets	-	3,016	3,016	3,016	-	2,453	2,453	2,453
Total financial assets	**5**	**78,609**	**78,614**	**78,614**	**5**	**73,568**	**73,573**	**73,573**
Financial liabilities								
Borrowings (including current maturities)	-	3,80,317	3,80,317	3,80,317	-	4,09,138	4,09,138	4,09,138
Trade payables	-	1,84,266	1,84,266	1,84,266	-	1,68,338	1,68,338	1,68,338
Derivatives	79	-	79	79	3,329	-	3,329	3,329
Other financial liabilities	-	16,834	16,834	16,834	-	18,303	18,303	18,303
Total financial liabilities	**79**	**5,81,417**	**5,81,496**	**5,81,496**	**3,329**	**5,95,779**	**5,99,108**	**5,99,108**

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value through profit and loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard.

(b) Fair value measurement hierarchy for assets and liabilities				
Financial assets and liabilities measured at fair value at 31st March, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in other companies	-	-	5	**5**
Financial liabilities				
Derivative financial liabilities	-	79	-	**79**
Financial assets and liabilities measured at fair value at 31st March, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in other companies	-	-	5	**5**
Financial liabilities				
Derivative financial liabilities	-	3,329	-	**3,329**

Notes : The Company uses the following hierarchy for determining and /or disclosing the fair value of financial instruments by valuation techniques :

Level 1 hierarchy includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

37 B. Financial risk management objectives and policies

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee (RMC) which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's activities expose it to market risk, liquidity risk and credit risk which are measured, monitored and managed to abide by the principles of risk management.

(a) Credit risk

Credit risk refers to the risk of financial loss that may arise from counterparty failure on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company controls its own exposure to credit risk. All external customers undergo a creditworthiness check. The Company performs an on-going assessment and monitoring of the financial position and the risk of default. Based on the aforesaid checks, monitoring and historical data, the Company does not perceive any significant credit risk on trade receivables.

In addition, as part of its cash management and credit risk function, the Company regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash and performs trade finance operations. The Company primarily has banking relationships with the public sector, private and large international banks with good credit rating.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at 31st March, 2018 and 31st March, 2017 respectively.

The maximum exposure to the credit risk at the reporting date is the carrying value of all financial assets amounting to Rs. 78,614 lakhs (31st March, 2017 : Rs. 73,573 lakhs) as disclosed in note 37A.

Notes to the financial statements (All amounts in Rs. Lakhs)

Of the year end trade receivables, the following were past due but not impaired as at 31st March, 2018 and 31st March, 2017:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Neither impaired nor past due	46,588	48,011
Past due but not impaired		
Due less than one month	4,337	1,807
Due between one - three months	1,397	2,107
Due between three - twelve months	3,139	2,113
Due greater than twelve months	303	368
Total	**55,764**	**54,406**

(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, 2018	Contractual cash flows				
	Less than 1 year	1-3 years	3-8 years	Above 8 years	Total
Non-derivative financial liabilities					
Borrowings (including current maturities) *	1,26,216	82,315	1,99,074	14,850	**4,22,455**
Trade payables	1,84,266	-	-	-	**1,84,266**
Other financial liabilities	16,834	-	-	-	**16,834**
Derivative financial liabilities	79	-	-	-	**79**
Total	**3,27,395**	**82,315**	**1,99,074**	**14,850**	**6,23,634**
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) *	1,49,238	75,281	1,97,979	30,663	**4,53,161**
Trade payables	1,68,338	-	-	-	**1,68,338**
Other financial liabilities	18,126	177	-	-	**18,303**
Derivative financial liabilities	3,329	-	-	-	**3,329**
Total	**3,39,031**	**75,458**	**1,97,979**	**30,663**	**6,43,131**

* Includes non-current borrowings, current borrowings, current maturities of non-current borrowings and committed interest payments at the prevailing interest rate

The amount of guarantees given on behalf of subsidiaries included in note 33 B (iii) represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. The market risk is the possibility that changes foreign currency exchange rates, interest rates and commodity prices may affect the value of the Company's financial assets, liabilities or expected future cash flows.

The fair value information presented below is based on the information available with the management as of the reporting date.

(c.1) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including borrowing, trade and other payable etc., are mitigated through the use of derivative instruments. The Company does not use derivative financial instruments for trading or speculative purposes.

A reasonably possible strengthening / weakening of the Indian Rupee against such foreign currency (converted to US Dollars) as at 31st March, 2018 and 31st March, 2017 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 receivables / (payables) (net)	Effect on profit / (loss) before tax	Impact on Equity
31st March, 2018	**10%**	**10,441**	**1,044**	**1,044**
	-10%		**(1,044)**	**(1,044)**
31st March, 2017	10%	(5,645)	(565)	(565)
	-10%		565	565

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution.

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

	As at 31st March, 2018	As at 31st March, 2017
Less than 1 year Forward contract to cover both present and future foreign currency exposures :		
Import payables	-	42,768
Foreign currency loan payable (including interest)	-	38,110
Export Receivables	2,537	925

(c.2) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

The exposure of the Company's financial assets and financial liabilities as at 31st March, 2018 and 31st March, 2017 to interest rate risk is as follows :

Financial Assets	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
31st March, 2018	**78,614**	**-**	**4,360**	**74,254**
31st March, 2017	73,573	-	1,662	71,911

Financial liabilities	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
31st March, 2018	**5,81,496**	**4,90,262**	**3,279**	**87,955**
31st March, 2017	5,99,108	5,21,130	3,694	74,284

If the interest rates applicable to floating rate instruments is increased / decreased by 1%, the profit before tax for the year ended 31st March, 2018 would decrease/(increase) by Rs 4,903 lakhs (31st March, 2017 : Rs 5,211 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 and wire & wire rope products. Market forces generally determine prices for such products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel and wire & wire rope 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 31st March, 2018 and 31st March, 2017 respectively.

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 are negative.

Notes to the financial statements (All amounts in Rs. Lakhs)

Impact for a 5% change on the statement of profit and loss		
Particulars	**Increase**	**Decrease**
31st March, 2018		
Coal	**(6,824)**	**6,824**
Iron ore	**(504)**	**504**
31st March, 2017		
Coal	(4,814)	4,814
Iron ore	(427)	427

37 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.

37 D. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity. The Company's primary capital management objectives are to ensure its ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders.

The Company manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Company may pay dividend or repay debts, raise new debt or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018 and 31st March, 2017 respectively. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The following table summarises the capital of the Company -

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Cash and cash equivalents [refer note 9 (ii)]	1,046	402
Other bank balances [refer note 9 (iii)]	1,243	62
Total Cash (a)	**2,289**	**464**
Non - current borrowings [refer note 13 (i)]	2,65,579	2,72,801
Current borrowings [refer note 18 (i)]	82,516	81,877
Current maturities of long-term borrowings [refer note 18 (iii)]	32,222	54,460
Total borrowings (b)	**3,80,317**	**4,09,138**
Net debt (c = b-a)	**3,78,028**	**4,08,674**
Total equity	**17,355**	**45,573**
Total capital (equity + net debt) (d)	**3,95,383**	**4,54,247**
Gearing ratio (c/d)	**0.96**	**0.90**

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

38 (a) The Company was allocated two coal blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Supreme Court order dated 24th September, 2014 followed by promulgation of the Coal Mines (Special Provisions) Act, 2015, (CMSP Act), the allocation of all coal blocks since 1993, including the aforesaid coal blocks allocated to the Company was cancelled with effect from 24th September, 2014 in case of Lohari Coal Block and 1st April, 2015 in the case of Kathautia Coal Block.

Through the process of public auction as envisaged in the CMSP Act, the aforesaid Coal Blocks of the Company had been allocated to other successful bidders by the Central Government. Pursuant to conclusion of such auction, the Central Government had also issued vesting orders for Kathautia and Lohari Coal Blocks for transfer and vesting the Company's rights, title and interest in and over the land and mine infrastructure of the said coal blocks to the respective successful bidders.

Upon de-allocation of aforesaid coal blocks, the Company has reclassified its related 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, 2018	As at 31st March, 2017
Assets held for sale [refer note (e) below]	2,290	3,419
Advances against land-coal mines under other current assets (refer note 10)	10,532	10,532
Advances against land-coal mines under other non current assets (refer note 7)	2,851	2,851
Total	**15,673**	**16,802**

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 previous year, the Hon'ble Jharkhand High Court had, vide order dated January 11, 2017, directed the State Government of Jharkhand to take decision on denotification of land acquisition proceedings in respect of land which was being acquired for the Company's mining purposes. The land acquisition proceedings have since been denotified by the State Government of Jharkhand. Based on interactions with and intimations received from the State Government of Jharkhand, management believes that the advance of Rs 10,532 lakhs deposited by the Company for such acquisition will be refunded/ received within the next financial year.

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

After taking into consideration the present developments as set out above and the recourses available to the Company for recovery of investments from the concerned authorities / parties on the basis of advice of legal counsel, management is of the opinion that the realizable value of aforesaid assets will not be less than their carrying values.

38 (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.1,295 lakhs (31st March, 2017: Rs 1,386 lakhs) has been disclosed as "Assets held for sale".

38 (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, 2017: Rs 1,035 lakhs) has been disclosed as "Assets held for sale".

38 (d) The Company has received advance amounting to Rs 390 lakhs against sale of land (31st March, 2017 : Rs 1,239 lakhs) Consequently, the written down value of such assets amounting to Rs 114 lakhs (31st March, 2017 : Rs 750 lakhs) has been disclosed as "Assets held for sale".

38 (e) Assets held for sale includes 122 plots of Freehold Land amounting to Rs. 282 lakhs (31st March, 2017 : Rs. 282 lakhs) located at Coal Mine sites in respect of which conveyance deeds are yet to be executed in favour of the Company.

39. Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015

I. Loans and advances in the nature of loans to subsidiaries

		As at 31st March, 2018	As at 31st March, 2017
	Loans to subsidiaries :		
(a)	Usha Siam Steel Industries Public Company Limited		
	Balance as at the year end *	1,042	941
	Maximum amount outstanding at any time during the year	1,042	960
(b)	UM Cables Limited		
	Balance as at the year end *	1,000	-
	Maximum amount outstanding at any time during the year	1,000	-
	The aforesaid loanees have not made any investments in the shares of the Company.		
	* No repayment schedule or repayment beyond seven years		

II. As per the Company's policy, loan to employees are not considered in (I) above.

Notes to the financial statements (All amounts in Rs. Lakhs)

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

	As at 31st March, 2018	As at 31st March, 2017
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	1,436	920
ii) Interest due on above	199	274
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	349	150
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Company.

41. Group information

The Company has following subsidiaries and jointly controlled entities for which the Company prepares Consolidated Financial Statements as per Ind AS 110: Consolidated Financial Statements.

	Principal place of business	% of equity interest as on 31st March, 2018	% of equity interest as on 31st March, 2017
Information about subsidiaries			
Domestic:			
UM Cables Limited	India	100%	100%
Usha Martin Power and Resources Limited	India	100%	100%
Bharat Minex Private Limited	India	100%	100%
Gustav Wolf Speciality Cords Limited	India	100%	100%
Overseas:			
Usha Martin International Limited #	United Kingdom	100%	92%
Usha Martin UK Limited @	United Kingdom	100%	100%
European Management and Marine Corporation Limited @	United Kingdom	100%	100%
Brunton Shaw UK Limited @	United Kingdom	100%	100%
De Ruiter Staalkabel B.V. @	Netherlands	100%	100%
Usha Martin Europe B.V. @	Netherlands	100%	100%
Usha Martin Italia S.R.L. @	Italy	100%	100%
Brunton Wolf Wire Ropes FZCO.	United Arab Emirates, Dubai	60%	60%
Usha Martin Americas Inc.	United States of America	100%	100%
Usha Siam Steel Industries Public Company Limited	Thailand	98%	98%
Usha Martin Singapore Pte. Limited	Singapore	100%	100%
Usha Martin Australia Pty Limited @	Australia	100%	100%
Usha Martin Vietnam Company Limited @	Vietnam	100%	100%
PT Usha Martin Indonesia @	Indonesia	100%	100%
Usha Martin China Company Limited @	China	100%	100%
Information about jointly controlled entities			
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	50%	50%
Tesac Usha Wirerope Company Limited*	Thailand	50%	50%

@ Represents step-down subsidiary

* Represents step-down jointly controlled entity

During the financial year 2012-13, Usha Martin International Limited (UMIL), a subsidiary of the Company had issued and allotted 5,13,860 "C" ordinary shares of nominal value GBP 0.61 per share with voting rights to a party with resultant reduction in Company's control from 100% to 92% in UMIL. In accordance with the terms of the above agreement, UMIL has exercised the option to purchase the shares from the aforesaid shareholder at the price of GBP 0.658 per share for an aggregate purchase price of GBP 3,38,119.88, on July 3, 2017. As a result, effective July 3, 2017, UMIL became a wholly owned subsidiary of the Company.

42. During the year, the Company has continued to incur losses although its performance in terms of profitability and cash flows has improved in the later part of the year primarily due to recent improvements in the domestic steel sector. At the year end, the Company's current liabilities exceeds its current assets by Rs. 176,620 Lakhs (31st March, 2017 : Rs. 161,141 lakhs). However, based on the Company's expected improvement in performance, continuation / roll over of working capital facilities from banks, expected receipt of compensation in respect of de-allocated coal block and sale of business / non-core assets being evaluated, management believes that the Company will be in a position to meet its obligations towards the banks and financial institutions and continue its present scale of operations for the next twelve months.

43. The Board of Directors of the Company continues to evaluate the possibility of sale of its "Wire and Wire Rope" business.

44. Previous year's figures have been regrouped / rearranged wherever necessary, to conform to current year's presentation.

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 : 21st May, 2018

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

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" henceforth) and jointly controlled entities, comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss including the consolidated Statement of Other Comprehensive Income, the consolidated Cash Flow Statement, 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 Ind AS 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 consolidated other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group and 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 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 statementsby 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 but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2018, their consolidated loss including impact of other comprehensive income, 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 40(a) regarding recoverability of book values of Rs 15,673 lakhs of movable 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.

Other Matter

We did not audit the financial statements and other financial information, in respect of nineteen subsidiaries,whose Ind AS financial statements include total assets of Rs 135,239 Lakhs and net assets of Rs 58,719Lakhs as at 31st March, 2018, total revenues of Rs103,646 Lakhs and net cash inflowsof Rs 40 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 84 Lakhs for the year ended 31st March, 2018, as considered in the consolidated financial statements, in respect of three jointly controlled entities, 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 report(s) of such other auditors.

Our above opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and 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, 2018 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and jointly controlled entities incorporated in India, none of the directors of the Group's companies and its jointly controlled entities incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and jointly controlled entities 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 reports of other auditors on separate financial statements as also the other financial information of 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 the consolidated financial position of the Group and its jointly controlled entities – Refer Note 19 and 35C (i) to the consolidated Ind AS financial statements;

   ii. The Group and its jointly controlled entities did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31st March, 2018.

   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 entities incorporated in India during the year ended 31st March, 2018.

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: 21st May, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF USHA MARTIN LIMTED

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, 2018, 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 entities, 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 entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these four subsidiary companies and two jointly controlled entities, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and jointly controlled entities 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: 21st May, 2018

Consolidated Balance Sheet as at 31st March, 2018

(All amounts in Rs. Lakhs)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non - current assets			
(a) Property, plant and equipment	**3**	4,76,163	4,92,488
(b) Capital work-in-progress	**3**	11,298	12,091
(c) Investment property	**4**	734	766
(d) Goodwill on consolidation		5,522	5,522
(e) Intangible assets	**5**	3,809	4,359
(f) Equity accounted investments	**6(i)**	3,850	3,669
(g) Financial assets			
(i) Investments	**6(ii)**	5	5
(ii) Loans and advances	**6(iii)**	111	133
(iii) Other financial assets	**6(iv)**	1,767	1,913
(h) Deferred tax assets (net)	**7**	896	704
(i) Advance income tax assets (net)	**8**	3,842	3,545
(j) Other non current assets	**9**	11,413	10,917
Total non-current assets		**5,19,410**	**5,36,112**
Current assets			
(a) Inventories	**10**	1,22,568	1,30,908
(b) Financial assets			
(i) Trade receivables	**11(i)**	67,137	68,264
(ii) Cash and cash equivalents	**11(ii)**	4,973	4,289
(iii) Other bank balances	**11(iii)**	2,129	806
(iv) Loans and advances	**11(iv)**	907	909
(v) Other financial assets	**11(v)**	971	416
(c) Other current assets	**12**	22,598	25,549
Assets held for sale	**40**	4,734	6,590
Total current assets		**2,26,017**	**2,37,731**
Total assets		**7,45,427**	**7,73,843**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	**13**	3,054	3,054
(b) Other equity	**14**	69,652	91,438
Equity attributable to equity shareholders of the parent		**72,706**	**94,492**
Non-controlling interest		3,369	3,394
Total equity		**76,075**	**97,886**
Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	**15(i)**	2,75,265	2,84,481
(ii) Other financial liabilities	**15(ii)**	-	205
(b) Provisions	**16**	5,751	5,192
(c) Government grants	**17**	3,151	3,041
(d) Deferred tax liabilities (net)	**18(a)**	1,633	1,379
(e) Other non-current liabilities	**19**	1,592	1,888
Total non-current liabilities		**2,87,392**	**2,96,186**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**20(i)**	96,989	95,285
(ii) Trade payables	**20(ii)**	1,96,412	1,81,988
(iii) Other financial liabilities	**20(iii)**	53,116	79,421
(b) Provisions	**21**	1,716	1,793
(c) Current tax liabilities (net)	**22**	402	333
(d) Government grants	**23**	-	110
(e) Other current liabilities	**24**	33,325	20,841
Total current liabilities		**3,81,960**	**3,79,771**
Total liabilities		**6,69,352**	**6,75,957**
Total equity and liabilities		**7,45,427**	**7,73,843**

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 : 21st May, 2018

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, 2018

(All amounts in Rs. Lakhs)

Particulars	Notes	Year ended 31st March, 2018	Year ended 31st March, 2017
Income			
Revenue from operations	**25**	4,76,789	4,25,510
Other income	**26**	8,530	11,991
Total income		**4,85,319**	**4,37,501**
Expenses			
Cost of materials consumed	**27**	2,18,801	1,73,763
Purchase of stock-in-trade		592	5,457
(Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product	**28**	15,304	4,174
Excise duty on sale of goods		11,011	37,316
Employee benefits expenses	**29**	38,244	37,112
Finance costs	**30**	58,698	56,424
Depreciation and amortisation expenses	**31**	30,487	29,998
Other expenses	**32**	1,38,550	1,28,746
Total expenses		**5,11,687**	**4,72,990**
Profit/(loss) before tax and share of profit/(loss) of jointly controlled entities		**(26,368)**	**(35,489)**
Tax expenses			
(1) Current tax		518	781
(2) Adjustment of tax relating to earlier years		-	(67)
(3) Deferred tax expense/(credit)		(7)	(251)
Total tax expense		**511**	**463**
Profit /(loss) before share of profit/(loss) of jointly controlled entities		**(26,879)**	**(35,952)**
Share of profit/(loss) of jointly controlled entities		84	196
Profit/(loss) after share of profit of jointly controlled entities		**(26,795)**	**(35,756)**
Other comprehensive income / (loss)			
Gains / (losses) that will not be subsequently reclassified to Consolidated Statement of Profit and Loss:			
Re-measurement gains /(losses) on defined benefit plans, net of tax	**36**	(8)	(110)
Items that will be subsequently reclassified to Consolidated Statement of Profit and Loss			
Exchange differences on translation of financial statements of foreign operations		5,364	(4,849)
Total other comprehensive income / (loss) for the year, net of tax		**5,356**	**(4,959)**
Total comprehensive income / (loss) for the year		**(21,439)**	**(40,715)**
Profit / (loss) for the year attributable to :			
Equity shareholders of the parent		(27,123)	(35,891)
Non-controlling interest		328	135
Other comprehensive income /(loss) attributable to :			
Equity shareholders of the parent		5,356	(4,959)
Non-controlling interest		-	-
Total comprehensive income/(loss) for the year attributable to :			
Equity shareholders of the parent		(21,767)	(40,850)
Non-controlling interest		328	135
Earnings / (loss) per equity share	**33**		
Basic and diluted, computed on the basis of profit/(loss) attributable to equity holders of the parent (in Rs per share) [Nominal value per share Re. 1 each (31st March, 2017: Re. 1 each)]		(8.90)	(11.78)

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 : 21st May, 2018

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 cash flows for the year ended 31st March, 2018

(All amounts in Rs. Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A.	**Operating activities**		
	Profit /(loss) before tax	(26,368)	(35,489)
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation and amortisation expenses	30,487	29,998
	Net gain on disposal of property, plant and equipment	(3,229)	(3,188)
	Unrealised derivative loss/(gain) (net)	79	2,490
	Finance costs	58,698	56,424
	Bad Debts / advances written off	553	497
	Allowance for doubtful debts and advances (net)	2,073	202
	Tangible assets / capital work-in-progress written off	127	33
	Gain on derivative contracts / cancellation of forward contracts (net)	(1,385)	-
	Interest income on financial assets carried at amortised cost	(668)	(774)
	Unrealised foreign exchange differences (net)	1,807	(1,720)
	Effect of change in foreign exchange translation	23	(1,495)
	Liabilities no longer required written back	(2,147)	(1,328)
	Gain on disposal of non-current investments	-	(519)
	Operating profit before working capital changes	**60,050**	**45,131**
	Working capital adjustments:		
	Decrease / (Increase) in inventories	8,340	(1,538)
	(Decrease) in trade receivables	(721)	(7,515)
	Decrease / (Increase) in loans and advances	24	(729)
	(Increase) / Decrease in other financial assets	(856)	160
	Decrease / (Increase) in other assets	2,259	(2,131)
	Increase in Trade Payables	12,298	31,687
	Increase in provisions	326	711
	(Decrease) / Increase in other financial liabilities	(4,444)	625
	Increase in other liabilities	14,884	2,338
	Cash generated from operations	**92,160**	**68,739**
	Direct taxes paid	(784)	(157)
	Net cash flows from operating activities	**91,376**	**68,582**
B.	**Investing activities**		
	Purchase of property, plant and equipment	(8,718)	(13,015)
	Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale	4,653	8,425
	Proceeds from sale of investments	-	845
	Interest received	2,033	592
	(Investment in) / proceeds of bank deposits (with original maturity more than 3 months)	(1,334)	35
	Net cash flows used in investing activities	**(3,366)**	**(3,118)**
C.	**Financing activities**		
	Proceeds from long term borrowings	25,542	42,022
	Repayment of long term borrowings	(56,589)	(43,645)
	(Repayment of) / proceeds from working capital loan from bank	(12,944)	10,318
	Proceeds from / (repayment of) short term borrowings	14,648	(18,798)
	Interest paid	(57,699)	(56,042)
	Dividend to the extent paid by a subsidiary to minority shareholders	(113)	(110)
	Net cash flows used in financing activities	**(87,155)**	**(66,255)**

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(All amounts in Rs. Lakhs)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
D.	**Effect of foreign exchange differences on cash and cash equivalents**	**(171)**	**259**
	Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	**684**	**(533)**
	Cash and cash equivalents at the beginning of the year	4,289	4,822
	Cash and cash equivalents at the year end	**4,973**	**4,289**
	Cash and cash equivalents as per Note 11 (ii):		
	Balances with banks:		
	On current accounts	4,319	4,224
	Deposits with original maturity less than 3 months	533	-
	Cash on hand	49	58
	Cheques/drafts on hand	72	7
		4,973	**4,289**

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

The accompanying notes are an integral part of the 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 : 21st May, 2018

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, 2018

(All amounts in Rs. Lakhs)

A) Equity share capital

Equity shares of Re 1 each issued, subscribed and fully paid	Number of Shares	Amount
As at 31st March, 2016	**30,47,41,780**	**3,054 ***
Changes in equity share capital during the year	-	-
As at 31st March, 2017	**30,47,41,780**	**3,054 ***
Changes in equity share capital during the year	-	-
As at 31st March, 2018	**30,47,41,780**	**3,054 ***

* including share forfeited Rs 7 lakhs (31st March, 2017 : Rs 7 lakhs)

B) Other equity

For the year ended 31st March, 2018											
	Attributable to the equity holders of the parent										
	Reserves and surplus								Items of other comprehensive income		
Particulars	Securities premium account	Capital reserve	Capital redemption reserve	General reserve	Legal reserve	Retained earnings	Money received against equity warrant	Other reserves	Foreign currency translation reserve	Total other equity	Non-controlling interest
As at 31st March, 2016	**85,584**	**379**	**6,631**	**54,439**	**265**	**(23,492)**	**2,934**	**3,416**	**2,132**	**1,32,288**	**3,431**
Profit/(loss) for the year	-	-	-	-	-	(35,891)	-	-	-	(35,891)	135
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(62)
Amount forfeited out of money received against equity warrants and taken to other reserves	-	-	-	-	-	-	(2,934)	2,934	-	-	-
Re-measurement gains / (losses) on defined benefit plans, net of tax	-	-	-	-	-	(110)	-	-	-	(110)	-
Exchange differences on translation	-	-	-	-	-	-	-	-	(4,849)	(4,849)	-
Dividends	-	-	-	-	-	-	-	-	-	-	(110)
As at 31st March, 2017	**85,584**	**379**	**6,631**	**54,439**	**265**	**(59,493)**	**-**	**6,350**	**(2,717)**	**91,438**	**3,394**
Profit/(loss) for the year	-	-	-	-	-	(27,123)	-	-	-	(27,123)	328
Impact of buyback of shares	-	289	-	-	-	(308)	-	-	-	(19)	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(241)
Re-measurement gains / (losses) on defined benefit plans, net of tax	-	-	-	-	-	(8)	-	-	-	(8)	-
Exchange differences on translation	-	-	-	-	-	-	-	-	5,364	5,364	-
Dividends	-	-	-	-	-	-	-	-	-	-	(112)
As at 31st March, 2018	**85,584**	**668**	**6,631**	**54,439**	**265**	**(86,932)**	**-**	**6,350**	**2,647**	**69,652**	**3,369**

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 : 21st May, 2018

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

1. Group overview

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

The Company and its subsidiaries and jointly controlled entities (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) These financial statements of the Group have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

(ii) These financial statements were approved for issue by the Board of Directors on 21st May, 2018.

b. Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the results of Usha Martin Limited and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

For non-wholly owned subsidiaries, a share of the profit / loss for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statement of profit and loss and consolidated balance sheet.

For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-group balances and transactions, and any unrealized income and expenses arising from 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 jointly controlled entity. 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 jointly controlled entity 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 only jointly controlled entities.

Jointly controlled entities

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

Equity method of accounting

UUnder the equity method of accounting applicable for jointly controlled entities, 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 jointly controlled entities is recognised as a reduction in carrying amount of the investment.

Unrealised gains on transactions between the Group and its jointly controlled entities 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 jointly controlled entity equals or exceeds its interests in the jointly controlled entity, 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 jointly controlled entity.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2B (s) below.

c. 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.

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 Group's financial statements are disclosed below.

The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017,and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115- Revenue from Contracts with Customers:

Ind AS 115 was issued on 28th March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1st April, 2018.

The Group plans to adopt the new standard on 1st April, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31st March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

On the basis of the analysis conducted, the new standard would result in identification of various standalone components of each revenue contracts as separate performance obligations implying segregation of revenue based on fulfilment of each such standalone obligation. The overall effect of implementation of Ind AS 115 is not material on the recognition and measurement of revenues, though there would be significant additional disclosure requirements for the Company to comply with. The Company will adopt the modified transitional approach to implementation where any transitional adjustment is recognised in retained earnings at 1st April, 2018 without adjustment of comparatives and the new standard will only be applied to contracts that remain in force at that date.

Appendix B to Ind AS 21- Foreign currency transactions and advance consideration:

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

Ind AS 12 - Income Taxes:

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Ind AS 28 - Investments in Associates and Jointly controlled entities:

Clarification that measuring investees at fair value through profit and loss is an investment-by-investment choice :

i) An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and jointly controlled entities at fair value through profit and loss

ii) If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which:

    (a) the investment entity associate or joint venture is initially recognised;

    (b) the associate or joint venture becomes an investment entity; and

    (c) the investment entity associate or joint venture first becomes a parent.

Ind AS 40 : Investment property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

Amendments to Ind AS 112 : Disclosure of Interests in other entities is not applicable to the Company.

e. New and amended standards and interpretations

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1st April, 2017. The nature and the impact of each amendment is described below:

Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for both the current and the comparative period in note 15(i).

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. The Group has identified twelve months as its operating cycle.

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. Basis of measurement

Fair value measurement

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

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

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

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

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

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

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

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

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

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

d. 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 excluding taxes and duties collected on behalf of the Government.

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. However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

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

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.

Rendering of services

Revenue from the sale of services is recognised upon the rendering of services and are recognised net of service tax / Goods and Service Tax(GST).

Interest income

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

Dividends

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

Rental Income

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

e. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

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

When significant parts of plant and equipment are required to be replaced at intervals, the 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.

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

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

(i) Capital work-in-progress

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

(ii) Depreciation

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

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

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

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

Particulars	Useful economic life
Building	30-68 years
Plant and equipment	10-35 years
Railway siding	15 years
Electrical installation	10-30 years
Water treatment and supply plant	30 years
Office equipment	3-10 years
Furniture and fixture	4-22 years
Vehicles	4-10 years

Leasehold land is amortised over the tenure of respective leases. Mining lease and development is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.

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

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

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

f. Investment properties

Investment properties are measured initially at cost, including transaction costs.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of disposal.

The Group depreciates the building over estimated useful lives of 30 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

g. Intangible assets

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

The Group has intangible assets with finite useful lives.

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

Trademarks are amortised on straight-line method at the rates determined based on estimated useful lives of 15 years.

Expenditure related to development of mines are amortized on unit of production basis in proportion to mineral resources expected to be economically recoverable.

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

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

Research and development costs

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

(i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

(ii) Its intention to complete and its ability and intention to use or sell the asset

(iii) How the asset will generate future economic benefits

(iv) The availability of resources to complete the asset

(v) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit and the expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

h. 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 disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in profit and loss.

i. 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. Actions required to complete the sale / distribution should indicate that it is unlikely that significant changes to the sale / distribution will be made or that the decision to sell / distribute will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

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

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

Non-current assets held for sale 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.

j. Foreign currencies

In the financial statements of the Group, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). For the purposes of the consolidated financial statements, items in the consolidated statements of profit and loss of those operations for which the Indian Rupees is not the functional currency are translated into Indian Rupees at the average rates of exchange during the year. The related consolidated balance sheet is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entities, the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in profit and loss.

The Group had applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 :First time adoption of Indian Accounting Standards gives an option, which has been exercised by the Group, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized up to 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 1st April, 2016, exchange differences arising on translation / settlement of long-term foreign currency monetary items, acquired post 1st April, 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.

k. Government grants

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

l. Taxes

Current income tax

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

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

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

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

m. 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.

n. Leases

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

Group as a lessee

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

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

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

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

Operating lease commitments – Group as lessor

The Group has entered into commercial leases on its building. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial building and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

o. Inventories

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

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

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

Scrap / by products are valued at net realisable value.

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

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

p. 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.

q. Provisions, contingent liabilities and contingent assets

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

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

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

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

r. Employee benefit schemes

(i) Short-term employee benefits

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

Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

(ii) Post-employment benefits

· Defined contribution plan

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

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

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

Gratuity

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

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

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

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

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

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

Provident fund

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

Long term service award

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

s. Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

(i) Debt instruments at amortised cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

(iv) Equity investments

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on Trade receivables 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 whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at Fair Value through Profit and Loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109: Financial instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has designated forward exchange contracts as at fair value through profit and loss.

Loans and borrowings

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

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

t. Derivative financial instruments

Initial recognition and subsequent measurement

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

u. Cash and cash equivalents

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

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

v. 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.

w. Earnings per share

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

x. 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".

y. Use of estimates and critical accounting judgments

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

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

Notes to the consolidated financial statements

(All amounts in Rs. Lakhs)

3. Property, plant and equipment

Particulars	Freehold land	Leasehold land	Mining lease and develop-ment	Buildings	Plant and equipment		Railway siding	Electrical installation	Water treatment and supply plant	Office equipment	Furniture and fixture	Vehicle		Total	Capital work-in-progress
					(Owned)	(On finance lease)						(Owned)	(On finance lease)		
Gross block															
As at 31st March, 2016	**17,180**	**557**	**2,676**	**51,205**	**4,21,763**	**307**	**2,012**	**54,907**	**689**	**730**	**515**	**1,207**	**20**	**5,53,768**	**12,360**
Additions [refer note (e)]	-	-	-	2,137	4,950	32	-	84	57	276	37	238	27	7,838	4,735
Disposals / adjustments [refer note (c)]	2,781	349	-	1,396	443	-	-	268	-	14	28	174	18	5,471	5,003
Exchange difference on consolidation	(12)	-	-	(1,978)	(1,999)	(42)	-	(1)	-	(45)	(9)	(78)	-	(4,164)	(1)
As at 31st March, 2017	**14,387**	**208**	**2,676**	**49,968**	**4,24,271**	**297**	**2,012**	**54,722**	**746**	**947**	**515**	**1,193**	**29**	**5,51,971**	**12,091**
Additions [refer note (e)]	68	-	-	586	7,101	-	-	371	-	114	30	186	127	8,583	2,899
Disposals / adjustments [refer note (c)]	92	-	-	98	1,004	-	-	9	18	2	(6)	294	-	1,511	3,705
Exchange difference on consolidation	405	-	-	2,339	3,313	40	-	-	-	63	18	25	5	6,208	17
As at 31st March, 2018	**14,768**	**208**	**2,676**	**52,795**	**4,33,681**	**337**	**2,012**	**55,084**	**728**	**1,122**	**569**	**1,110**	**161**	**5,65,251**	**11,302**
Accumulated Depreciation															
As at 31st March, 2016	**-**	**7**	**209**	**3,748**	**23,333**	**8**	**226**	**2,531**	**17**	**159**	**117**	**301**	**3**	**30,659**	**-**
Charge for the year	-	21	438	3,754	22,150	11	226	2,442	20	195	98	253	2	29,610	-
Disposals / adjustments	-	8	-	82	102	-	-	113	-	8	17	73	-	403	-
Exchange difference on consolidation	-	-	-	(75)	(217)	(2)	-	-	-	(18)	(2)	(69)	-	(383)	-
As at 31st March, 2017	**-**	**20**	**647**	**7,345**	**45,164**	**17**	**452**	**4,860**	**37**	**328**	**196**	**412**	**5**	**59,483**	**-**
Charge for the year	-	3	250	3,154	23,023	11	226	2,394	19	214	76	175	59	29,604	-
Disposals / adjustments	-	-	-	5	418	-	-	1	1	2	2	246	5	680	(4)
Exchange difference on consolidation	-	-	-	133	499	3	-	-	-	26	8	11	1	681	-
As at 31st March, 2018	**-**	**23**	**897**	**10,627**	**68,268**	**31**	**678**	**7,253**	**55**	**566**	**278**	**352**	**60**	**89,088**	**4**
Net block															
As at 31st March, 2018	**14,768**	**185**	**1,779**	**42,168**	**3,65,413**	**306**	**1,334**	**47,831**	**673**	**556**	**291**	**758**	**101**	**4,76,163**	**11,298**
As at 31st March, 2017	14,387	188	2,029	42,623	3,79,107	280	1,560	49,862	709	619	319	781	24	4,92,488	12,091

Notes :

a) For lien / charge against property, plant and equipment refer note 15(i), note 20(i) and note 20(iii).

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

1. Two plots of land of Rs. 2,315 lakhs as at 31st March, 2018 (31st March, 2017 : Rs. 2,315 lakhs) located at Ranchi, acquired pursuant to a scheme of arrangement which are held in the name of the transferor company.
2. Three plots (31st March, 2017 : two plots) of land of Rs. 742 lakhs as at 31st March, 2018 (31st March, 2017 : Rs. 674 lakhs) located at Jamshedpur, in respect of which conveyance deed is yet to be executed in favour of the Company.
3. One plot of land of Rs 29 lakhs as at 31st March, 2018 (31st March, 2017 : Rs 29 lakhs) located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
4. One plot of land of Rs. 42 lakhs as at 31st March, 2018 (31st March, 2017 : Rs. 42 lakhs) located at Kolkata in respect of which title deeds are not readily traceable.

II. Leasehold land includes :

Two plots of land gross block and net block of Rs. 5 lakhs and Rs. 3 lakhs as at 31st March, 2018 (31st March, 2017 : gross block Rs. 5 lakhs and net block Rs. 4 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. 1 lakh and Rs. 1 lakh as at 31st March, 2018 (31st March, 2017 : gross block Rs. 1 lakh and net block Rs. 1 lakh)] located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
2. Two properties [gross block and net block of Rs. 8 lakhs and Rs. 7 lakhs as at 31st March, 2018 (31st March, 2017 : gross block Rs. 8 lakhs and net block Rs. 8 lakhs)] located at Kolkata in respect of which title deeds are not readily traceable.

c) Disposal/adjustments during the year includes transfer to assets held for sale related to land located at Daltongunj amounting to Rs 114 lakhs (31st March, 2017 : Rs 1,386 lakhs for assets held for sale related to Chennai Bright bar and Rs 750 lakhs for sale of land related to Ranchi).

d) Finance leases

The Group has acquired certain fixed assets under finance lease arrangements. Minimum lease payments outstanding and other particulars in respect of leased assets are as under:

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	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	45	6	39	71	9	62
Later than one year and not later than five years	60	4	56	151	15	136
Total	**105**	**10**	**95**	**222**	**24**	**198**

e) Additions comprise adjustments on account of exchange loss of Rs.2,136 lakhs (31st March, 2017 : Rs. 437 lakhs)

4. Investment property	
Particulars	**Building**
Gross block	
As at 31st March, 2016	**929**
Adjustment / disposal	91
Foreign exchange difference	(16)
As at 31st March, 2017	**822**
Foreign exchange difference	3
As at 31st March, 2018	**825**
Accumulated depreciation	
As at 31st March, 2016	**39**
Depreciation expense for the year	36
Adjustment / disposal	18
Foreign exchange difference	(1)
As at 31st March, 2017	**56**
Depreciation expense for the year	35
As at 31st March, 2018	**91**
Net block	
As at 31st March, 2018	**734**
As at 31st March, 2017	766

a) **Information regarding income and expenditure of investment property**

Particulars	**Year ended 31st March, 2018**	**Year ended 31st March, 2017**
Rental income derived from investment property	223	349
Direct operating expenses (including repairs and maintenance) generating rental income	18	23
Profit arising from investment property before depreciation and indirect expenses	205	326
Less : Depreciation	35	36
Profit arising from investment property before indirect expenses	170	290

b) **Information regarding investment property**

The Group's investment property consist of a commercial building in Singapore of Usha Martin Singapore Pte. Limited, which is leased to third party. The group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

c) **Fair valuation of investment property**

The valuation is based on valuations performed by an independent valuer in accordance with the valuation standards and practice guidelines issued by the Singapore Institute of Surveyors and Valuers.

The fair value of the investment property amounting to Rs. 2,118 lakhs (31st March, 2017 : Rs. 1,996 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.

(All amounts in Rs. Lakhs)

5. Intangible assets				
Particulars	**Computer software**	**Trademark**	**Mining Rights**	**Total Intangible assets**
Gross block				
As at 31st March, 2016	**274**	**114**	**1,389**	**1,777**
Additions	3,211	-	-	3,211
Foreign exchange difference	(1)	(2)	-	(3)
As at 31st March, 2017	**3,484**	**112**	**1,389**	**4,985**
Additions	295	-	-	295
Foreign exchange difference	31	41	-	72
As at 31st March, 2018	**3,810**	**153**	**1,389**	**5,352**
Accumulated Amortisation				
As at 31st March, 2016	**75**	**10**	**87**	**172**
Charge for the year	306	11	145	462
Foreign exchange difference	(8)	-	-	(8)
As at 31st March, 2017	**373**	**21**	**232**	**626**
Charge for the year	694	10	144	848
Foreign exchange difference	40	29	-	69
As at 31st March, 2018	**1,107**	**60**	**376**	**1,543**
Net block				
As at 31st March, 2018	**2,703**	**93**	**1,013**	**3,809**
As at 31st March, 2017	3,111	91	1,157	4,359

Non - current assets

6 (i) Equity accounted investments	**As at 31st March, 2018**	**As at 31st March, 2017**
Investments - at cost unless otherwise stated		
Investment in equity instruments (unquoted)		
Investments in jointly controlled entities		
Pengg Usha Martin Wires Private Limited #		
1,08,00,000 (31st March, 2017 : 1,08,00,000) equity shares of Rs.10 each, fully paid	2,000	1,955
CCL Usha Martin Stressing System Limited		
4,73,195 (31st March, 2017 : 4,73,195) equity shares of Rs.10 each, fully paid	40	39
Tesac Usha Wires Pvt Limited (Jointly controlled entity of Usha Siam Steel Industries Public Group Limited, a subsidiary of the Company)		
12,50,000 (31st March, 2017 : 12,50,000) equity shares of THB.100 each, fully paid	1,810	1,675
Total	**3,850**	**3,669**
Aggregate amount of unquoted investments	3,850	3,669

Financial assets

6 (ii) Investments	As at 31st March, 2018	As at 31st March, 2017
Investments - at fair value through profit and loss		
Investment in equity instruments (unquoted)		
Investment in other companies		
Adityapur Toll Bridge Company Limited		
1,00,000 (31st March, 2017 : 1,00,000) equity shares of Rs.10 each, fully paid [Cost Rs. 10 lakhs (31st March, 2017 : Rs 10 lakhs), Rs 5 lakhs (31st March, 2017 : Rs 5 lakhs), impaired]	5	5
Usha Communications Technology Limited BVI		
1,21,10,242 (31st March, 2017 : 1,21,10,242) ordinary shares of USD 0.50 each, fully paid [Cost Rs. 28 lakhs (31st March, 2017 : Rs 28 lakhs), Rs 28 lakhs (31st March, 2017 : Rs 28 lakhs), fully impaired]	-	-
UMI Special Steel Limited (in liquidation)*		
1,80,68,472 (31st March, 2017 : 1,80,68,472) equity shares of Rs.10 each, fully paid	*	*
Adityapur Auto Cluster		
1,000 (31st March, 2017 : 1,000) equity shares of Rs.1,000 each, fully paid [Cost Rs. 10 lakhs (31st March, 2017 : Rs 10 lakhs), Rs 10 lakhs (31st March, 2017 : Rs 10 lakhs), fully impaired]	-	-
Total	**5**	**5**
Aggregate amount of unquoted investments	5	5

Refer note 35B(iii)(b)

* Amount is below the rounding off norm adopted by the Group

6 (iii) Loans and advances	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless otherwise stated)		
Loans to employees	**111**	**133**

6 (iv) Other financial assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless otherwise stated)		
Bank deposits with more than 12 months maturity	7	-
Security deposits	1,591	1,631
Interest accrued but not due on deposits	169	282
Total	**1,767**	**1,913**

7. Deferred tax assets (net)	As at 31st March, 2018	As at 31st March, 2017
Deferred tax assets (DTA)		
On expenses allowable against taxable income in future years	244	370
On carry-forward unabsorbed depreciation *	1,184	737
On carry-forward business losses	200	145
Total DTA	**1,628**	**1,252**
Deferred tax liabilities (DTL)		
Arising out of temporary difference in depreciable assets	146	46
Others	586	502
Total DTL	**732**	**548**
Deferred tax assets (net)	**896**	**704**

* Deferred tax assets on unabsorbed depreciation have been recognised to the extent of aggregate deferred tax liabilities at the year end, 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, 2018	As at 31st March, 2017
Advance payment of income tax [net of provision for tax - Rs. 42 lakhs (31st March, 2017 : Rs. 45 lakhs)]	**3,842**	**3,545**

9. Other non current assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless otherwise stated)		
Capital advances		
Considered good	2,760	2,862
Considered doubtful	313	240
Less : Allowance for doubtful capital advances	(313)	(240)
Leasehold land prepayments *	624	652
Prepaid expenses	55	83
Balances with Government authorities		
Excise / Service Tax	60	53
Sales tax / Value Added Tax	1,194	1,153
Deposit for legal case	325	-
Deposit for fuel surcharge / other electricity matters	2,885	2,885
Claims receivable		
Considered good	378	378
Considered doubtful	-	92
Less : Allowance for doubtful claims receivable	-	(92)
Advance against land - coal mines [refer note 40(a)]	2,851	2,851
Export incentive receivable	281	-
Total	**11,413**	**10,917**

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

Current assets

10. Inventories (at lower of cost and net realisable value)	As at 31st March, 2018	As at 31st March, 2017
Raw materials (including packing materials)	29,712	23,042
Goods-in-transit	4,431	3,613
	34,143	**26,655**
Work-in-progress*	**35,867**	**35,729**
Finished goods	36,516	53,120
Goods-in-transit	4,611	3,479
	41,127	**56,599**
Stock-in-trade	**44**	**21**
Stores and spares parts	4,517	4,484
Goods-in-transit	663	773
	5,180	**5,257**
Loose tools	**699**	**1,147**
Scrap / by-product	**5,508**	**5,500**
Total	**1,22,568**	**1,30,908**

Note : The value of inventories recognised as an expense includes Rs. 1,393 lakhs (31st March, 2017 : Rs. 1,218 lakhs) in respect of write-downs to net realisable value and provision for slow moving.

* Inventories at the year-end include slow moving iron ore fines aggregating Rs. 7,709 lakhs. Use of such fines for manufacture of pellets in earlier year was adversely affected by fall in price of pellets, resulting in inventory build up. In view of recent improvement in selling price of pellets, management is in the process of implementing plans for utilisation of such fines for manufacture of pellets, to be sold at prices that are expected to be higher than their corresponding costs.

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

11. Financial assets

(i) Trade receivables	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless otherwise stated)		
Considered good	67,137	68,264
Considered doubtful	2,227	866
Less: Allowance for doubtful receivables	(2,227)	(866)
Total	**67,137**	**68,264**

No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are generally on terms of 30 to 90 days.

(ii) Cash and cash equivalents	As at 31st March, 2018	As at 31st March, 2017
Balances with banks:		
On current accounts	4,319	4,224
Deposits with original maturity less than 3 months	533	-
Cheques / drafts on hand	72	7
Cash on hand	49	58
Total	**4,973**	**4,289**

(iii) Other bank balances	As at 31st March, 2018	As at 31st March, 2017
Unpaid dividend accounts #	16	28
Deposits with original maturity for more than 3 months but up to 12 months ##	2,113	778
Total	**2,129**	**806**

Earmarked for payment of unclaimed dividend

Earmarked as margin money against credit facilities granted, issuances of letters of credit and letters of guarantee.

(iv) Loans and advances (Unsecured, considered good unless otherwise stated)	As at 31st March, 2018	As at 31st March, 2017
Loans and advances to employees		
Considered good	135	137
Considered doubtful	10	10
Less: Allowance for doubtful loans and advances to employees	(10)	(10)
Loans and advances to body corporate*	772	772
Total	**907**	**909**

*Represents interest bearing loan to a body corporate carrying interest @15% p.a. payable in one yearly instalment on 31st March, 2019.

(v) Other financial assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured considered good unless otherwise stated)		
Accrued interest on deposits and others	252	118
Claims /advance receivable	447	-
Security deposits	272	298
Total	**971**	**416**

12. Other current assets	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, considered good unless otherwise stated)		
Advance against land - coal mines [refer note 40(a)]	10,532	10,532
Advances to suppliers**		
Considered good	5,146	4,251
Considered doubtful	927	302
Less: Allowance for doubtful advances	(927)	(302)
Balance with statutory / Government authorities		
Considered good	3,554	6,282
Considered doubtful	615	1,523
Less: Allowance for doubtful balance	(615)	(1,523)
Custom duty recoverable	504	503
Export incentive receivables	1,116	1,991
Prepaid expenses	1,701	1,962
Leasehold land prepayments *	28	28
Claims receivables	17	-
Total	**22,598**	**25,549**

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

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

Equity

13. Share capital	As at 31st March, 2018	As at 31st March, 2017
Authorised		
50,00,00,000 (31st March, 2017 : 50,00,00,000) equity shares of Re. 1 each	5,000	5,000
1,00,00,000 (31st March, 2017 : 1,00,00,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000
Total	**10,000**	**10,000**
Issued, subscribed and fully paid-up		
30,47,41,780 (31st March, 2017 : 30,47,41,780) equity shares of Re. 1 each	3,047	3,047
Add: Shares forfeited (amount originally paid-up)	7	7
Total	**3,054**	**3,054**

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

		As at 31st March, 2018	As at 31st March, 2017
Number of equity shares outstanding at the beginning and end of the year	Numbers	30,47,41,780	30,47,41,780
Amount of equity shares outstanding at the beginning and end of the year	Amount in Rs. Lakhs	3,047	3,047

(b) 2,34,52,950 (31st March, 2017 : 3,20,83,550) equity shares of face value of Re 1 each are represented by Global Depository Receipts (GDRs). Each GDR represents five underlying equity shares.

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

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

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

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

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

Name of the shareholder	As at 31st March, 2018	As at 31st March, 2017
Equity shares of Re 1 each fully paid-up		
UMIL Share & Stock Broking Services Limited	3,88,88,369	3,88,88,369
% holding	12.76%	12.76%
Usha Martin Ventures Limited	2,06,27,588	2,06,27,588
% holding	6.77%	6.77%
Peterhouse Investments Limited	2,39,71,455	1,89,71,455
% holding	7.87%	6.23%
Peterhouse Investments India Limited	2,07,67,330	2,07,67,330
% holding	6.81%	6.81%
Deutsche Bank Trust Company Americas #	2,34,52,950	3,20,83,550
% holding	7.70%	10.53%

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

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

14. Other equity	As at 31st March, 2018	As at 31st March, 2017
Securities premium	85,584	85,584
(Securities premium represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013)		
Capital reserve	668	379
(Capital reserve represents mainly state capital subsidy received from different State Governments)		
Capital redemption reserve	6,631	6,631
(Capita redemption reserve is created on redemption of preference shares as per statutory requirement and can be utilised in accordance with the provisions of the Companies Act, 2013)		
General reserve	54,439	54,439
(General reserve mainly represents appropriation from the statement of profit and loss and can be utilised in accordance with the provisions of the Companies Act, 2013)		
Legal reserve	265	265
(Represents statutory amount set aside as per Limited Public Company Act, Thailand and can be utilised in accordance with the provisions of the said Act)		
Retained earnings	(86,932)	(59,493)
(Retained earnings represent the cumulative profit / (loss) of the Group and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013)		
Foreign currency translation reserve	2,647	(2,717)
(This reserve contains accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities. Such foreign exchange differences are recognised in OCI. Exchange differences previously recognised in this reserve are reclassified to profit or loss on disposal of foreign operations)		
Other reserves	6,350	6,350
(Represent money received against equity warrants earlier forfeited and can be utilised in accordance with the provisions of the Companies Act, 2013)		
Total	**69,652**	**91,438**

Non - current liabilities

15. Financial liabilities (i) Borrowings	As at 31st March, 2018	As at 31st March, 2017
Secured		
Term loans		
- Banks (Rupee loans)	246,246	251,522
- Banks (foreign currency loans)	9,574	11,556
- Financial institution (Rupee loans)	18,671	20,149
- From a body corporate (Rupee loan)	662	1,130
Unsecured		
Finance lease obligation	84	86
Hire purchase	28	39
Total *	**2,75,265**	**2,84,481**

* Net of unamortised borrowing cost of Rs. 1,122 lakhs (31st March, 2017 : Rs. 1,372 lakhs)

	Term loans (secured)	Nature of security	As at 31st March, 2018	As at 31st March, 2017
	From banks (Rupee loans)			
(i)	ICICI Bank Limited	A, D	15,000	18,740
(ii)	ICICI Bank Limited	A, D	10,107	11,992
(iii)	ICICI Bank Limited	A, B, C, D	9,836	9,829
(iv)	State Bank of India	A, D	18,748	20,620
(v)	State Bank of India	A, B, C, D	45,375	49,350
(vi)	State Bank of India	A, B, C, D	89,307	89,591
(vii)	State Bank of India	A, B, C, D	9,000	-
(viii)	State Bank of India (erstwhile State Bank of Hyderabad)	A, B, C, D	7,452	6,467
(ix)	HDFC Bank Limited	A, B, D	1,915	1,983
(x)	RBL Bank Limited (erstwhile Ratnakar Bank Limited)	A, B, D	9,739	11,119
(xi)	Bank of Baroda	A, B, D	12,078	13,198
(xii)	Axis Bank Limited	A, B, C, D	4,988	4,870
(xiii)	Axis Bank Limited	A, B, C, D	12,701	13,763
	From banks (Foreign currency loans)			
(xiv)	IndusInd Bank - Foreign currency term loan	E,F	-	3,643
(xv)	IndusInd Bank	E,F	3,163	-
(xvi)	RABO Bank	G	2,672	2,440
(xvii)	Barclays Bank	H	-	1,113
(xviii)	CIMB Bank	I	3,739	4,272
(xix)	TMB Bank Limited	J	-	88
			2,55,820	**2,63,077**
	From financial institutions			
(xx)	Export Import Bank of India	A, D	-	16,247
(xxi)	Export Import Bank of India	A, B, C, D	18,671	3,902
			18,671	**20,149**
(xxii)	**From a body corporate**	K	662	1,130
			662	**1,130**
	Total		**275,153**	**284,356**

Loan covenants

Bank loans contain certain debt covenants relating to net debt to EBITDA, interest coverage ratio, debt service coverage ratio, fixed assets coverage ratio etc. The Group's applications to lenders in respect of certain covenants not being met for the relevant year/(s) are under consideration of respective lenders. The management believes that the Group's borrowings classified as non-current borrowings will continue to be on the same repayment terms and conditions as was agreed at the time of disbursement.

Nature of security

A These are secured by a first pari-passu charge by hypothecation/ mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders.

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.

E These are secured by a first pari-passu charge by hypothecation over all the movable property, plant and equipment (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) of UM Cables Limited excluding the assets exclusively charged to other lenders.

F These are secured by a second charge on entire current assets of UM Cables Limited (present and future), pari-passu with other term lenders.

G These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of De Ruiter Staalkabel B.V., subsidiary of Usha Martin International Limited.

H These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of Usha Martin UK, subsidiary of Usha Martin International Limited.

I These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of Usha Martin Singapore Pte. Limited.

J These are secured by a portion of land , buildings and structures, plant and machinery and equipment of Usha Siam Steel Industries Limited.

K These are secured against underlying assets.

Secured term loan - interest rate and terms of repayment

(a) Rupee term loan from a bank amounting to Rs. 15,000 lakhs (31st March, 2017 : Rs. 18,740 lakhs) is repayable in twelve quarterly instalments from 29th June, 2019 to 29th March, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(b) Rupee term loan from a bank amounting to Rs. 10,107 lakhs (31st March, 2017 : Rs. 11,992 lakhs) is repayable in fourteen quarterly instalments from 30th June, 2019 to 30th September, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(c) Rupee term loan from a bank amounting to Rs. 9,836 lakhs (31st March, 2017 : Rs. 9,829 lakhs) is repayable in twenty seven quarterly instalments from 30th June, 2019 to 31st December, 2025. 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. 18,748 lakhs (31st March, 2017 : Rs. 20,620 lakhs) is repayable in twelve quarterly instalments from 30th June, 2019 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.

(e) Rupee term loan from a bank amounting to Rs. 45,375 lakhs (31st March, 2017 : Rs. 49,350 lakhs) is repayable in nineteen quarterly instalments from 30th June, 2019 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.

(f) Rupee term loan from a bank amounting to Rs. 89,307 lakhs (31st March, 2017 : Rs. 89,591 lakhs) is repayable in twenty seven quarterly instalments 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.

(g) Rupee term loan from a bank amounting to Rs. 9,000 lakhs (31st March, 2017 : Rs. Nil) is repayable in forty quarterly instalments from 31st December, 2019 to 30th September, 2029. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.50% p.a.

(h) Rupee term loan from a bank amounting to Rs. 7,452 lakhs (31st March, 2017 : Rs. 6,467 lakhs) is repayable in twenty seven quarterly instalments from 30th June, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.70% p.a.

(i) Rupee term loan from a bank amounting to Rs. 1,915 lakhs (31st March, 2017 : Rs. 1,983 lakhs) is repayable in twenty seven quarterly instalments from 30th June, 2019 to 31st December, 2025. Interest is payable on monthly basis at 11.55% p.a.

(j) Rupee term loan from a bank amounting to Rs. 9,739 lakhs (31st March, 2017 : Rs.11,119 lakhs) is repayable in eighteen quarterly instalments from 30th April, 2019 to 31st July, 2023. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a. Under the terms of the loan, the bank has a put/call option that can be exercised at the end of the fourth year from the date of first disbusement of the loan which will fall due on 31st July, 2018, with one month's prior notice. Management has reasonable grounds to believe that the bank is not likely to exercise such option and hence the loan has been considered as non-current borrowing in the financial statements.

(k) Rupee term loan from a bank amounting to Rs.12,078 lakhs (31st March, 2017 : Rs. 13,198 lakhs) is repayable in fifteen quarterly instalments from 30th June, 2019 to 31st December, 2022. Interest is payable on monthly basis at base rate of the bank plus 4.00% p.a.

(l) Rupee term loan from a bank amounting to Rs. 4,988 lakhs (31st March, 2017 : Rs. 4,870 lakhs) is repayable in twenty seven equal quarterly instalments from 30th June, 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.

(m) Rupee term loan from a bank amounting to Rs. 12,701 lakhs (31st March, 2017 : Rs. 13,763 lakhs) is repayable in twenty quarterly instalments from 30th June, 2019 to 31st March, 2024. Interest is payable on monthly basis at base rate of the bank plus 1.65% p.a.

(n) Foreign currency term loan from a bank amounting to Rs. Nil (31st March, 2017 : Rs. 3,643 lakhs) has been converted to rupee loan during the financial year 2017-18. The details are provided in note (o).

(o) Rupee term loan from a bank amounting to Rs. 3,163 lakhs (31st March, 2017 : Rs. Nil) is repayable in nineteen quarterly instalments from 1st April, 2019 to 1st October, 2023. Interest is payable on monthly basis at base rate of the bank plus 1.15% p.a. It was converted from foreign currency loan.

(p) Foreign currency term loan from a bank amounting to Rs. 2,672 lakhs (31st March, 2017 : Rs. 2,440 lakhs) is repayable in one hundred and seventy seven monthly instalments from 1st April, 2019 to 31st December, 2033. Interest is payable on monthly basis at three month EURIBOR plus 2.10% p.a.

(q) Foreign currency term loan from a bank amounting to Rs. Nil (31st March, 2017 : Rs. 1,113 lakhs) is repayable in two quarterly instalments from 1st April, 2018 to 30th November, 2018. Interest is payable on monthly basis at three month LIBOR plus 2.35% p.a.

(r) Foreign currency term loan from a bank amounting to Rs. 3,739 lakhs (31st March, 2017 : Rs. 4,272 lakhs) is repayable in eighty one monthly instalments from 1st April, 2019 to 31st December, 2025. Interest is payable on monthly basis at one month LIBOR plus 2.59% p.a.

(s) Foreign currency term loan from a bank amounting to Rs. Nil (31st March, 2017 : Rs. 88 lakhs) is repayable in three monthly instalments from 1st April, 2018 to 30th June, 2018. Interest is payable on monthly basis at Minimum Lending Rate minus 2.5% p.a.

(t) Rupee term loan from a financial institution amounting to Rs. Nil (31st March, 2017 : Rs. 16,247 lakhs) is repayable in three quarterly instalments 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.

(u) Rupee term loan from a financial institution amounting to Rs. 18,671 lakhs (31st March, 2017 : Rs.3,902 lakhs) is repayable in forty quarterly instalments 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.

(v) Rupee loans from a body corporate amounting to Rs. 662 lakhs (31st March, 2017 : Rs. 1,130 lakhs) is repayable in fifty nine 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.

(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).

Finance lease obligation - interest rate and terms of repayment

(a) Finance lease obligation amounting to Rs. 26 lakhs (31st March, 2017 : Rs. 41 lakhs) towards movable fixed assets is repayable in four yearly instalments from 1st April, 2019 to 31st March, 2023. Interest is payable on monthly basis at a range of 6.8% to 7% p.a.

(b) Finance lease obligation amounting to Rs. 58 lakhs (31st March, 2017 : Rs. 45 lakhs) towards immovable fixed assets is repayable in six quarterly instalments from 30th April, 2019 to 31st July, 2020. Interest is payable on monthly basis at a base rate of the bank plus 2.35% p.a.

Changes in liabilities arising from financing activities						
Particulars	**1st April, 2017**	**Cash flows**	**Exchange differences**	**EIR adjustment**	**Others***	**31st March, 2018**
Non Current borrowings	284,356	25,542	-	-	(34,745)	275,153
Non Current obligations under finance leases and hire purchase contracts	125	-	-	-	(13)	112
Current maturities of long term borrowings	56,537	(56,544)	-	252	34,745	34,990
Current maturities of finance lease obligation	51	(45)	-	-	13	19
Loans repayable on demand	32,202	16,894	-	-	-	49,096
Working capital loans from banks	22,854	(12,944)	-	-	-	9,910
Buyer's credit including acceptances from banks	19,174	(5,142)	-	-	-	14,032
Bill discounting	21,055	2,896	-	-	-	23,951
Total liabilities from financing activities	**436,354**	**(29,343)**	**-**	**252**	**-**	**407,263**
Particulars	**1st April, 2016**	**Cash flows**	**Exchange differences**	**EIR adjustment**	**Others***	**31st March, 2017**
Non Current borrowing	299,747	41,963	-	-	(57,354)	284,356
Non Current obligations under finance leases and hire purchase contracts	149	-	-	-	(24)	125
Current maturities of long term borrowing	43,645	(43,645)	(870)	53	57,354	56,537
Current maturities of finance lease obligation	27	-	-	-	24	51
Loans repayable on demand	45,324	(13,122)	-	-	-	32,202
Working capital loans from banks	16,214	6,646	(6)	-	-	22,854
Buyer's credit including acceptances from banks	28,057	(8,883)	-	-	-	19,174
Bill discounting	14,169	6,886	-	-	-	21,055
Total liabilities from financing activities	**447,332**	**(10,155)**	**(876)**	**53**	**-**	**436,354**

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

(ii) Other financial liabilities	**As at 31st March, 2018**	**As at 31st March, 2017**
Security deposits	**-**	**205**

16. Provisions	As at 31st March, 2018	As at 31st March, 2017
Provision for employee benefits		
Gratuity (refer note 36)	3,022	2,747
Long service award (refer note 36)	76	76
Retirement compensation (refer note 36)	727	630
Others		
Provision for site restoration and rehabilitation	1,926	1,739
Total	**5,751**	**5,192**
Site restoration and rehabilitation	**Year ended 31st March, 2018**	**Year ended 31st March, 2017**
Opening balance	**1,739**	**1,597**
Add: Unwinding of discount	187	142
Closing balance	**1,926**	**1,739**

17. Government grants	As at 31st March, 2018	As at 31st March, 2017
Grants relating to property, plant and equipment*	**3,151**	**3,041**

* released to the statement of profit and loss Rs. Nil (31st March, 2017 : Rs. 110 lakhs)

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. Income from such grant is estimated on the basis of fulfilment of related export obligations. Hitherto, such income was being estimated based on useful lives of concerned property, plant and equipment. The impact of such change in estimate is not material. Contingencies attached to these grants has been disclosed in note 35B(ii).

18. Income Taxes

(a) Deferred tax liabilities (net)	As at 31st March, 2018	As at 31st March, 2017
Deferred tax assets (DTA)		
On expenses allowable against taxable income in future years	3,189	6,140
On carry-forward unabsorbed depreciation *	63,015	58,841
On carry-forward business losses	12,109	9,495
Total DTA	**78,313**	**74,476**
Deferred tax liabilities (DTL)		
Arising out of temporary difference in depreciable assets	79,455	75,275
Others	491	580
Total DTL	**79,946**	**75,855**
Deferred tax liabilities (net)	**1,633**	**1,379**
Unabsorbed depreciation which can be carried forward for an indefinite period on which no DTA has been recognised	69,468	46,238

* Deferred tax assets on unabsorbed depreciation have been recognised to the extent of deferred tax liabilities at the yearend, 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 31st March, 2018, a deferred tax liability of Rs. 42,023 lakhs (31st March, 2017: Rs.37,853 lakhs) in respect of temporary differences related to undistributed profit in subsidiaries has not been recognised because the Group controls the dividend policy of its subsidiaries and management is satisfied that they are not expecting to distribute profit in the foreseeable future.

(b) Tax charge/(credit) recognised in the statement of profit and loss	Year ended 31st March, 2018	Year ended 31st March, 2017
Current tax	518	781
Adjustment of tax relating to earlier years	-	(67)
Total current tax	**518**	**714**
Deferred tax expense /(credit)	(7)	(251)
Total tax expenses	**511**	**463**
Effective income tax rate (%)	**1.94%**	**1.41%**

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

(c) A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated is as follows:

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Accounting profit / (loss) before tax (including share of profit of jointly controlled entities)	(26,284)	(35,293)
Statutory income tax rate	34.94%	34.61%
Tax loss at statutory income tax rate	**(9,185)**	**(12,215)**
Adjustments:		
Disallowable expenses	864	479
Income exempt from tax	(2)	(245)
Unrecognised tax assets	8,995	10,436
Effect of tax rate differences of subsidiaries operating in other jurisdictions	(166)	518
Other non-deductible differences	5	1,490
Total	**511**	**463**

19. Other non-current liabilities	As at 31st March, 2018	As at 31st March, 2017
Accruals for various obligations *	**1,592**	**1,888**

* Towards obligations in respect of entry tax, sales tax and other legal cases.

Current liabilities

20. Financial liabilities		
(i) Borrowings	**As at 31st March, 2018**	**As at 31st March, 2017**
Secured *		
Loans repayable on demand **	49,096	32,202
Working capital loans from banks #	9,910	22,854
Buyer's credit including acceptance from banks ##	14,032	19,174
Unsecured loans		
Bill discounting ###	23,951	21,055
Total	**96,989**	**95,285**

*** 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. Credit facilities and long-term loans by a subsidiary company, Usha Siam Steel Industries Public Company Limited, are secured by the mortgage of a portion of the company's land, building and structures and property, plant and equipment. Further, savings deposits and fixed deposits have been pledged as collaterals against such credit facilities. Working capital loan from a bank by a subsidiary company, Usha Martin Americas, Inc., is collateralized by current assets of the said subsidiary company and a corporate guarantee from the Company.

** The loans are repayable on demand and carry interest @ 10.45% to 14.75% p.a. payable at monthly rests.

Represents short-term credit facilities by a subsidiary company, Usha Siam Steel Industries Public Company Limited, covering promissory notes, packing credits and trust receipts. Working capital loans bears interest at the rate referenced to minimum overdraft rate per annum. Packing credits are loans with a branch of a foreign bank which bear interest at 6.87% per annum. Promissory notes bear interest at minimum lending rate per annum. Liabilities under trust receipt agreements carry interest at 3.88% per annum. Working capital loan from a bank by a subsidiary company, Usha Martin Americas, Inc., is repayable in twenty-two equal quarterly instalments and carry interest at the three-month LIBOR rate plus 4.75%.

Import buyer's credit of the Company carries interest @ 1/2/3/6 months LIBOR plus 25 bps p.a. to 100 bps p.a and acceptances of the Company carry interest @ 8% to 9% p.a. Such buyer's credit and acceptances from banks are repayable within 180 days.

Loans under buyer's credit of a subsidiary company, Usha Siam Steel Industries Public Company Limited, represents short-term loans from a foreign bank for settlements of raw materials acquired from the Company. Such loan bears interest (inclusive of withholding tax) at the 6-month LIBOR plus 4.5% per annum. These loans have been guaranteed by the Company.

The Group has discounted trade receivables on recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. These bills are discounted @ 4% to 10% p.a. and are repayable within 180 days.

(ii) Trade payables	As at 31st March, 2018	As at 31st March, 2017
Total outstanding dues of micro and small enterprises (refer note 42)	1,856	1,168
Total outstanding dues of creditors other than micro and small enterprises	77,250	58,691
Acceptances	1,17,306	1,22,129
Total	**1,96,412**	**1,81,988**

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

Import acceptances carry interest @ applicable LIBOR plus 25 bps p.a. to 100 bps p.a and inland acceptances carry interest @ 8% to 9% p.a. Such acceptances are repayable not later than 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. Refer Note 39B for explanations on the Group's liquidity risk management processes.

(iii) Other financial liabilities	As at 31st March, 2018	As at 31st March, 2017
Derivatives not designated as hedges		
Foreign exchange forward contracts #	79	3,812
Other financial liabilities at amortised cost		
Current maturities of long-term borrowings ###	34,990	56,537
Current maturities of finance lease obligation	19	51
Interest accrued but not due on borrowings	2,491	2,875
Interest accrued on trade payables and others	2,072	940
Unclaimed dividends ##	16	28
Equity warrant application money received in excess	10	10
Security deposits received	842	839
Liability towards project vendors (including acceptances)	6,722	7,723
Payable relating to coal mines	1,384	1,384
Employees benefits payable @	3,404	4,476
Other payables	1,087	746
Total	**53,116**	**79,421**

@ Includes payable to key management personnel Rs 20 lakhs (31st March, 2017 : Rs 22 lakhs)

Financial liabilities at fair value through profit and loss

Derivative instruments at fair value through profit and loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 39B for details regarding the nature and extent of risks arising from financial instruments to which the Group is exposed at the end of the reporting year.

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

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

	Term Loan (secured)	Nature of security	As at 31st March, 2018	As at 31st March, 2017
	From banks (Rupee loans)			
(i)	State Bank of India	A, D	1,876	1,875
(ii)	State Bank of India	A, B, C, D	4,125	2,750
(iii)	State Bank of India	A, B, C, D	225	-
(iv)	State Bank of India	A, B, C, D	19	-
(v)	State Bank of India - External Commercial Borrowing	A, B, D	-	32,425
(vi)	HDFC Bank Limited	A, B, D	71	-
(vii)	RBL Bank Limited (erstwhile Ratnakar Bank Limited)	A, B, D	1,400	1,400
(viii)	Bank of Baroda	A, B, D	1,125	846
(ix)	ICICI Bank Limited	A, D	1,875	-
(x)	ICICI Bank Limited	A, D	3,750	-
(xi)	ICICI Bank Limited	A, B, C, D	25	-
(xii)	Axis Bank Limited	A, B, C, D	1,000	-
(xiii)	Axis Bank Limited	A, B, C, D	13	-

	Term Loan (secured)	Nature of security	As at 31st March, 2018	As at 31st March, 2017
	From banks (Foreign currency loans)			
(xiv)	IndusInd Bank - Foreign currency term loan	E,F	-	634
(xv)	IndusInd Bank	E,F	665	-
(xvi)	CIMB Bank	I	555	430
(xvii)	TMB Bank Limited	J	98	454
(xviii)	Barclays Bank	H	1,269	405
(xix)	RABO Bank	G	181	155
			18,272	**41,373**
	From financial institutions			
(xx)	Export Import Bank of India	A, D	-	13,750
(xxi)	Export Import Bank of India	A, B, C, D	16,250	1,000
			16,250	**14,750**
(xxii)	**From a body corporate**	K	468	414
			468	**414**
	Total		**34,990**	**56,537**

Nature of security

A These are secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders.

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.

E These are secured by a first pari-passu charge by hypothecation over all the movable property, plant and equipments (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) of UM Cables Limited excluding the assets exclusively charged to other lenders.

F These are secured by a second charge on entire current assets of UM Cables Limited (present and future), pari-passu with other term lenders.

G These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of De Ruiter Staalkabel B.V., subsidiary of Usha Martin International Limited.

H These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of Usha Martin UK, subsidiary of Usha Martin International Limited.

I These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of Usha Martin Singapore Pte. Limited.

J These are secured by a portion of land, buildings and structures, plant and machinery and equipment of Usha Siam Steel Industries Limied.

K These are secured against underlying assets.

Secured term loan - interest rate and terms of repayment

(a) Rupee term loan from a bank amounting to Rs. 1,876 lakhs (31st March, 2017 : Rs. 1,875 lakhs) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.40% p.a.

(b) Rupee term loan from a bank amounting to Rs. 4,125 lakhs (31st March, 2017 : Rs. 2,750 lakhs) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a.

(c) Rupee term loan from a bank amounting to Rs. 225 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.50% p.a.

(d) Rupee term loan from a bank amounting to Rs. 19 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.85% p.a.

(e) External commercial borrowing from a bank amounting to Rs. Nil (31st March, 2017 : Rs. 32,425 lakhs) was repayable in three quarterly installment from 28th April 2017 to 31st January 2018. Interest was payable on quarterly basis at three month LIBOR plus 2.85% p.a. The loan has been repaid during the year.

(f) Rupee term loan from a bank amounting to Rs. 71 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. Interest is payable on monthly basis at 11.55% p.a.

(g) Rupee term loan from a bank amounting to Rs. 1,400 lakhs (31st March, 2017 : Rs. 1,400 lakhs) is repayable in four quarterly instalments from 30th April, 2018 to 31st January, 2019. 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. 1,125 lakhs (31st March, 2017 : Rs. 846 lakhs) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at base rate of the bank plus 1.75% p.a.

(i) Rupee term loan from a bank amounting to Rs. 1,875 lakhs (31st March, 2017 : Rs. Nil) is repayable in four quarterly instalments from 28th June, 2018 to 29th March, 2019. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(j) Rupee term loan from a bank amounting to Rs. 3,750 lakhs (31st March, 2017 : Rs. Nil) is repayable in four quarterly instalments from 28th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at rate of the bank plus 2.00% p.a.

(k) Rupee term loan from a bank amounting to Rs. 25 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalments on 31st March, 2019. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.

(l) Rupee term loan from a bank amounting to Rs. 1,000 lakhs (31st March, 2017 : Rs. Nil) is repayable in four quarterly instalments from 30th June, 2018 to 31st March, 2019. Interest is payable on monthly basis at base rate of the bank plus 1.65% p.a.

(m) Rupee term loan from a bank amounting to Rs. 13 lakhs (31st March, 2017 : Rs. Nil) is repayable in one instalment on 31st March, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 1.85% p.a.

(n) Foreign currency term loan from a bank amounting to Rs. Nil (31st March, 2017 : Rs. 634 lakhs) has been converted to rupee loan during the financial year 2017-18. The details are provided in note (o).

(o) Rupee term loan from a bank amounting to Rs. 665 lakhs (31st March, 2017 : Rs. Nil) is repayable in four quarterly instalments from 1st April 2018 to 1st January 2019. Interest is payable on monthly basis at base rate of the bank plus 1.15% p.a. It was converted from foreign currency loan.

(p) Foreign currency term loan from a bank amounting to Rs. 555 lakhs (31st March, 2017 : Rs. 430 lakhs) is repayable in twelve monthly instalments from 1st April, 2018 to 31st March, 2019. Interest is payable on monthly basis at one month LIBOR plus 2.59% p.a.

(q) Foreign currency term loan from a bank amounting to Rs. 98 lakhs (31st March, 2017 : Rs. 454 lakhs) is repayable in three monthly instalments from 1st April, 2018 to 30th June, 2018. Interest is payable on monthly basis at minimum lending rate minus 2.5% p.a.

(r) Foreign currency term loan from a bank amounting to Rs. 1,269 akhs (31st March, 2017 : Rs. 405 lakhs) is repayable in two quarterly instalments from 1st April, 2018 to 30th November, 2018.Interest is payable on monthly basis at three month LIBOR plus 2.35% p.a.

(s) Foreign currency term loan from a bank amounting to Rs. 181 lakhs (31st March, 2017 : Rs. 155 lakhs) is repayable in twelve monthly instalments from 1st April, 2018 to 31st March, 2019. Interest is payable on monthly basis at three month EURIBOR plus 2.10% p.a.

(t) Rupee term loan from a financial institution amounting to Rs. Nil (31st March, 2017 : Rs. 13,750 lakhs) was repayable in three quarterly instalments from 1st April 2017 to 1st October, 2017. Interest was payable on monthly basis at long-term minimum lending rate plus 2.00% p.a. The loan has been repaid during the year.

(u) Rupee term loan from a financial institution amounting to Rs. 16,250 lakhs (31st March, 2017 : Rs. 1,000 lakhs) is repayable in three quarterly instalments 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.

(v) Rupee loans from a body corporate amounting to Rs. 468 lakhs (31st March, 2017 : Rs. 414 lakhs) is repayable in sixty quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2018 to 31st March, 2019. Interest is payable on quarterly basis at 11.81% p.a.

Finance lease obligation - interest rate and terms of repayment

(a) Finance lease obligation amounting to Rs. 19 lakhs (31st March, 2017 : Rs. 51 lakhs) towards movable fixed assets is repayable in one yearly instalment on 31st March, 2019. Interest is payable on monthly basis at a range of 6.8% to 7% p.a.

21. Provisions	**As at 31st March, 2018**	**As at 31st March, 2017**
Provision for employee benefits		
Gratuity (refer note 36)	390	254
Leave encashment	1,208	1,473
Long service award (refer note 36)	15	17
Retirement compensation (refer note 36)	103	49
Total	**1,716**	**1,793**

22. Current tax liabilities (net)	**As at 31st March, 2018**	**As at 31st March, 2017**
Provision for income tax [net of taxes paid Rs 713 lakhs (31st March, 2017: Rs 713 lakhs)]	402	333

23. Government grants	**As at 31st March, 2018**	**As at 31st March, 2017**
Grants relating to property, plant and equipment	-	110

24. Other current liabilities	**As at 31st March, 2018**	**As at 31st March, 2017**
Advance received from customers *	12,043	6,100
Statutory dues payable #	18,426	11,559
Advance received against sale of land [refer note 40(d)]	390	1,239
Other liabilities ##	2,466	1,943
Total	**33,325**	**20,841**

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

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

represent liabilty towards renewable power obligation.

25. Revenue from operations	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of goods (including excise duty)	4,58,970	4,12,159
Sale/ rendering of services	2,971	2,739
Other operating revenue:		
Product scrap sales	12,536	8,957
Sale of captive power	426	395
Export incentives	1,886	1,260
Total	**4,76,789**	**4,25,510**

Sale of goods includes excise duty collected from customers of Rs. 11,011 lakhs (31st March, 2017: Rs. 37,316 lakhs). Sale of goods net of excise duty is Rs. 4,47,959 lakhs (31st March, 2017: Rs. 3,74,843 lakhs).

Revenue from operations for periods up to 30th June, 2017 includes excise duty. From 1st July, 2017 onwards the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31st March, 2018 is not comparable with 31st March, 2017.

26. Other income	Year ended 31st March, 2018	Year ended 31st March, 2017
Miscellaneous scrap sales	224	427
Exchange differences (net)	-	1,298
Gain on derivative contracts / cancellation of forward contracts (net)	1,385	-
Liabilities no longer required written back	2,147	1,328
Allowance for doubtful debts and advances no longer required written back	13	355
Claims received	233	154
Net gain on disposal of property, plant and equipment #	3,229	3,188
Gain on disposal of non-current investments ##	-	519
Rent received	319	435
Miscellaneous income ###	312	3,514
Interest inome on financial assets carried at amortised cost	668	773
Total	**8,530**	**11,991**

Rs. 3,335 lakhs (31st March, 2017 : Rs. 3,310 lakhs) on account of profit on sale of land.

Rs. Nil (31st March, 2017 : Rs. 519 lakhs) towards sale of its entire stake in Dove Airlines Private Limited.

Rs. Nil (31st March, 2017 : 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.

27. Cost of materials consumed	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Stock	26,655	22,997
Add: Purchases	2,26,289	1,77,421
	2,52,944	**2,00,418**
Less: Closing stock	34,143	26,655
Cost of materials consumed *	**2,18,801**	**1,73,763**

* Cost of materials consumed includes packing materials amounting to Rs 3,415 lakhs (31st March, 2017 : Rs. 3,202 lakhs)

28. (Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product	Year ended 31st March, 2018	Year ended 31st March, 2017
(A) Finished goods		
Opening stock	56,599	66,070
Less : Closing stock	41,127	56,599
	15,472	**9,471**
(B) Work-in-progress		
Opening stock	35,729	33,238
Less : Closing stock	35,867	35,729
	(138)	**(2,491)**
(C) Stock-in-trade		
Opening stock	22	37
Less : Closing stock	44	22
	(22)	**15**
(D) Scrap/by-product		
Opening stock	5,500	2,679
Less : Closing stock	5,508	5,500
	(8)	**(2,821)**
Net (Increase) / decrease in inventories [(A) + (B) + (C) + (D)]	**15,304**	**4,174**

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

29. Employee benefits expenses	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, wages and bonus	34,321	33,422
Contribution to provident and other funds	2,189	1,889
Gratuity expense (refer note 36)	381	338
Staff welfare expenses	1,353	1,463
Total	**38,244**	**37,112**

30. Finance costs	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expense on financial liabilities measured at amortised cost	55,397	53,644
Unwinding of discount (refer note 16)	187	142
Total interest expenses	**55,584**	**53,786**
Other borrowing costs*	3,114	2,638
Total	**58,698**	**56,424**

* includes letter of credit opening and retirement charges, loan processing fees etc.

31. Depreciation and amortisation expenses	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation of property, plant and equipment and investment property (refer note 3 and note 4)	29,639	29,646
Amortization of intangible assets (refer note 5)	848	462
	30,487	**30,108**
Less : recoupment from Government grants (refer note 17)	-	110
Total	**30,487**	**29,998**

32. Other expenses	Year ended 31st March, 2018		Year ended 31st March, 2017	
Power and fuel [refer note (iv) below]		39,299		35,392
Consumption of stores and spare / loose tools		25,871		20,691
Material handling charges		17,830		13,481
Freight and forwarding charges		17,346		16,753
Operations and maintenance :				
Plant and machinery		12,331		13,692
Buildings		2,104		1,569
Processing charges		6,341		5,854
Royalty		6,179		3,424
Allowance for doubtful debts and advances		2,086		557
Consultants and professional fees		1,208		1,595
Exchange differences (net)		527		-
Insurance		1,092		1,218
Travelling and conveyance		968		1,245
Rent and hire charges		1,057		1,063
Bad Debts / advances written off	1,567		511	
Less: adjusted against provision for doubtful debts and advances	(1,014)	553	(14)	497
Rates and taxes		645		753
Tangible assets/Capital work-in-progress written off		127		33
Corporate social responsibility (CSR) expenditure [refer note (ii) below]		110		210
Remuneration to auditors [refer note (i) below]		274		337
Directors' sitting fees		52		56
Leasehold prepayments amortisation		28		28
Fair value loss on derivative contracts (net)		-		3,762
Excise Duty on increase/(decrease) in inventories		(5,433)		252
Miscellaneous expenses [refer note (iii) below]		7,955		6,284
Total		**1,38,550**		**1,28,746**

(i) Remuneration to auditors comprises of :	Year ended 31st March, 2018	Year ended 31st March, 2017
As auditor:		
As auditor - for statutory audit and limited reviews	238	211
Tax audit fee	9	18
For other services	16	96
Reimbursement of expenses	11	12
Total *	**274**	**337**

* Remuneration to auditors for the year ended 31st March, 2017 includes Rs. 38 lakhs paid to predecessor statutory auditors of the Company.

(ii) Details of CSR expenditure	Year ended 31st March, 2018	Year ended 31st March, 2017
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	110	210
Total	**110**	**210**

(iii) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 315 lakhs (31st March, 2017: Rs 347 lakhs), and they are recognised in miscellaneous expenses.

(iv) The following expenses are included in Power and fuel expenses in the Statement of Profit and Loss:	Year ended 31st March, 2018	Year ended 31st March, 2017
Consumption of stores and spares / loose tools	1,825	1,970
Material handling charges	738	577
Operations and maintenance: plant and machinery	3,657	3,631
Operations and maintenance: buildings	155	263
Miscellaneous expenses	438	485
Total	**6,813**	**6,926**

33. Earnings / (loss) per equity share (EPS)	Year ended 31st March, 2018	Year ended 31st March, 2017
The following reflects the income and share data used in the basic and diluted EPS computations :		
Net profit / (loss) before OCI attributable to equity holders for basic and diluted EPS	**(27,123)**	**(35,891)**
Weighted average number of equity share outstanding for the purpose of basic and diluted EPS	30,47,41,780	30,47,41,780
Basic and diluted earnings / (loss) per share (Rs.)	(8.90)	(11.78)
Nominal value per share (Re.)	1	1

34. Significant accounting judgements, estimates and assumptions

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

(i) 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.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

(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 capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

(iii) Provisions for site restoration and rehabilitation

In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.The group estimates that the costs would be incurred upon the expiration of the lease and calculates the provision using the DCF method.

The iron ore mines is being governed by Mineral Conservation and Development Rules, 1988 (MCDR), which requires final mines closure plan to be submitted before two years from the date of intended closure. The mining lease operation is valid up to the year 2055 and accordingly final mining closure plan is required to be submitted in the year 2053 or any earlier date when mine is intended to be closed due to any reason in future, which is not visible in next two years.

MCDR requires mining plan to be approved for every 5 years which consists of progressive mine closure plan which is being reviewed for implementation at every occasion of approval that is in 5 years and devised for next 5 years as such in case of iron ore mine there will be no incremental activities required at the stage of final mine closure plan beyond the activities of progressive mine closure plan.

(iv) Defined benefit plans

The cost and the present value of the defined benefit gratuity plan, long term service award and retirment compenstion are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(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.

(vi) Fair value measurement

When fair value of financial assets and financial liabilities recorded in the balance sheet can not be measured based on quoted prices in active markets, their fair value are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future.

(vii) Non-current assets held for sale

Assets and liabilities of non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sale. The determination of fair value less costs to sale include use of management estimates and assumptions. The fair value has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

(viii) Valuation of Inventories

The Group follows suitable provisioning norms for writing down the value of slow-moving, non-moving and surplus inventory. This involves various judgements and assumptions that may differ from actual developments in the future. Slow moving inventory has been disclosed under Note 10 - Inventories.

35. 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 had been extended till 2026-27. The Group pays minimum lease rent and fixed, as well as, variable operating and maintenance charges for both the leases. There are no subleases and contingent rent in the lease arrangements.

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 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, 2018**	**As at 31st March, 2017**
Within one year	1,854	1,776
After one year but not more than five years	5,244	5,104
More than five years	10,736	10,962
Operation and maintenance charges	**As at 31st March, 2018**	**As at 31st March, 2017**
Within one year	350	391
After one year but not more than five years	1,265	1,223
More than five years	1,270	1,587
The above amounts are exclusive of taxes and duties. The Group has charged the following amount in the consolidated statement of profit and loss on account of the aforesaid leases.		
	Year ended 31st March, 2018	**Year ended 31st March, 2017**
Lease rent	1,846	2,187
Operation and maintenance charges	398	399
Escalation charges and taxes	469	339
Total*	**2,713**	**2,925**

* Rs. 2,548 lakhs (31st March, 2017 : Rs. 2,750 lakhs) and Rs. 165 lakhs (31st March, 2017 : Rs. 175 lakhs) is booked under consumption of stores and spares / loose tools and Rent and hire charges respectively.

The Group has entered into cancellable operating lease arrangements for another gaseous oxygen plant, accommodation for office spaces and employees residential accommodation etc. Tenure of leases generally vary between 1 and 10 years. There are no subleases and contingent rent in the lease arrangements. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs. 920 lakhs (31st March, 2017 : Rs. 916 lakhs) have been debited to the Statement of Profit and Loss in rent and hire charges.

Operating lease — Group as lessor

A subsidiary of the Group, Usha Martin Singapore Pte. Limited, has given a certain portion of a building under cancellable operating lease for 2 years at the prevailing market and on such terms and conditions that contained or such variations or modifications thereof as shall be mutually agreed. Related lease rental income aggregating Rs. 223 lakhs (31st March, 2017 : Rs. 349 lakhs) has been recognized in the Statement of Profit and Loss for the year.

B. Commitments

	As at 31st March, 2018	**As at 31st March, 2017**
(i) Capital commitments Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	989	2,331
(ii) Other commitments Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme. If the Company is unable to meet these obligations, its liability would be Rs. 3,482 lakhs (31st March, 2017 : 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.	2,29,144	2,35,102
(iii) Guarantees		
(a) Corporate guarantee given by the Company to secure the financial assistance / accommodation extended to other body corporates	5,015	6,087
(b) The Company has provided a letter of comfort to a bank that has provided credit facilities to its jointly controlled entity, Pengg Usha Martin Limited. Such facilities have been utilised to the extent of Rs. 4,875 lakhs as at 31st March, 2018 by the jointly controlled entity. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that jointly controlled entity and to provide full support to its operations.		

(iv) Bank guarantees The Group has given bank guarantees details of which are as below:		
(a) in favour of the nominated authority, New Delhi against the allocation of Brinda and Sasai coal block	13,371	13,371
(b) in favour of the regional controller of mines against the progressive mines closure plan	189	-
(c) in favour of various parties against various contracts	3,628	4,199
The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.		

C. Contingent liabilities

	As at 31st March, 2018	As at 31st March, 2017
(i) Claims against the Group not acknowledged as debt *		
Tax and duty for which the Group has preferred appeal before appropriate authorities:		
Demand for income tax matters	4,501	1,951
Demand for sales tax, entry tax and electricity duty **	10,110	8,409
Demand for excise duty and service tax	13,645	8,606
Demand for customs duty	2,095	1,360
Outstanding labour disputes	60	77
Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	13,443	9,791
Electricity demand on account of low power factor pending with appropriate authority	4,715	4,715
Demand for mining matter is pending with appropriate authority #	4,784	7,534
Demand for differential royalty on different grade of coal extracted	5,734	5,734
Demand for compensation on account of mining and dump / infrastructure / colony established outside approved mining lease area	27,146	27,146
Demand for financial assurance amount in escrow account	226	226
Disputed claims by a party not acknowledged as debt	465	1,286

** Includes demand aggregating to Rs. 2,968 lakhs (31st March, 2017 : Rs. 2,813 lakhs) received by the Company towards entry tax in West Bengal and Punjab. Subsequent to the decision of the Hon'ble Supreme Court of India, vide order dated 11th November, 2016, upholding the rights of State Governments to impose entry tax, the Company has filed petitions before the Hon'ble High Courts of the aforesaid States and also Jharkhand on grounds that entry tax imposed by respective State legislations is discriminatory in nature. Pending decisions by the Hon'ble High Courts, the Company's obligation, if any, towards entry tax is not ascertainable. Based on legal opinion obtained, management believes that there will be no adverse impact on the Company.

In respect of one case, the Company has given an undertaking to deposit Rs. 1,922 lakhs in six instalments within a period of six months from January 2018. Against the same, the Company has deposited Rs. 300 lakhs in respect of first instalment in January 2018.

* 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.

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

(a) Post employment defined contribution plans	Year ended 31st March, 2018	Year ended 31st March, 2017
Amount recognised in the statement of profit and loss		
(i) Provident fund paid to the authorities *	33	121
(ii) Pension fund paid to the authorities	874	787
(iii) Superannuation fund - Contribution payable / paid to a Trust	429	384
Total	**1,336**	**1,292**

* Contribution towards Provident Fund for certain employees is made to the regulatory authorities. Such provident fund benefit is classified as defined contribution scheme as the Group does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the statement of profit and loss, as indicated above.

(b) Post employment defined benefit plans

I. Gratuity plan (funded)

The Company and UM Cables Limited, an Indian subsidiary of the Group, has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

II. Gratuity plan (unfunded)

Brunton Wolf Wire Ropes FZCO. Limited, an overseas subsidiary of the Group, provides for gratuity, a defined benefit retirement plan, covering its eligible employees. Pursuant to the plan, gratuity benefit equivalent to eligible salary for specified number of days for each year of completed service is paid to respective employees upon retirement, death or cessation of service. Vesting generally occurs upon completion of five years of service.

III. Long term service award (unfunded)

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

IV. Retirement compensation (unfunded)

Usha Siam Steel Industries Company Limited, an overseas subsidiary of the Group, provides for retirement compensation, a defined benefit plan, covering its employees. Pursuant to the plan, retirement compensation is paid to employees based on last drawn salary and length of service upon retirement, death or resignation. Vesting occurs upon completion of 120 days of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the above defined benefit plans:

A	Expenses recognised in the statement of profit & loss	Year ended 31st March, 2018				Year ended 31st March, 2017			
		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	159	34	55	75	158	24	9	76
2	Net Interest cost	174	14	(55)	16	138	18	1	10
3	**Total (i)**	**333**	**48**	**-**	**91**	**296**	**42**	**10**	**86**
	Expenses recognised in other comprehensive income								
4	Remeasurement (gains)/losses on defined benefit plans								
	Arising from changes in experience	71	(12)	-	(9)	625	(70)	-	(48)
	Arising from changes in financial assumptions	(81)	-	-	46	(450)	80	-	(27)
5	**Total (ii)**	**(10)**	**(12)**	**-**	**37**	**175**	**10**	**-**	**(75)**
6	**Total expense (i)+(ii)**	**323**	**36**	**-**	**128**	**471**	**52**	**10**	**11**

B	Net asset / (liability) recognised in the balance sheet	As at 31st March, 2018		As at 31st March, 2017	
		Gratuity	Long term service award	Gratuity	Long term service award
1	Present value of defined benefit obligation	5,110	72	5,157	77
2	Fair value of plan assets	2,243	-	2,599	-
3	**Net asset / (liability)**	**(2,867)**	**(72)**	**(2,558)**	**(77)**

C	Change in the present value of the defined benefit obligation during the year	As at 31st March, 2018				As at 31st March, 2017			
		Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)
1	**Present value of defined benefit obligation at the beginning of the year**	**5,157**	**269**	**77**	**679**	**5,014**	**223**	**78**	**688**
2	Current service cost / plan amendments	159	34	55	75	158	24	9	76
3	Interest cost	374	14	(55)	16	356	18	1	10
4	Benefits paid	(570)	(3)	(5)	(63)	(546)	(4)	(11)	(17)
5	Remeasurement (gains)/losses	(10)	(12)	-	37	175	10	-	(75)
6	Exchange differences on foreign plans	-	(4)	-	86	-	(2)	-	(3)
7	**Present value of defined benefit obligation at the end of the year**	**5,110**	**298 ***	**72#**	**830**	**5,157**	**269***	**77#**	**679**

* Excludes liability for gratuity amounting to Rs. 247 lakhs (31st March, 2017 : Rs. 174 lakhs) of Usha Martin Singapore Pte Limited, a subsidiary of the Company. The liability has been provided on actual basis for the unfunded gratuity plan.

Excludes liability for long term service award amounting to Rs. 19 lakhs (31st March, 2017 : Rs. 16 lakhs) of Usha Martin Singapore Pte Limited, a subsidiary of the Company. The liability has been provided on actual basis for the unfunded long term service award.

D	Change in the fair value of plan assets during the year	As at 31st March, 2018	As at 31st March, 2017
		Gratuity	
1	Plan assets at the beginning of the year	2,599	2,892
2	Interest income	200	218
3	Contribution by employer	14	35
4	Actual benefits paid	(570)	(546)
5	**Plan assets at the end of the year**	**2,243**	**2,599**

E In 2018-19, the Company expects to contribute Rs 75 lakhs to gratuity fund.

F. The major categories of plan assets as a percentage of the fair value of total plan assets	As at 31st March, 2018	As at 31st March, 2017
	Gratuity (funded)	
Investments with insurer	96%	99%
Cash and cash equivalent	4%	1%
Total	**100%**	**100%**

G	Actuarial assumptions	As at 31st March, 2018				As at 31st March, 2017			
		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	7.70% / 7.70%	5.25%	7.70%	1.86%	7.50% / 7.40%	8.00%	7.50%	2.18%
2	Expected rate of return on plan assets	7.70% / 7.70%	NA	NA	NA	7.50% / 7.40%	NA	NA	NA
3	Mortality pre retirement	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	100% of the Male and Female Thai Mortality Ordinary Tables of 2008	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	100% of the Male and Female Thai Mortality Ordinary Tables of 2008
4	Mortality post retirement	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate	NA	TMO 2008	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate	NA	TMO 2008
5	Employee turnover rate	1%	1%	1%	2% - 48%	1%	1%	1%	3% - 49%

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, 2018				As at 31st March, 2017			
	Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)
Not later than 1 year	517	4	15	104	516	3	18	49
Later than 1 year and not later than 5 years	1,679	83	43	474	1,675	27	47	356
Later than 5 years and not later than 10 years	2,137	121	40	544	2,078	6	41	614
More than 10 years	6,689	-	40	1,277	6,734	167	46	1,205
Total expected payments	**11,022**	**208**	**138**	**2,399**	**11,003**	**203**	**152**	**2,224**
The weighted average duration of the defined benefit obligation as at 31st March, 2018 is 17 years (31st March, 2017 : 17 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	As at 31st March, 2018				As at 31st March, 2017			
	Gratuity	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)	Gratuity	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)
Discount rate								
Increase by 0.5% / 1%	(143)	(35)	(2)	(42)	(245)	(16)	(74)	(38)
Decrease by 0.5% / 1%	152	42	2	46	246	20	79	41
Expected rate of increase in compensation level of covered employees								
Increase by 0.5% / 1%	75	-	2	38	219	19	79	34
Decrease by 0.5% / 1%	(80)	-	(2)	(35)	(222)	(16)	(75)	(32)
Expected rate of increase in attrition rate								
Increase by 0.5% / 1%	3	-	*	43	219	19	79	34
Decrease by 0.5% / 1%	(3)	-	*	(36)	(222)	(16)	(75)	(32)

Increase /(decrease) in defined benefit obligation	As at 31st March, 2018				As at 31st March, 2017			
	Gratuity	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)	Gratuity	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)
Expected rate of increase in mortality rate								
Increase by 0.5% / 1%	3	-	*	-	219	19	79	34
Decrease by 0.5% / 1%	(3)	-	*	-	(222)	(16)	(75)	(32)

* Amount is below the rounding off norm adopted by the Group.

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the project unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

K Risk analysis

The Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

(i) Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

(ii) Longevity risk / Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

(iii) Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(iv) Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

V Provident fund

Provident fund contributions in respect of employees [other than those covered in (a) above] are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. Both the employer and the employees contribute to this Fund and such contributions together with interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of services by the employee. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. In terms of the guidance on implementing Indian Accounting Standard 19 on Employee Benefits, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected unit credit method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. Further during the period, the Company's contribution Rs 554 lakhs (31st March, 2017 : Rs 513 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, 2018	As at 31st March, 2017
Discount Rate	7.70%	7.50%
Expected rate of increase in compensation level of covered employees	5.00%	5.00%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate
EPFO Return	8.65%	8.65%

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

37. Related party disclosures

(i) Related Parties

(a)	Jointly controlled entities	Pengg Usha Martin Wires Private Limited (PUMWPL)
		CCL Usha Martin Stressing Systems Limited (CCLUMSSL)
		Tesac Usha Wire rope Company Limited (TUWCL) *
(b)	Key management personnel	Mr. Basant Kumar Jhawar, Chairman Emeritus
		Mr. G.N.Bajpai, Chairman (w.e.f. 25th April, 2017)
		Mr. Brij K Jhawar, Director
		Mr. Prashant Jhawar, Director (Chairman till 25th April, 2017)
		Mr. Salil Singhal, Director
		Mr. Jitendra Balakrishnan, Director
		Mr. P.S.Bhattacharyya, Director
		Mr. M. Rohatgi, Director (w.e.f. 9th December, 2016)
		Ms. A. Ramakrishnan, Director (w.e.f. 9th December, 2016)
		Mr. V. Ramakrishna Iyer, Director
		Mr. Rajeev Jhawar, Managing Director
		Mr. P.K.Jain, Joint Managing Director (Wire and Wire Rope Business)
		Mr. Rohit Nanda, Chief Financial Officer (w.e.f. 1st July, 2016)
		Ms. Shampa Ghosh Ray, Company Secretary (w.e.f. 8th August, 2016)
		Mr. A. K. Somani, Chief Financial Officer and Company Secretary (up to 30th June, 2016)
(c)	Substantial interest in the voting power of the entity	UMI Special Steel Limited (UMISSL) (under liquidation)
(d)	Others	Usha Martin Employee Provident Fund Trust
		Pengg Austria AG (Holding Company of PUMWPL)

* Represents step-down jointly controlled entity.

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

37. Related party disclosures

(ii) Particulars of transactions

Name and relationship		Transactions during the period						
		Sale of products and services	Purchase of goods	Interest expenses/ (income) (net)	Key management personnels' remuneration	Directors' sitting fees	Loans/ advances (taken)/ given (net)	Contribution to Employees Provident Fund Trust
Key management personnel								
Mr. Rajeev Jhawar	**31st March, 2018**	**-**	**-**	**-**	**125**	**-**	**-**	**-**
	31st March, 2017	-	-	-	178	-	-	-
Mr. Brij K Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**3**	**-**	**-**
	31st March, 2017	-	-	-	-	7	-	-
Mr. P. K. Jain	**31st March, 2018**	**-**	**-**	**-**	**142**	**-**	**-**	**-**
	31st March, 2017	-	-	-	189	-	-	-
Mr. A. K. Somani	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	-	54	-	-	-
Mr. Rohit Nanda	**31st March, 2018**	**-**	**-**	**-**	**116**	**-**	**-**	**-**
	31st March, 2017	-	-	-	83	-	-	-
Ms. Shampa Ghosh Ray	**31st March, 2018**	**-**	**-**	**-**	**19**	**-**	**-**	**-**
	31st March, 2017	-	-	-	14	-	-	-
Mr. Basant Kumar Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**2**	**-**	**-**
	31st March, 2017	-	-	-	-	3	-	-
Mr. Prasant Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**1**	**-**	**-**
	31st March, 2017	-	-	-	-	3	-	-
Mr. Jitendra Balakrishnan	**31st March, 2018**	**-**	**-**	**-**	**-**	**9**	**-**	**-**
	31st March, 2017	-	-	-	-	12	-	-
Mr. G.N.Bajpai	**31st March, 2018**	**-**	**-**	**-**	**-**	**11**	**-**	**-**
	31st March, 2017	-	-	-	-	12	-	-
Mr. Salil Singhal	**31st March, 2018**	**-**	**-**	**-**	**-**	**6**	**-**	**-**
	31st March, 2017	-	-	-	-	7	-	-
Mr. P.S.Bhattacharyya	**31st March, 2018**	**-**	**-**	**-**	**-**	**7**	**-**	**-**
	31st March, 2017	-	-	-	-	7	-	-
Mr. V. Ramakrishna Iyer	**31st March, 2018**	**-**	**-**	**-**	**-**	**3**	**-**	**-**
	31st March, 2017	-	-	-	-	3	-	-
Mr. M. Rohatgi	**31st March, 2018**	**-**	**-**	**-**	**-**	**5**	**-**	**-**
	31st March, 2017	-	-	-	-	1	-	-
Ms. A. Ramakrishnan	**31st March, 2018**	**-**	**-**	**-**	**-**	**5**	**-**	**-**
	31st March, 2017	-	-	-	-	1	-	-
Total	**31st March, 2018**	**-**	**-**	**-**	**402**	**52**	**-**	**-**
	31st March, 2017	-	-	-	518	56	-	-
Others								
Usha Martin Employees provident Fund Trust	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**	**554**
	31st March, 2017	-	-	-	-	-	-	513
Pengg Austria AG	**31st March, 2018**	**793**	**217**	**17**	**-**	**-**	**-**	**-**
	31st March, 2017	233	130	19	-	-	586	-
Total	**31st March, 2018**	**793**	**217**	**17**	**-**	**-**	**-**	**554**
	31st March, 2017	233	130	19	-	-	586	513
Grand Total	**31st March, 2018**	**793**	**217**	**17**	**402**	**52**	**-**	**554**
	31st March, 2017	233	130	19	518	56	586	513

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

37. Related party disclosures

(iii) Balance outstanding at the year end 31st March, 2018

Name and relationship		Balance outstanding at the year end					
		Corporate / other guarantees given	Trade receivables	Trade payables/ other finanial liabilities	Loans and advances (long-term / short-term)	Investments in equity and preference shares	Company's contribution to Related Party Trust
Substantial interest in voting power of the Company							
UMISSL	**31st March, 2018**	**-**	**-**	**-**	**-**	*****	**-**
	31st March, 2017	-	-	-	-	*	-
Key management personnel							
Mr. Rajeev Jhawar	**31st March, 2018**	**2,03,750**	**-**	**2**	**-**	**-**	**-**
	31st March, 2017	1,81,750	-	2	-	-	-
Mr. Brij. K Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-
Mr. Prashant Jhawar	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-
Mr. G.N.Bajpai	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-
Mr. Jitender Balakrishnan	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**-**
	31st March, 2017	-	-	*	-	-	-
Mr. P. K. Jain	**31st March, 2018**	**-**	**-**	**8**	**-**	**-**	**-**
	31st March, 2017	-	-	8	-	-	-
Mr. Rohit Nanda	**31st March, 2018**	**-**	**-**	**9**	**-**	**-**	**-**
	31st March, 2017	-	-	11	-	-	-
Ms. Shampa Ghosh Ray	**31st March, 2018**	**-**	**-**	**1**	**-**	**-**	**-**
	31st March, 2017	-	-	1	-	-	-
Total	**31st March, 2018**	**2,03,750**	**-**	**20**	**-**	**-**	**-**
	31st March, 2017	1,81,750	-	22	-	-	-
Others							
Usha Martin Employees provident Fund Trust	**31st March, 2018**	**-**	**-**	**-**	**-**	**-**	**46**
	31st March, 2017	-	-	-	-	-	53
Pengg Austria AG	**31st March, 2018**	**-**	**224**	**8**	**1**	**1,620**	**-**
	31st March, 2017	-	58	120	1	1,620	-
Total	**31st March, 2018**	**-**	**224**	**8**	**1**	**1,620**	**46**
	31st March, 2017	-	58	120	1	1,620	53
Grand Total	**31st March, 2018**	**2,03,750**	**224**	**28**	**1**	**1,620**	**46**
	31st March, 2017	1,81,750	58	142	1	1,620	53

* Amount is below the rounding off norm adopted by the Group.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2018 and 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.

As the future liability for gratuity and leave is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

38. Segment information

Based on evaluation of the Group's business performance by the Chief operating decision maker, the Group's businesses are organised in the following reportable segments :

- The 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.
- Others include manufacturing and selling of wire drawing and allied machines and Jelly Filled Telecommunication Cables.

The Group's financing (including finance costs and finance income) and income taxes are managed on a Group level and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis.

The following table presents revenue and profit information and certain asset information regarding the Group's business segment as at and for the year ended 31st March, 2018 and 31st March, 2017.

I. Business Segment Analysis

Year ended 31st March, 2018					
Particulars	**Business segments**			**Adjustments and eliminations**	**Total**
	Steel	**Wire and wire ropes**	**Others**		
Segment revenue					
External revenue	**2,56,617**	**2,07,473**	**12,699**	**-**	**4,76,789**
	2,21,658	1,86,475	17,377	-	4,25,510
Inter-segment revenue	**85,502**	**589**	**29**	**(86,120)**	**-**
	80,437	680	549	(81,666)	-
Total revenue from operations	**3,42,119***	**2,08,062**	**12,728**	**(86,120)**	**4,76,789**
	3,02,095*	1,87,155	17,926	(81,666)	4,25,510
Segment profit	**9,978**	**23,477**	**720**	**-**	**34,175**
	7,929	13,844	1,613	-	23,386
Total assets	**529,327**	**198,029**	**9,478**	**8,593**	**745,427**
	566,898	189,864	9,248	7,833	773,843
Total liabilities	**204,921**	**37,795**	**17,357**	**409,279**	**669,352**
	180,126	38,594	19,222	438,015	675,957
Reconciliations to amounts reflected in the financial statements					
Reconciliation of profit					
Segment profit	**9,978**	**23,477**	**720**	**-**	**34,175**
	7,929	13,844	1,613	-	23,386
Less : Finance costs (note 30)					**58,698**
					56,424
Less : Other unallocable expenditure (net of unallocable income)					**1,845**
					2,451
Profit / (loss) before tax and share of profit/(loss) of jointly controlled entities					**(26,368)**
					(35,489)
Reconciliation of assets					
Segment assets	**5,29,327**	**1,98,029**	**9,478**	**-**	**7,36,834**
	5,66,898	1,89,864	9,248	-	7,66,010
Investments -unallocable					**3,855**
					3,674
Advance income tax assets (net) (note 8)					**3,842**
					3,455
Deferred tax assets(net) (note 7)					**896**
					704
Total assets					**7,45,427**
					7,73,843
Reconciliation of liabilities					
Segment liabilities	**2,04,921**	**37,795**	**17,357**	**-**	**2,60,073**
	1,80,126	38,594	19,222	-	2,37,942
Long-term borrowings including current maturities [note 15(i) and 20(iii)]					**3,10,255**
					3,41,018

Particulars	Business segments			Adjustments and eliminations	Total
	Steel	Wire and wire ropes	Others		
Short-term borrowings [note 20(i)]					**96,989**
					95,285
Current tax liabilities (net) (note22)					**402**
					333
Deferred tax liabilities (net) [note 18(a)]					**1,633**
					1,379
Total liabilities					**6,69,352**
					6,75,957

Note: Figures in normal type relate to 31st March, 2017

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, 2018	Year ended 31st March, 2017
India *	3,90,873	3,40,585
Outside India	85,916	84,925
Total revenue from operations as per statement of profit and loss	**4,76,789**	**4,25,510**

* Revenue aggregating Rs. 55,364 lakhs from one customer constituted 10% or more of the Company's total revenue for the year. However, revenue from any single customer did not constitute 10% or more of the total revenue during the previous year.

Details of non-current assets (property, plant and equipment,capital work-in-progress,investment property, goodwill on consolidation and other intangible assets) based on geographical area are as below:

	As at 31st March, 2018	As at 31st March, 2017
India	4,49,673	4,70,565
Outside India	47,854	44,661
Total	**4,97,527**	**5,15,226**

Segment capital expenditure

	Year ended 31st March, 2018	Year ended 31st March, 2017
India	2,497	4,554
Outside India	402	181
Total	**2,899**	**4,735**

The accounting policies of the reportable segments are the same as of the Group's accounting policies.

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

39 A. Fair value hierarchy

a) Financial instruments by category

	As at 31 March, 2018				As at 31 March, 2017			
	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value
Financial assets								
Investments	5	-	5	5	5	-	5	5
Trade receivables	-	67,137	67,137	67,137	-	68,264	68,264	68,264
Cash and cash equivalents	-	4,973	4,973	4,973	-	4,289	4,289	4,289
Other bank balances	-	2,129	2,129	2,129	-	806	806	806
Loans and advances	-	1,018	1,018	1,018	-	1,042	1,042	1,042
Other financial assets	-	2,738	2,738	2,738	-	2,329	2,329	2,329
Total financial assets	**5**	**77,995**	**78,000**	**78,000**	**5**	**76,730**	**76,735**	**76,735**
Financial liabilities								
Borrowings (including current maturities)	-	4,07,263	4,07,263	4,07,263	-	4,36,355	4,36,355	4,36,355
Trade payables	-	1,96,412	1,96,412	1,96,412	-	1,81,988	1,81,988	1,81,988
Derivatives	79	-	79	79	3,812	-	3,812	3,812
Other financial liabilities	-	18,028	18,028	18,028	-	19,225	19,225	19,225
Total financial liabilities	**79**	**6,21,703**	**6,21,782**	**6,21,782**	**3,812**	**6,37,568**	**6,41,380**	**6,41,380**

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value through profit and loss. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial 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, 2018				
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in other companies	-	-	5	**5**
Financial liabilities				
Derivative financial liabilities	-	79	-	**79**
Financial assets and liabilities measured at fair value at 31st March, 2017				
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in other companies	-	-	5	**5**
Financial liabilities				
Derivative financial liabilities	-	3,812	-	**3,812**

Notes:

The Group uses the following hierarchy for determining and /or disclosing the fair value of financial instruments by valuation techniques :

Level 1 hierarchy includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

39 B. Financial risk management

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee (RMC) which is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's activities expose it to market risk, liquidity risk and credit risk which are measured, monitored and managed to abide by the principles of risk management.

(a) Credit risk

Credit risk refers to the risk of financial loss that may arise from counterparty failure on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Group controls its own exposure to credit risk. All external customers undergo a creditworthiness check. The Group performs an on-going assessment and monitoring of the financial position and the risk of default. Based on the aforesaid checks, monitoring and historical data, the Group does not perceive any significant credit risk on trade receivables.

In addition, as part of its cash management and credit risk function, the Group regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash and performs trade finance operations. The Group primarily has banking relationships with the public sector, private and large international banks with good credit rating.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at 31st March, 2018 and March 31st, 2017.

The maximum exposure to the credit risk at the reporting date is the carrying value of all financial assets as disclosed in note 39A.

Of the year end trade receivables, the following were past due but not impaired as at 31st March, 2018 and 31st March, 2017 :

Particulars	As at 31st March, 2018	As at 31st March, 2017
Neither impaired nor past due	50,320	56,018
Past due but not impaired		
Due less than one month	7,708	3,763
Due between one - three months	3,838	3,698
Due between three - twelve months	4,455	3,745
Due greater than twelve months	816	1,040
Total	**67,137**	**68,264**

(b) Liquidity risk

The Group has liquidity risk monitoring processes covering short-term, mid-term and long-term funding. Liquidity risk is managed through maintaining adequate amount of committed credit facilities and loan funds. The Group also has plans to sell some of its identified non core assets to manage its liquidity position.

Management regularly monitors projected and actual cash flow data, analyses the repayment schedules of the existing financial assets and liabilities and performs annual detailed budgeting procedures coupled with rolling cash flow forecasts.

The contractual maturities of the Group's financial liabilities are presented below:-

31st March, 2018	Contractual cash flows				
	Less than 1 year	1-3 years	3-8 years	Above 8 years	Total
Non-derivative financial liabilities					
Borrowings (including current maturities) *	1,45,650	86,038	2,04,418	16,508	**4,52,614**
Trade payables	1,96,412	-	-	-	**1,96,412**
Other financial liabilities	18,028	-	-	-	**18,028**
Derivative financial liabilities	79	-	-	-	**79**
Total	**3,60,169**	**86,038**	**2,04,418**	**16,508**	**6,67,133**
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) *	1,66,442	80,140	2,04,606	32,453	**4,83,641**
Trade payables	1,81,988	-	-	-	**1,81,988**
Other financial liabilities	19,021	204	-	-	**19,225**
Derivative financial liabilities	3,812	-	-	-	**3,812**
Total	**3,71,263**	**80,345**	**2,04,606**	**32,453**	**6,88,666**

* Includes non-current borrowings, current borrowings, current maturities of non-current borrowings and committed interest payments at the prevailing interest rate

The amount of guarantees given on behalf of subsidiaries included in note 35 B (iii) represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to different types of market risks. The market risk is the possibility that changes in foreign currency exchange rates, interest rates and commodity prices may affect the value of the Group's financial assets, liabilities or expected future cash flows.

The fair value information presented below is based on the information available with the management as of the reporting date.

(c.1) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including borrowing, trade and other payable etc., are mitigated through the use of derivative instruments. The Group does not use derivative financial instruments for trading or speculative purposes.

A reasonably possible strengthening /weakening of the Indian Rupee against such foreign currency (converted to US Dollars) as at 31st March, 2018 and 31st March, 2017 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 receivables / (payables) (net)	Effect on profit/(loss) before Tax	Impact on Equity
31st March, 2018	**10%**	**21,367**	**2,137**	**2,137**
	-10%		**(2,137)**	**(2,137)**
31st March, 2017	10%	(575)	(57)	(57)
	-10%		57	57

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution.

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

	As at 31st March, 2018	As at 31st March, 2017
Less than 1 year Forward contract to cover both present and future foreign currency exposures :		
Import payables	3,877	48,517
Foreign currency loan payable (including interest)	-	42,387
Export Receivables	2,732	925

(c.2) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

The exposure of the Group's financial assets and financial liabilities as at 31st March, 2018 and 31st March, 2017 to interest rate risk is as follows :

Financial Assets	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
31st March, 2018	**78,000**	**-**	**5,016**	**72,984**
31st March, 2017	76,735	-	3,181	73,554
Financial liabilities	**Total**	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non-interest bearing financial liabilities**
31st March, 2018	**6,21,782**	**5,21,440**	**3,129**	**97,213**
31st March, 2017	6,41,380	5,54,939	3,544	82,897

If the interest rates applicable to floating rate instruments is increased/decreased by 1%, the profit before tax for the year ended 31st March, 2018 would decrease/increase by Rs 5,214 lakhs (31st March, 2017 : Rs 5,549 lakhs) on an annualised basis. This assumes that the amount and mix of fixed and floating rate debt remains unchanged during the year from that in place as at year end.

(c.3) Commodity price risk

The Group's revenue is exposed to the risk of price fluctuations related to the sale of its steel and wire & wire rope products. Market forces generally determine prices for 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 and wire & wire rope 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, 2018 and 31st March, 2017 respectively.

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

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 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 for a 5% change on the statement of profit and loss		
Particulars	**Increase**	**Decrease**
31st March, 2018		
Coal	**(6,824)**	**6,824**
Iron ore	**(504)**	**504**
31st March, 2017		
Coal	(4,814)	4,814
Iron ore	(427)	427

39 C. Derivative financial instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

39 D. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity. The Group's capital management objectives are to ensure its ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders.

The Group manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Group may pay dividend or repay debts, raise new debt or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018 and 31st March, 2017 respectively. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The following table summarises the capital of the Group -

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Cash and cash equivalents [refer note 11 (ii)]	4,973	4,289
Other bank balances [refer note 11 (iii)]	2,129	806
Total cash (a)	**7,102**	**5,095**
Non - current borrowings [refer note 15 (i)]	2,75,265	2,84,481
Current borrowings [refer note 20 (i)]	96,989	95,285
Current maturities of long-term borrowings [refer note 20 (iii)]	34,990	56,537
Total borrowings (b)	**4,07,244**	**4,36,303**
Net debt (c = b-a)	**4,00,142**	**4,31,208**
Total equity	72,706	94,492
Total capital (equity + net debt) (d)	**4,72,848**	**5,25,700**
Gearing ratio (c/d)	**0.85**	**0.82**
No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.		

40 (a) The Company was allocated two coal blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Supreme Court order dated 24th September, 2014 followed by promulgation of the Coal Mines (Special Provisions) Act, 2015, (CMSP Act), the allocation of all coal blocks since 1993, including the aforesaid coal blocks allocated to the Company was cancelled with effect from 24th September, 2014 in case of Lohari Coal Block and 1st April, 2015 in the case of Kathautia Coal Block.

Through the process of public auction as envisaged in the CMSP Act, the aforesaid Coal Blocks of the Company had been allocated to other successful bidders by the Central Government. Pursuant to conclusion of such auction, the Central Government had also issued vesting orders for Kathautia and Lohari Coal Blocks for transfer and vesting the Company's rights, title and interest in and over the land and mine infrastructure of the said coal blocks to the respective successful bidders.

Upon de-allocation of aforesaid coal blocks, the Company has reclassified its related 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, 2018	As at 31st March, 2017
Assets held for sale [refer note (e) below]	2,290	3,419
Advances against land-coal mines under other current assets (refer note 12)	10,532	10,532
Advances against land-coal mines under other non current assets (refer note 9)	2,851	2,851
Total	**15,673**	**16,802**

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 previous year, the Hon'ble Jharkhand High Court had, vide order dated January 11, 2017, directed the State Government of Jharkhand to take decision on denotification of land acquisition proceedings in respect of land which was being acquired for the Company's mining purposes. The land acquisition proceedings have since been denotified by the State Government of Jharkhand. Based on interactions with and intimations received from the State Government of Jharkhand, management believes that the advance of Rs 10,532 lakhs deposited by the Company for such acquisition will be refunded/ received within the next financial year.

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

After taking into consideration the present developments as set out above and the recourses available to the Company for recovery of investments from the concerned authorities / parties on the basis of advice of legal counsel, management is of the opinion that the realizable value of aforesaid assets will not be less than their carrying values.

40 (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.1,295 lakhs (31st March, 2017: Rs. 1,386 lakhs) has been disclosed as "Assets held for sale".

40 (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, 2017: Rs 1,035 lakhs) has been disclosed as "Assets held for sale".

40 (d) The Company has received advance amounting to Rs 390 lakhs against sale of land (31st March, 2017 : Rs 1,239 lakhs) Consequently, the written down value of such assets amounting to Rs 114 lakhs (31st March, 2017 : Rs 750 lakhs) has been disclosed as "Assets held for sale".

40 (e) Assets held for sale includes 122 plots of Freehold Land amounting to Rs. 282 lakhs (31st March, 2017 : Rs. 282 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 consolidated financial statements (All amounts in Rs. Lakhs)

41 Group information

(a) The Group consists of a parent company, Usha Martin Limited, incorporated in India and a number of subsidiaries and jointly controlled entities held directly and indirectly by the Group which operate and are incorporated around the world. Following are the details of shareholdings in the subsidiaries and jointly controlled entities.

	Country of incorporation	% of equity interest as on 31st March, 2018	% of equity interest as on 31st March, 2017
Information about subsidiaries			
Domestic:			
UM Cables Limited	India	100%	100%
Usha Martin Power and Resources Limited	India	100%	100%
Bharat Minex Private Limited	India	100%	100%
Gustav Wolf Speciality Cords Limited	India	100%	100%
Overseas:			
Usha Martin International Limited (note 1 below)	United Kingdom	100%	92%
Usha Martin UK Limited @	United Kingdom	100%	100%
European Management and Marine Corporation Limited @	United Kingdom	100%	100%
Brunton Shaw UK Limited @	United Kingdom	100%	100%
De Ruiter Staalkabel B.V. @	Netherlands	100%	100%
Usha Martin Europe B.V. @	Netherlands	100%	100%
Usha Martin Italia S.R.L. @	Italy	100%	100%
Brunton Wolf Wire Ropes FZCO.	United Arab Emirates, Dubai	60%	60%
Usha Martin Americas Inc.	United States of America	100%	100%
Usha Siam Steel Industries Public Company Limited	Thailand	98%	98%
Usha Martin Singapore Pte. Limited	Singapore	100%	100%
Usha Martin Australia Pty Limited @	Australia	100%	100%
Usha Martin Vietnam Company Limited @	Vietnam	100%	100%
PT Usha Martin Indonesia @	Indonesia	100%	100%
Usha Martin China Company Limited @	China	100%	100%
Information about jointly controlled entities			
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	50%	50%
Tesac Usha Wirerope Company Limited*	Thailand	50%	50%

@ Represents step-down subsidiary

* Represents step-down jointly controlled entity

Note 1 : During the financial year 2012-13, Usha Martin International Limited (UMIL), a subsidiary of the Company had issued and allotted 5,13,860 "C" ordinary shares of nominal value GBP 0.61 per share with voting rights to a party with resultant reduction in Company's control from 100% to 92% in UMIL. In accordance with the terms of the above agreement, UMIL has exercised the option to purchase the shares from the aforesaid shareholder at the price of GBP 0.658 per share for an aggregate purchase price of GBP 3,38,119.88, on July 3, 2017. As a result, effective July 3, 2017, UMIL became a wholly owned subsidiary of the Company.

(b) Non - controlling interests

The non-controlling interests of the Group relate to the following:

	Country of incorporation	% of ownership interest as on 31st March, 2018	% of ownership interest as on 31st March, 2017
Brunton Wolf Wire Ropes FZCO.	United Arab Emirates, Dubai	40%	40%
Usha Martin International Limited	United Kingdom	0% *	8%
Usha Siam Steel Industries Public Company Limited	Thailand	2%	2%

* refer note 1 of 41(a) above

Notes to the consolidated financial statements (All amounts in Rs. Lakhs)

The table below shows summarised financial information of subsidiary of the Group, Brunton Wolf Wire Ropres 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, 2018	As at 31st March, 2017
Non-current assets	1,161	979
Current assets	10,145	8,338
Non-current liabilities	299	265
Current liabilities	3,710	2,341
Equity attributable to owners of the Company	5,731	5,373
Non-controlling interests	1,565	1,338

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue	13,421	11,493
Expenses	12,584	11,239
Profit/(loss) after tax	837	254
Profit/(loss) attributable to the equity shareholders	491	178
Profit/(loss) attributable to the non-controlling interest	346	76
Other comprehensive income during the year	12	(10)
Other comprehensive income attributable to the equity shareholders	7	(6)
Other comprehensive income attributable to the non-controlling interest	5	(4)
Total comprehensive income during the year	849	244
Total comprehensive income attributable to the equity shareholders	498	172
Total comprehensive income attributable to the non-controlling interest	351	72
Dividends paid/payable to non-controlling interests, including dividend tax	280	275

(c) Interest in jointly controlled entities

Set out below are the jointly controlled entities of the group as at 31st March, 2018. 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.

Jointly controlled entities	Principal place of business	% of equity interest as on 31st March, 2018	% of equity interest as on 31st March, 2017
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	50%	50%
Tesac Usha Wirerope Company Limited*	Thailand	50%	50%

* Represents step-down jointly controlled entity

The table below shows summarised financial information of jointly controlled entity of the Group, Pengg Usha Martin Wires Private Limited, that is material to the Group. In the opinion of the management, other jointly controlled entities are not material to the Group.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-current assets	7,095	4,970
Current assets	6,558	5,474
Non-current liabilities	3,335	1,679
Current liabilities	5,364	3,774
Equity attributable to owners of the Company	4,954	4,990
Particulars	**For the year ended 31st March, 2018**	**For the year ended 31st March, 2017**
Revenue	10,807	10,396
Expenses	9,706	9,170
Profit/(loss) after tax	531	996
Other comprehensive income during the year	22	14
Total comprehensive income during the year	553	1,010

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

	As at 31st March, 2018	As at 31st March, 2017
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	1,856	1,168
ii) Interest due on above	199	274
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	349	150
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Group.

43. During the year, the group has continued to incur losses although its performance in terms of profitability and cash flows has improved in the later part of the year primarily due to recent improvements in the domestic steel sector. At the year end, the group's current liabilities exceeds its current assets by Rs. 155,943 Lakhs (31st March, 2017 : Rs. 142,040 lakhs). However, based on the group's expected improvement in performance, continuation/roll over of working capital facilities from banks, expected receipt of compensation in respect of de-allocated coal block and sale of business/non-core assets being evaluated, management believes that the group will be in a position to meet its obligations towards the banks and financial institutions and continue its present scale of operations for the next twelve months.

44. The Board of Directors of the Company continues to evaluate the possibility of sale of its "Wire and Wire Rope" business.

45. 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	Amounts in Rs. lakhs	As % of consolidated profit and loss	Amounts in Rs. lakhs	As % of consolidated OCI	Amounts in Rs. lakhs	As % of consolidated TCI	Amounts in Rs. lakhs
Parent								
Usha Martin Limited	**22.81**	**17,355**	**(105.37)**	**(28,234)**	**(0.28)**	**15**	**(131.61)**	**(28,219)**
	46.56	45,573	(99.27)	(35,495)	(3.25)	(161)	(87.57)	(35,656)
Subsidiaries								
Indian								
UM Cables Limited	**8.34**	**6,343**	**1.56**	**418**	**0.10**	**(5)**	**1.92**	**413**
	6.06	5,930	2.73	975	(0.28)	(14)	2.36	961
Usha Martin Power and Resources Limited	**0.00**	**3**	**-**	*****	**-**	**-**	**-**	*****
	0.00	3	-	*	-	-	-	*
Bharat Minex Private Limited	**0.01**	**9**	**(0.05)**	**(13)**	**-**	**-**	**(0.06)**	**(13)**
	0.02	23	(0.02)	(6)	-	-	(0.01)	(6)
Gustav Wolf Speciality Cords Limited	**0.31**	**234**	**0.03**	**8**	**-**	**-**	**0.04**	**8**
	0.23	225	0.03	12	-	-	0.03	12
Foreign								
Usha Martin International Limited $	**42.06**	**31,997**	**8.62**	**2,308**	**-**	**-**	**10.77**	**2,308**
	28.08	27,490	(5.41)	(1,936)	-	-	(4.75)	(1,936)
Usha Martin Singapore Pte Limited $	**9.60**	**7,301**	**0.16**	**44**	**-**	**-**	**0.20**	**44**
	7.61	7,446	(5.61)	(2,004)	-	-	(4.92)	(2,004)
Usha Siam Steel Industries Public Company Limited	**19.61**	**14,918**	**2.72**	**729**	**0.56**	**(30)**	**3.26**	**699**
	13.81	13,514	0.29	102	1.51	75	0.44	177
Usha Martin Americas Inc	**4.41**	**3,358**	**(2.16)**	**(580)**	**-**	**-**	**(2.71)**	**(580)**
	4.02	3,940	(3.09)	(1,105)	-	-	(2.71)	(1,105)
Brunton Wolf Wire Ropes FZCO	**9.59**	**7,297**	**3.12**	**837**	**(0.22)**	**12**	**3.96**	**849**
	6.86	6,711	0.71	254	(0.21)	(10)	0.60	244
Non-controlling interests in all subsidiaries	**(4.43)**	**(3,369)**	**1.22**	**328**	**-**	**-**	**1.53**	**328**
	(3.47)	(3,394)	0.38	135	-	-	0.33	135

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	Amounts in Rs. lakhs	As % of consolidated profit and loss	Amounts in Rs. lakhs	As % of consolidated OCI	Amounts in Rs. lakhs	As % of consolidated TCI	Amounts in Rs. lakhs
Jointly controlled entities (investment accounting as per the equity method)								
Indian								
Pengg Usha Martin Wires Private Limited	**2.60**	**1,982**	**0.47**	**127**	**-**	**-**	**0.59**	**127**
	2.04	1,996	1.00	356	-	-	0.88	356
CCL Usha Martin Stressing Systems Limited	**0.05**	**40**	**0.01**	**2**	**-**	**-**	**-**	**2**
	0.04	39	0.00	2	-	-	-	2
Foreign								
Tesac Usha Wirerope Company Limited#	**2.38**	**1,810**	**(0.16)**	**(43)**	**-**	**-**	**(0.20)**	**(43)**
	1.71	1,675	(0.45)	(162)	-	-	(0.40)	(162)
Elimination / adjustment due to consolidation	**(17.34)**	**(13,202)**	**(10.17)**	**(2,725)**	**(100.16)**	**5,364**	**12.32**	**2,639**
	(13.57)	(13,287)	8.71	3,116	(97.78)	(4,849)	(4.26)	(1,733)
Total	**100**	**76,075**	**(100)**	**(26,795)**	**(100)**	**5,356**	**(100)**	**(21,439)**
	100	97,886	(100)	(35,756)	(100)	(4,959)	(100)	(40,715)

* Amount is below the rounding off norm adopted by the Group.

Represents step-down jointly controlled entity.

$ Financial information is inclusive of its subsidiaries.

Figures in normal type relate to previous year 2016-17.

46 Previous year's figures have been regrouped / rearranged wherever necessary, to conform to current year's presentation.

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 : 21st May, 2018

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

Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules,2014
Statement containing sailent features of the financial statement of Subsidiaries / Associates /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	U M Cables Limited	Usha Martin Power & Re-sources Limited	Bharat Minex Private Limited	Gustav Wolf Speciali-ty Cords Limited	Usha Siam Steel Industries Public Company Limited	Usha Martin Americas Inc	Brunton Wolf Wire Ropes FZCo	Usha Martin Singapore Pte. Limited	Usha Martin Australia Pty Limited	P T Usha Martin Indonesia	Usha Mar-tin Vietnam Company Limited	Usha Mar-tin China Company Ltd	Usha Martin Internation-al Limited	De Ruiter Staalk-abel BV Sliedrecht	Usha Martin Italia S.R.L. #	Usha Mar-tin Europe B.V.	Usha Martin UK Limited	Brunton Shaw UK Limited	European Management and Marine Corporation Limited
Reporting period for the subsidiary	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18
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,2018 (used for conversation C/Y Vs INR)	-	-	-	-	2.0850	65.1750	17.7468	65.1750	50.0450	65.1750	0.0029	10.3825	92.2748	80.8105	80.8105	80.8105	92.2748	92.2748	92.2748
Share Capital	1,113	5	20	15	2,982	2,607	3,372	373	100	65	50	320	5,453	15	8	15	3,553	-	-
Reserves and Surplus	5,230	(2)	(11)	219	7,544	751	3,972	8,963	1,493	505	340	(3,297)	3,195	4,911	278	(41)	21,129	-	-
Total Assets	18,603	5	45	607	29,879	5,799	11,285	18,228	3,316	1,245	915	1,594	8,869	10,352	444	1,289	35,861	-	-
Total Liabilities	12,260	2	36	373	19,354	2,441	3,942	8,892	1,723	675	524	4,571	221	5,426	159	1,315	11,179	-	-
Investments	-	-	-	-	1,810	-	-	237	-	-	-	-	6,515	-	-	-	-	-	-
Turnover (Net)	11,710	-	-	896	28,541	3,480	13,481	9,255	4,584	2,059	2,346	576	-	9,145	716	2,896	29,029	-	-
Profit/(Loss) before Taxation	665	*	(13)	9	234	(444)	857	(2,998)	155	220	95	(138)	168	409	88	122	68	-	-
Provision for Taxation	248	-	-	1	67	157	-	(333)	45	53	20	-	34	93	46	24	(153)	-	-
Profit/(Loss) after Taxation	418	*	(13)	8	166	(602)	857	(2,665)	110	167	75	(138)	134	316	42	98	221	-	-
Proposed Dividend	-	-	-	-	-	-	279	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	97.98%	100%	60%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Amount is below rounding off norm adopted by the Company
# Financial information is based on Unaudited Results.
(1) Name of subsidiary which are yet to commence operations - None
(2) Name of subsidiaries which have been liquidated / sold during the year - None
(3) The annual accounts of the above subsidiary companies are available on the website of the Company and also kept for inspection at the Registered Office of the Compny.

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associates and Joint Ventures

Part "B" : Associates and Joint Ventures

(Rs. in Lakh)

Serial No.	1	2	3
Name of the Associates /Joint Ventures	**Pengg Usha Martin Wires Private Limited (PUMWPL)**	**CCL Usha Martin Stressing Systems Limited (CUMSSL)**	**Tesac Usha Wirerope Company Limited (TUWCL)**
Latest audited Balance Sheet Date	31-Mar-18	31-Mar-18	31-Mar-18
Shares of Associate/Joint Ventures held by the company on the year end			
Number	Equity Shares - 10,800,000 *	Equity Shares - 473,195 *	Ordinary Shares - 1,250,000 *#
Amount of Investment in Associates/Joint Venture	1,080	31	2,350
Extent of Holding %	40.00%	49.99%	50.00%
Description of how there is significant influence	PUMWPL is a joint venture company, wherein the Company is holding 40% of equity in PUMWPL under a Shareholders Agreement.	CUMSSL is a joint venture Company wherein the Company is a hoding 49.99% of the equity in CUMSSL under a Shareholders Agreement.	TUMCL is a joint venture of Usha Siam Steel Industries Public Company Limited, a subsidiary of the Company.
Reason why the associate/joint venture is not consolidated	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 sonsolidation 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 to the extent of the Company's interest therein.
Net worth attributable to Shareholding as per latest audited Balance Sheet	1,982	40	1,810
Profit / Loss for the year	531	3	(91)
Considered in Consolidation	212	1	(46)
Not Considered in Consolidation	318	2	(45)

* 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 are available on the website of the Company and also kept for inspection at the Registered Office of the Company.

On behalf of the Board of Directors

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 : 21st May, 2018

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN	L31400WB1986PLC091621
ii)	Registration Date	22/05/1986
iii)	Name of the Company	Usha Martin Limited
iv)	Category / Sub-Category of the Company	Public Company
v)	Address of the Registered office and contact details	2A, Shakespeare Sarani, Kolkata – 700071; Ph - (033) 7100 6300; Fax - (033) 7100 6415, 2282-9029
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	34.45
2	Wires, Wire Ropes, Strands including Locked Coil Wire Ropes	3310	32.89
3	Wire Rods	3302	11.99

** For computation of percentage – Total Revenue from Operations (Gross) has been considered.*

III. Particulars of holding, subsidiary and associate companies

Sl. No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	U M Cables Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U26932WB1987PLC091221	Wholly Owned Subsidiary	100%	2(87)
2	Usha Martin Power and Resources Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U74999WB2008PLC126847	Wholly Owned Subsidiary	100%	2(87)
3	Bharat Minex Private Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U13203WB2007PTC168604	Wholly Owned Subsidiary	100%	2(87)
4	Gustav Wolf Speciality Cords Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U28999WB2003PLC095883	Wholly Owned Subsidiary	100%	2(87)
5	Pengg Usha Martin Wires Private Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U27106WB2006PTC109694	Associate	40%	2(6)
6	CCL Usha Martin Stressing Systems Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U74210WB2006PLC108112	Associate	49.99%	2(6)
7	Usha Martin International Limited,Sandy Lane, Worksop, Nottinghamshine, S803ES	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)
8	Brunton Wolf Wire Ropes FZCo., Plot No. MO 0301, P.O. Box 17491 Jebel Ali Free Zone Dubai, U.A.E.	Company incorporated outside India	Subsidiary	60%	2(87)
9	Usha Martin Americas Inc., 701, Plastic Avenue, Houston, Texas 770 020, USA.	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)
10	Usha Siam Steel Industries Public Company Limited, 101/46,Moo 20,Phaholyothin Road,Klongnueng, Klongluang, Pathumthani 12120,Thailand.	Company incorporated outside India	Subsidiary	97.98%	2(87)
11	Usha Martin Singapore Pte. Limited No. 91 Tuas Bay Drive, Singapore 637307	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)
12	Usha Martin Australia Pty. Ltd. 2/468-470 Victoria Street, Wetherill Park 2164 Sydney, NSW,Australia.	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)

13	P T Usha Martin Indonesia, Gedung Konica Building 3A Fl., Jl. Gunung Sahari 78, Jakarta 10610 - Indonesia	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)
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 Sliedrecht , Ringersstraat 7 Sliedrecht, P.O Box no. 663360 AB, Sliedrecht, Netherlands	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)
17	Usha Martin Italia SRL via Nikolajewka 1, 25062 Concesio (BS), Italy	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)
18	Usha Martin Europe B.V. , Kerkeplaat 10, 3313 LC Dordrecht, Netherlands	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)
19	Usha Martin UK Limited, Sandy Lane, Workshop, Nottinghamshire, S80 3Es	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)
20	Brunton Shaw UK Limited., 1st Floor, Tasman House, Mariner Court, Clydebank, G81 2NP	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)
21	European Management and Marine Corporation Limited , Howe Moss Place Kirkhill Industrial Estate, Dyce Aberdeen AB21 0GS	Company incorporated outside India	Wholly Owned Subsidiary *[Step-down subsidiary]*	100%	2(87)

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	58,12,267	-	58,12,267	1.91	58,12,267	-	58,12,267	1.91	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8,66,11,935	-	8,66,11,935	28.42	8,66,11,935	-	8,66,11,935	28.42	-
e) Banks / FI	-	-	-		-	-	-		-
f) Any Other	-	-	-		-	-	-		-
Sub-total (A) (1):-	9,24,24,202	-	9,24,24,202	30.33	9,24,24,202	-	9,24,24,202	30.33	-
(2) Foreign									
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.	3,33,36,135	-	3,33,36,135	10.94	3,83,36,135	-	3,83,36,135	12.58	1.64
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	3,58,29,118	-	3,58,29,118	11.76	4,08,29,118	-	4,08,29,118	13.40	1.64
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**12,82,53,320**	**-**	**12,82,53,320**	**42.09**	**13,32,53,320**	**-**	**13,32,53,320**	**43.73**	**1.64**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	92,105	8,165	1,00,270	0.03	1,21,779	14,355	1,36,134	0.04	0.01
b) Banks / FI	1,00,535	7,880	1,08,415	0.03	94,384	1,690	96,074	0.03	(0.00)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	84,06,416	-	84,06,416	2.76	79,89,856	-	79,89,856	2.62	(0.14)
g) FIIs/ Foreign Portfolio Investors	1,76,60,348	1,495	1,76,61,843	5.80	2,45,77,143	1,495	2,45,78,638	8.06	2.27
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	2,62,59,404	17,540	2,62,76,944	8.61	3,27,83,162	17,540	3,28,00,702	10.75	2.14
2.Non-Institutions									
a) Bodies Corp.									
i) Indian	3,99,47,234	30,655	3,99,77,889	13.12	4,03,13,303	30,575	4,03,43,878	13.24	0.12
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,77,34,880	22,32,803	3,99,67,683	13.12	4,40,35,577	21,56,773	4,61,92,350	15.16	2.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,62,80,342	-	3,62,80,342	11.91	2,56,35,549	-	2,56,35,549	8.41	(3.49)
c) Others									
i) Non-Resident Individuals/ Foreign Individuals	18,54,997	47,055	19,02,052	0.62	30,15,976	47,055	30,63,031	1.01	0.38
Sub-total (B)(2):-	11,58,17,453	23,10,513	11,81,27,966	38.77	11,30,00,405	22,34,403	11,52,34,808	37.82	(0.95)
Total Public Shareholding (B)=(B)(1)+(B)(2)	**14,20,76,857**	**23,28,053**	**14,44,04,910**	**47.38**	**14,57,83,567**	**22,51,943**	**14,80,35,510**	**48.57**	**1.19**
C. Shares held by Custodian for GDRs & ADRs @	**3,20,83,550**	**-**	**3,20,83,550**	**10.53**	**2,34,52,950**	**-**	**2,34,52,950**	**7.70**	**(2.83)**
Grand Total (A+B+C)	**30,24,13,727**	**23,28,053**	**30,47,41,780**	**100**	**30,24,89,837**	**22,51,943**	**30,47,41,780**	**100**	

@ Promoter and Promoter Group are holding 47,48,716 GDRs (representing 2,37,43,580 Equity Shares) outstanding at the beginning of the year and 37,48,716 GDRs (representing 1,87,43,580 Equity Shares)outstanding at the 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 Jhawar	5,18,500	0.17	-	5,18,500	0.17	-	-
3	Anupama Jhawar	36,950	0.01	-	36,950	0.01	-	-
4	Anupama Jhawar – Trustee of Anupriya Welfare Trust	5,50,359	0.18	-	5,50,359	0.18	-	-
5	Apurv Jhawar	3,95,245	0.13	-	3,95,245	0.13	-	-
6	Basant Kumar Jhawar	82,310	0.03	-	82,310	0.03	-	-
7	Brij Investments Private Limited	51,11,823	1.68	0.53	51,11,823	1.68	0.53	-
8	Brij Kishore Jhawar	9,45,865	0.31	-	9,45,865	0.31	-	-
9	Jhawar Venture Management Private Limited	8,59,825	0.28	-	8,59,825	0.28	-	-

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	
10	Kenwyn Overseas Limited #	1,43,64,680	4.71	-	1,43,64,680	4.71	-	-
11	Madhushree Goenka	49,460	0.02	-	49,460	0.02	-	-
12	Nidhi Rajgarhia	3,31,139	0.11	-	3,31,139	0.11	-	-
13	Peterhouse Investment India Limited	2,07,67,330	6.82	6.44	2,07,67,330	6.82	6.44	-
14	Peterhouse Investment Limited # #	1,89,71,455	6.23	-	2,39,71,455	7.87	-	1.64
15	Prajeev Investments Limited	3,57,000	0.12	-	3,57,000	0.12	-	-
16	Prashant Jhawar	20,60,788	0.68	-	20,60,788	0.68	-	-
17	Rajeev Jhawar	15,61,741	0.51	-	15,61,741	0.51	-	-
18	Shanti Devi Jhawar	2,79,243	0.09	-	2,79,243	0.09	-	-
19	Shreya Jhawar	2,13,500	0.07	-	2,13,500	0.07	-	-
20	Stuti Raghav Agarwalla	5,58,330	0.18	-	5,58,330	0.18	-	-
21	Susmita Jhawar	4,38,195	0.14	-	4,38,195	0.14	-	-
22	Uma Devi Jhawar	2,46,415	0.08	-	2,46,415	0.08	-	-
23	UMIL Share & Stock Broking Services Limited	3,88,88,369	12.76	12.47	3,88,88,369	12.76	12.47	-
24	Usha Martin Ventures Limited	2,06,27,588	6.77	6.56	2,06,27,588	6.77	6.56	-
	Total	**12,82,53,320**	**42.09**	**26.00**	**13,32,53,320**	**43.73**	**26.00**	**1.64**

Kenwyn Overseas Limited is holding 19,63,025 GDRs (representing 98,15,125 Equity Shares) outstanding at the beginning and end of the year.

Peterhouse Investment Limited is holding 27,85,691 GDRs (representing 1,39,28,455 Equity Shares) outstanding at the beginning of the year and 17,85,691 GDRs (representing 89,28,455 Equity Shares) outstanding at the end of the year.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	Peterhouse Investments Limited – 1,89,71,455 equity shares Peterhouse Investments Limited – 27,85,691 GDRs representing 1,39,28,455 equity shares	6.23 4.57	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Peterhouse Investments Limited – 10,00,000 GDRs representing 50,00,000 equity shares – *[Conversion of GDRs into Equity shares on 26th October, 2017]*	GDRs (1.64) Equity Shares 1.64	Peterhouse Investments Limited – 2,39,71,455 equity shares Peterhouse Investments Limited – 17,85,691 GDRs representing 89,28,455 equity shares	7.87 2.93
At the end of the year	Peterhouse Investments Limited – 2,39,71,455 equity shares Peterhouse Investments Limited – 17,85,691 GDRs representing 89,28,455 equity shares	7.87 2.93	-	-

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholding at the beginning of the year			Shareholding at the end of the year	
	Top Ten Shareholders*	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mitesh N Mehta	1,06,59,999	3.50	1,18,00,000	3.87
2	Bridge India Fund	88,40,100	2.90	88,40,100	2.90
3	Aquarius India Opportunities Fund ***	-	-	86,00,000	2.82
4	The Indiaman Fund (Mauritius) Limited	62,58,733	2.05	62,58,733	2.05
5	JMS Mining Services Private Limited	45,32,612	1.49	45,32,612	1.49
6	Life Insurance Corporation Of India	43,33,005	1.42	43,33,005	1.42
7	General Insurance Corporation Of India	39,16,560	1.29	35,00,000	1.15
8	Monet Securities Private Limited ***	17,16,286	0.56	30,51,770	1.00
9	Deepa Bagla Financial Consultants Pvt. Limited	22,29,572	0.73	22,29,572	0.73
10	Jai Annanya Investments Private Limited ***	19,97,650	0.66	19,97,650	0.66
11	Akash Bhanshali **	46,86,800	1.54	-	-
12	Vallabh Roopchand Bhanshali **	32,06,400	1.05	-	-
13	Payal Bhanshali **	28,00,000	0.92	-	-

* Considered on the basis of PAN of top ten shareholders as at the end of the year

** was on the top ten shareholder at the beginning of the year, but the shareholding had ceased at the end of the year.

***Not in the list of top ten shareholder at the beginning of the year. The same is reflected above since the shareholder is in the top ten shareholder as on 31st March, 2018.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Basant Kumar Jhawar	82,310	0.03	82,310	0.03
2	Mr. Prashant Jhawar	20,60,788	0.68	20,60,788	0.68
3	Mr. Brij Kishore Jhawar	9,45,865	0.31	9,45,865	0.31
4	Mr. Rajeev Jhawar	15,61,741	0.51	15,61,741	0.51
5	Mr. Ghyanendra Nath Bajpai	20,000	0.01	20,000	0.01
6	Mr. Salil Singhal	-	-	-	-
7	Mr. Jitender Balakrishnan	-	-	-	-
8	Mr. Partha Sarathi Bhattacharyya	-	-	-	-
9	Mr. Venkatachalam Ramakrishna Iyer	-	-	-	-
10	Mr. Mukesh Rohatgi	-	-	-	-
11	Mrs. Aarthi Ramakrishan	-	-	-	-
12	Mr. Pravin Kumar Jain	10,000	0.00	10,000	0.00
13	Mr. Rohit Nanda	-	-	-	-
14	Mrs. Shampa Ghosh Ray	-	-	-	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payments (Rs. In Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	370,563.00	1,694.25	-	372,257.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,780.00	-	-	2,780.00
Total (i+ii+iii)	**373,343.00**	**1,694.25**	**-**	**375,037.25**
Change in Indebtedness during the financial year				
• Addition	30,360.00	-	-	30,360.00
• Reduction	56,614.50	415.00	-	57,029.50
Net Change	(26,254.50)	(415.00)	-	(26,669.50)
Indebtedness at the end of the financial year				
i) Principal Amount	344,732.14	1,279.25	-	346,011.39
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,356.36	-	-	2,356.36
Total (i+ii+iii)	**347,088.50**	**1,279.25**		**348,367.75**

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	160.76	274.76
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	23.69	11.93	35.62
	(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.)*	19.51	12.32	31.83
	Total (A)	**157.20**	**185.01**	**342.21**
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	9.50	6.00	11.50	6.50	4.50	5.00	43.00
2	Commission	-	-	-	-	-	-	-
3	Others	-	-	-	-	-	-	-
	Total(1)	**9.50**	**6.00**	**11.50**	**6.50**	**4.50**	**5.00**	**43.00**

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	2.00	1.00	3.00	3.00	9.00
2	Commission	-	-	-	-	-
3	Others	-	-	-	-	-
4	**Total(2)**	**2.00**	**1.00**	**3.00**	**3.00**	**9.00**
	Total(B)=(1+2)					**52.00**

Total Managerial Remuneration	394.21
Overall Ceiling as per the Act	#

In view of absence of profits, the managerial remuneration was paid as 'minimum remuneration' to Executive Directors. Further, Non–Executive Directors were paid only sitting fees for attending Board and Committee Meetings.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. in Lakh)

Sl. no.	Particulars of Remuneration	Mr. Rohit Nanda, Chief Financial Officer	Mrs. Shampa Ghosh Ray, Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	146.28	23.63	169.91
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.94	1.64	4.58
	(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.)*	3.59	1.85	5.44
	Total (A)	**152.81**	**27.12**	**179.93**
Ceiling as per the Act		Not Applicable	Not Applicable	Not Applicable

VII. Penalties / Punishment/ Compounding of offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
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					

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

Rajeev Jhawar
Managing Director
DIN: 00086164

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

Place : Kolkata
Date : 21st May, 2018

usha martin

Usha Martin Limited

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

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the THIRTY-SECOND 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 Tuesday the 18th September, 2018 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, 2018 together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Brij Kishore Jhawar (DIN:00086200), who retires by rotation and being eligible, offers himself for re-appointment.

As Special Business:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

3. **As Ordinary Resolution**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and read with Schedule V of the Act (including any statutory modification(s) or re - enactments thereof, for the time being in force) and in terms of the recommendation of the Nomination & Remuneration Committee and as approved by Board of Directors, and subject to such approvals if any, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Rajeev Jhawar (DIN: 00086164) as Managing Director of the Company for a term of five years effective from 19th May 2018 to 18th May 2023 and payment of remuneration of upto Rs. 1.48 Crore per annum for the period commencing from 19th May 2018 to 18th May 2021, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed between the Board of Directors and Mr. Rajeev Jhawar within such overall ceiling."

   "**RESOLVED FURTHER THAT** where in any financial year, during the tenure of Mr. Rajeev Jhawar, as Managing Director of the Company, if the Company incurs a loss or its profits are inadequate, subject to the other applicable provisions of the Act (including any statutory modification or re-enactment thereof) and subject to such approvals if any, as may be required, consent of the Company be and is hereby accorded to pay Mr. Rajeev Jhawar, the above remuneration including perquisites as 'minimum remuneration' (computed with reference to the 'effective capital' of the Company as on the preceding financial year in accordance with the Act) for every year(s) thereafter during the period of his re-appointment, and that Board of Directors of the Company be and is hereby empowered to decide remuneration of any amount and other retirement benefits as may be recommended by the Nomination & Remuneration Committee, within such overall ceiling."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things, as may be deemed fit to give effect to the above Resolution."

4. **As Ordinary Resolution**

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and read with Schedule V of the Act (including any statutory modification(s) or re - enactments thereof, for the time being in force) and in partial modification of the relevant Resolution passed at the Extra Ordinary General Meeting of the Company held on 16th day of March, 2015, subject to such approvals if any, as may be necessary, consent of the Company be and is hereby accorded for payment of an amount not exceeding Rs. 1.48 crore per annum calculated with reference to the 'effective capital' of the Company as on the preceding financial year in accordance with Section II, Part II of Schedule V of the Act to Mr. Pravin Kumar Jain, Jt. Managing Director (Wire & Wire Rope Business) (DIN: 02583519) of the Company for the period commencing from 1st February, 2018 to 15th January, 2019."

   "**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter or vary the scope of remuneration of Mr. Pravin Kumar Jain, Jt. Managing Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this Resolution and the Act."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things, as may be deemed fit to give effect to the above Resolution."

5. **As Ordinary Resolution**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 1,75,000 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, 2019, be and is hereby ratified and confirmed."

6. **As Special Resolution**

   "**RESOLVED THAT** pursuant to the provisions of Section 13 and all 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 Memorandum of Association of the Company be and is hereby replaced with a new Memorandum of Association as placed before the Members at this Meeting, duly initialled for the sake of identification, and the new Memorandum of Association be and is hereby approved and adopted in substitution, and to the entire exclusion, of the Clauses contained in the existing Memorandum 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: 18th June, 2018

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.

   Proxies submitted on behalf of Companies / Association of Persons (AOPs) should be supported by an appropriate Resolution / Authorization, as applicable.

2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out details relating to Items of Special Business is annexed hereto.

3) The Register of Members and the Share Transfer Books of the Company shall remain closed from 11th September, 2018 till 18th September, 2018 (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, 2010 have been transferred to the Fund. The unclaimed/unpaid dividend declared for the Financial Year ended 31st March, 2011 shall be deposited in the Fund on or after 4th September, 2018.

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 relevant provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended, all shares in respect of which dividend has not been paid or claimed by the shareholder for seven consecutive years or more, the Company is required to transfer such Equity Shares of the members to the Demat account of the Investor Education and Protection Fund ('IEPF') Authority. The Company had sent necessary communication to all Shareholders concerned and had also published notices in newspapers in this regard. The Company has also uploaded full details of such shareholders, whose dividend remained unclaimed on its website www.ushamartin.com. The Company will do the needful in connection with transfer of such shares to the Demat account of IEPF Authority, as required.

5b) The members/ claimants whose shares, if any, unclaimed dividend, etc. have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fees.

6a) 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.

6b) In accordance with Companies (Significant Beneficial Owners) Rules, 2018, an individual person (including non-members of the Company) if holding the ultimate beneficial interest in any shares of the Company which is not registered in his / her name are requested to provide to the Company at its Registered Office or to the R & T Agent at their Registered Address a declaration of his/her being a significant beneficial owner (i.e. holding ultimate beneficial holding of 10% or more of the shares of the Company) in Form No. BEN– 1 as provided in the aforementioned Rules within 10th September, 2018. Alternatively such person may place a request to the Company Secretary of the Company at Usha Martin Limited, 2A, Shakespeare Sarani, Kolkata – 700 071 or through e-mail at investor@ushamartin.co.in for a copy of the aforementioned Form. Further in case of any change in significant beneficial ownership, the declaration in Form BEN – 1 has to be submitted within 30 days of such change.

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.

8a) 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.

8b) As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.

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. Further, in accordance with SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 all Members holding shares in physical form are requested to register their Permanent Account Number (PAN) and Bank Account details by submitting their self-attested copy of PAN Card (including that of the joint holders also) and an original cancelled cheque or submit copy of bank passbook /statement of the holder attested by the bank to MCS Share Transfer Agent Limited (Unit: Usha Martin Limited), 12/1/5, Manoharpukur Road, Kolkata 700 026, the Registrar and Share Transfer Agent (RTA) of the Company.

10) Electronic copy of the Annual Report for 2017–18 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 2017-18 are being sent by the permitted mode.

11) Electronic copy of the Notice of the 32nd 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 32nd 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 32nd Annual General Meeting and the Annual Report for 2017–18 will be available on the Company's website **www.ushamartin.com**. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, shareholders may send emails to **investor@ushamartin.co.in**.

13) As per the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing remote e-voting (Electronic Voting) facility to its Members to cast their votes electronically on all Resolutions set forth in this Notice convening the 32nd 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. 11th September, 2018** 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 15th September, 2018** and ends at **5.00 P.M. on 17th September, 2018**. During this period, Members of the Company, holding Shares either in physical form or in de-materialised form, as on the **cut-off date ("record date") i.e. 11th September, 2018**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The facility for voting through Ballot Paper shall be made available at the Meeting to the Members as on the **"cut-off date"** i.e. **record date**, attending the Meeting, who has not cast their vote by remote e-voting, shall be able to exercise their right to vote at the Meeting through Ballot Paper.

Instruction for voting electronically using NSDL e-Voting system

I. **Step 1** :- Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

A. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

B. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

C. A new screen will open. Please enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to 15(II) i.e. Cast your vote electronically.

D. Your User ID details are given below :

	Shareholding in Demat Form with		**Shareholding in Physical form**
	NSDL	**CDSL**	
User ID	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

E. Your password details are given below:

i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

iii. How to retrieve your 'initial password'?

a) If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

b) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

iv. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

v. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

vi. Now, you will have to click on "Login" button.

vii. After you click on the "Login" button, Home page of e-Voting will open.

II. **Step 2** :- Cast your vote electronically on NSDL e-Voting system.

A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

B. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

C. Select "EVEN" of company for which you wish to cast your vote.

D. Now you are ready for e-Voting as the Voting page opens.
E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
F. Upon confirmation, the message "Vote cast successfully" will be displayed.
G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

(i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aklabhcs@gmail.com with a copy marked to evoting@nsdl.co.in.
(ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
(iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. Further queries relating to voting by electronic means or Resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Company Secretary at email : investor@ushamartin.co.in

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. **11th September, 2018**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or 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 and on the website of NSDL 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 2017-18.
23) **Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2), information about the Directors proposed to be re-appointed are given below:**

Name of the Director	Mr. Brij Kishore Jhawar	
Director Identification Number	00086200	
Date of joining the Board	27th October, 2004	
Profile of Director / Brief resume of the directors (including nature of his expertise)	Mr. Brij Kishore Jhawar, Director, aged about 81 years is a science graduate and one of the founders of the Usha Martin Group. He did his Mechanical Engineering from Jadavpur University, Kolkata and was granted Diploma of Fellowship of The Institution of Engineers (India) in the year 1987 for his outstanding contribution to the progress and advancement of the mechanical engineering fraternity. He is a great believer in human values and human resources development. He is very conscious of industries' social obligations and is actively involved in social work.	
Disclosure of relationships between directors inter – se	Mr. Brij K. Jhawar is father of Mr. Rajeev Jhawar, Managing Director of the Company.	
No. of shares held in the Company as on 31st March, 2018	945,865	
Directorship (Indian Private/ Public Companies) and Committee Membership (Audit/ Stakeholders Relationship) in other companies.	Directorship in other Companies	Committee Position held
	KGVK Agro Limited	-
Remuneration	Presently Mr. Jhawar is not drawing any remuneration, except sitting fees for attending Meeting of the Board and its' Committees in which he is a Member.	
Number of Meetings of the Board attended during the Financial Year 2017-18	Mr. Jhawar had attended 2 Board Meetings.	

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Mr. Rajeev Jhawar [DIN: 00086164] had been appointed as Managing Director for a period of 5 years by the shareholders of the Company at the 27th Annual General Meeting held on 30th July, 2013. His term of 5 years expired on 18th May, 2018. Having regard to his wide knowledge, experience and services to the Company, the Board of Directors on recommendation of Nomination & Remuneration Committee of the Board of Directors at their meeting held on 5th February, 2018, subject to the necessary approval of the shareholders, have re – appointed Mr. Jhawar as Managing Director of the Company for a term of five years effective from 19th May 2018 to 18th May 2023 and payment of remuneration to him for the period commencing from 19th May 2018 to 18th May 2021 on the following broad terms:-

a. Basic Salary & Allowances: not exceeding Rs.1 crore per annum as may be decided by the Board of Directors including any Committee thereof;

b. Perquisites:
   i) Company's contribution towards Provident Fund, Superannuation Fund and Gratuity: As per Rules of the Company. This shall be over and above the limit specified in (a) above;
   ii) Residential Accommodation: Free furnished residential accommodation
   iii) Car: Chauffeur driven car/(s) to be provided and maintained by the Company;
   iv) Communication facility: Telephone and other communication facilities.
   v) Club fees: 4 (four) clubs
   vi) Medical Expenses: To be reimbursed as per actuals.
c. He shall not be paid any fees for attending meetings of the Board or any Committee thereof, where so appointed.
d. His total remuneration (excluding the Company's contribution to Provident Fund, Superannuation Fund and Gratuity) shall not exceed Rs. 1.48 crore per annum.
e. In the event of loss/inadequacy of profits in any of the Financial Year(s) during his tenure, the above remuneration including perquisites shall be payable as 'minimum remuneration' (computed with reference to the 'effective capital' of the Company as on the preceding financial year), subject to such approvals as may be necessary under the Companies Act, 2013 ("the Act").

The reappointment and remuneration payable to Mr. Jhawar require the approval of the members of the Company in the General Meeting. The above reappointment and remuneration payable to Mr. Jhawar on the terms proposed satisfies the applicable provisions of the Act and conditions laid down in Schedule V of the Act.

Other than Mr. Brij K Jhawar, Mr. Rajeev Jhawar and their respective family members, no other Director or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 3 of the Notice. As per Section 102(2) of the Act, it is clarified that the proposed Resolution does not relate to or affect any other Company.

The Board recommends the Ordinary Resolution set out at Item No. 3 for approval of members.

Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2), information about the Director proposed to be re-appointed are given below:

<table>
<tr><td>Name of the Director</td><td colspan="2">Mr. Rajeev Jhawar</td></tr>
<tr><td>Director Identification Number</td><td colspan="2">00086164</td></tr>
<tr><td>Date of joining the Board</td><td colspan="2">19th May, 1998</td></tr>
<tr><td>Profile of Director / Brief resume of the directors (including nature of his expertise)</td><td colspan="2">Mr. Rajeev Jhawar, Managing Director, aged about 53 years, is a commerce graduate and has studied at an international management institute. He has been associated with the Group for nearly three decades and brings with him rich experience in the administration of industrial enterprises.</td></tr>
<tr><td>Disclosure of relationships between directors inter – se</td><td colspan="2">Mr. Rajeev Jhawar is son of Mr. Brij K. Jhawar, Non-Executive Director of the Company.</td></tr>
<tr><td>No. of shares held in the Company as on 31st March, 2018</td><td colspan="2">1,561,741</td></tr>
<tr><td rowspan="2">Directorship (Indian Private/ Public Companies) and Committee Membership (Audit/ Stakeholders Relationship) in other companies.</td><td>Directorship in other Companies</td><td>Committee Position held</td></tr>
<tr><td>Usha Martin Education & Solutions Limited

Usha Breco Limited
Neutral Publishing House Limited
Redtech Networks India Private Limited
PARS Consultancy & Services Private Limited
Jhawar Venture Management Private Limited
KGVK Social Enterprises Limited
Orient Cement Limited</td><td>Stakeholders Relationship Committee (Chairman)
-
-
-
-
-
-
- Stakeholders Relationship Committee
- Audit Committee</td></tr>
<tr><td>Remuneration</td><td colspan="2">For the Financial Year 2017-18, Mr. Jhawar received a remuneration of Rs. 157.20 lakh. An amount of upto Rs.148 Lakh per annum for the period commencing from 19th May, 2018 till 18th May, 2021 is proposed to be paid to Mr. Jhawar.</td></tr>
<tr><td>Number of Meetings of the Board attended during the Financial Year 2017-18</td><td colspan="2">Mr. Jhawar had attended 6 Board Meetings.</td></tr>
</table>

Information required to be disclosed under the Second Proviso to Section-II(B), Part-II of Schedule V of the Act are as follows :

(i) the proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee and the Board ;
(ii) the Company has not defaulted in repaying its debt (including public deposits) or debentures or interest payable for a continuous period of thirty days during the preceding Financial Year ended 31st March, 2018;
(iii) an Ordinary Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding three years;
(iv) a statement containing further information is set out hereunder :

I. General Information:

i. Nature of industry :

The Company is in the business of manufacturing steel, steel products and wire & wire ropes.

ii. Date or expected date of commencement of commercial production :

The Company is in operation since 1986.

iii. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable

iv. Financial performance based on given indicators: (Rs. In Lakh)

Particulars	31.03.2018	31.03.2017	31.03.2016
Gross Revenue from operations	414,615	360,593	381,480
Net Revenue from operations	403,897	324,654	343,179
Profit/(Loss) before Tax	(28,234)	(35,495)	(47,891)
Tax Expenses	-	-	(5,942)
Profit/(Loss) for the Year	(28,234)	(35,495)	(41,949)
Equity Share Capital	3,054	3,054	3,054

v. Foreign investments or collaborations, if any: There are no foreign collaborations at present. However, foreign investors are holding equity in the Company.

II. Information about the appointee:

i. Background details: Mr. Rajeev Jhawar, son of Mr. Brij K Jhawar, is one of the promoters of the Company. Mr. Jhawar is associated with the business of the Company since 1987 and at present is the Managing Director of the Company. Mr. Jhawar is a commerce graduate and has studied management development at an international management institute.

ii. Past remuneration (excluding retiral benefits) : Mr. Jhawar was paid the following remuneration during each of the preceding three financial years:

(Rs. In Lakh)

	FY ended 31st March, 2018	FY ended 31st March, 2017	FY ended 31st March, 2016
Salary	114.00	114.00	114.00
Contribution to Provident Fund, Gratuity and Superannuation Fund	19.51	15.63	20.92
Perquisites	23.69	26.89	26.49
Total	**157.20**	**156.52**	**161.41**

iii. Recognition or awards :
Due to his able guidance, the Company has earned recognition for it's products.

iv. Job profile and his suitability:
Mr. Rajeev Jhawar, the Managing Director subject to the supervision and control of the Board of Directors is responsible for overall management of the affairs of the Company. He is also responsible to perform such other duties as may from time to time be entrusted to him by the Board. Taking into consideration his qualification, experience and expertise in the affairs and activities of the Company, he is best suited for the responsibilities assigned to him by the Board of Directors.

v. Remuneration proposed:
As set out in Resolution No. 3 of the Notice for the 32nd Annual General Meeting.

vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):
Having regard to the size of the Company, versatile experience and expertise of Mr. Jhawar and responsibilities of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable and commensurate.

vii. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:
Mr. Jhawar is one of the promoters of the Company and is holding 15,61,741 (as on 31st March, 2018) Equity Shares of the Company amounting to 0.51% of the Paid Up Equity Share Capital of the Company. Mr. Jhawar is the son of Mr. Brij K Jhawar, one of the Promoters and Director of the Company.

III. Other information:

(1) Reasons of loss or inadequate profits :
The external environment in the global economy as well as Indian economy continued to remain challenging. Slow growth in the economy, huge debt burden along with working capital crunch continued to adversely impact the Company's performance.

(2) Steps taken or proposed to be taken for improvement :
The Company has already taken steps to strengthen it's cost base, the Company has continued to invest as part of it's long term cost optimization plans in equipment, plant, infrastructure facilities and strengthening the teams & processes.

(3) Expected increase in productivity and profits in measurable terms :
The above measures undertaken are expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

IV. Disclosures:

a. The remuneration package of the managerial personnel is for the period 19th May, 2018 till 18th May, 2021.

b. The following information has been disclosed in the Board of Directors' Report under the heading 'Corporate Governance' attached to the Annual Report for the year ended 31st March, 2018.
   i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc of the directors.
   ii. Details of the fixed components and performance linked incentive alongwith performance criteria.
   iii. Service contracts, notice period, severance fees.
   iv. Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

c. The Company has not made any default in payment of any debts or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year ended 31st March, 2018.

Item No. 4

Mr. Pravin Kumar Jain [DIN:02583519] was appointed as Joint Managing Director (Wire & Wire Rope Business) by the shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 16th day of March, 2015 with effect from 1st February, 2015 till 15th January, 2019. At that time, the Central Government, approved payment of a consolidated remuneration of Rs.1.93 crore per annum calculated and payable in the manner as set out in Part II of Section II of Schedule V of the Act for the period of 3 years commencing from 1st February, 2015 to 31st January, 2018. Since the period mentioned in aforementioned approval of the Central Government has expired on 31st January, 2018, the Board of Directors on the recommendation of the Nomination & Remuneration Committee at its Meeting held on 5th February, 2018 approved payment of remuneration not exceeding Rs. 1.48 crore per annum (computed with reference to the 'effective capital' of the Company as on 31st March, 2017 and as provided under Part II of Section II of Schedule V of the Act) as minimum remuneration to Mr. P K Jain for the period commencing from 1st February, 2018 to 15th January, 2019. Approval of the shareholders of the Company is being sought for payment of remuneration not exceeding Rs. 1.48 crore per annum to Mr. P K Jain, Jt. Managing Director (Wire & Wire Rope Business) for his remaining tenure from 1st February, 2018 to 15th January, 2019.

Other than Mr. P K Jain, no other Director or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 4 of the Notice. As per Section 102(2) of the Act, it is clarified that the proposed Resolution does not relate to or affect any other Company.

The Board recommends the Ordinary Resolution set out at Item No. 4 for approval of members.

Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2), information about the Director proposed to be re-appointed are given below:

<table>
<tr><td>Name of the Director</td><td colspan="2">Mr. Pravin Kumar Jain</td></tr>
<tr><td>Director Identification Number</td><td colspan="2">02583519</td></tr>
<tr><td>Date of joining the Board</td><td colspan="2">1st February, 2010</td></tr>
<tr><td>Profile of Director / Brief resume of the directors (including nature of his expertise)</td><td colspan="2">Mr. Pravin Kumar Jain, Joint Managing Director [Wire & Wire Rope Business] aged about 64 years, is B.Tech (Mechanical Engineering) and MBA (General Management & Finance). Mr. Jain commands rich experience in operations, project implementation, product marketing, brand building, setting up dealers and distribution networks apart from in fields of production, maintenance, quality, cost optimization etc. He has widely traveled across various locations during his professional career.</td></tr>
<tr><td>Disclosure of relationships between directors inter – se</td><td colspan="2">Mr. Jain is not related to any other Director or Key Managerial Personnel of the Company.</td></tr>
<tr><td>No. of shares held in the Company as on 31st March, 2018</td><td colspan="2">10,000</td></tr>
<tr><td rowspan="2">Directorship (Indian Private/ Public Companies) and Committee Membership (Audit/ Stakeholders Relationship) in other companies.</td><td>Directorship in other Companies</td><td>Committee Position held</td></tr>
<tr><td>Neutral Publishing House Limited
U M Cables Limited
CCL Usha Martin Stressing Systems Limited
Gustav Wolf Speciality Cords Limited</td><td>-
Audit Committee (Chairman)
-
-</td></tr>
<tr><td>Remuneration</td><td colspan="2">For the Financial Year 2017-18, Mr. Jain received a remuneration of Rs. 185.01 Lakh.
A remuneration of upto Rs.1.48 crores per annum for the period commencing from 1st February, 2018 till 15th January, 2019 is proposed to be paid to Mr. Jain.</td></tr>
<tr><td>Number of Meetings of the Board attended during the Financial Year 2017-18</td><td colspan="2">Mr. Jain had attended 6 Board Meetings.</td></tr>
</table>

Information required to be disclosed under the Second Proviso to Section-II(B), Part-II of Schedule V of the Act is as follows :

(i) the proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee and the Board ;

(ii) the Company has not defaulted in repaying its debt (including public deposits) or debentures or interest payable for a continuous period of thirty days during the preceding Financial Year ended 31st March, 2018;

(iii) an Ordinary Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding three years;

(iv) a statement containing further information is set out hereunder :

I. General Information:

i. Nature of industry :

The Company is in the business of manufacturing steel, steel products and wire & wire ropes.

ii. Date or expected date of commencement of commercial production:

The Company is in operation since 1986.

iii. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

iv. Financial performance based on given indicators: (Rs. In Lakh)

Particulars	**31.03.2018**	**31.03.2017**	**31.03.2016**
Gross Revenue from operations	414,615	360,593	381,480
Net Revenue from operations	403,897	324,654	343,179
Profit/(Loss) before Tax	(28,234)	(35,495)	(47,891)
Tax Expenses	-	-	(5,942)
Profit/(Loss) for the Year	(28,234)	(35,495)	(41,949)
Equity Share Capital	3,054	3,054	3,054

v. Foreign investments or collaborations, if any : There are no foreign collaborations at present. However, foreign investors are holding equity in the Company.

II. Information about the appointee:

i. Background details : Mr. P K Jain (DIN: 02583519), aged about 64 years holds qualification as B.Tech (Mechanical Engg.) and MBA (General Management & Finance). Mr. Jain commands rich experience in operations, project implementation, production, marketing, brand building, setting up dealers and distribution networks apart from in fields of production, maintenance, quality, cost optimisation etc. during his total work experience of over 40 years in wire, wire ropes and related areas across various companies in India and abroad.

ii. **Past remuneration:** Mr. Jain was paid the following remuneration during each of the preceding three financial years:

(Rs. In Lakh)

	FY ended 31st March, 2018	FY ended 31st March, 2017	FY ended 31st March, 2016
Salary	160.76	166.20	179.10
Contribution to Provident Fund, Gratuity and Superannuation Fund	12.32	11.64	11.76
Perquisites	11.93	11.88	11.64
Total	**185.01**	**189.72**	**202.50**

iii. **Recognition or awards:** Due to his able guidance, the Company has earned recognition for it's products.

iv. **Job profile and his suitability:** Mr. Jain, Jt. Managing Director (Wire & Wire Rope Business) subject to the supervision and control of the Board of Directors is responsible for overall management of the affairs of the Company. He is also responsible to perform such other duties as may from time to time be entrusted to him by the Board. Taking into consideration his qualification, experience and expertise in the affairs and activities of the Company, he is best suited for the responsibilities assigned to him by the Board of Directors.

v. **Remuneration proposed:** As set out in Resolution No.4 of the Notice for the 32nd Annual General Meeting.

vi. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Having regard to the size of the Company, versatile experience and expertise of Mr. Jain and responsibilities of the position held by him, the Board of Directors is of the opinion that the proposed remuneration is reasonable.

vii. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Jain is holding 10,000 equity shares of Re. 1 each (as on 31st March, 2018).

III. Other information:

(1) Reasons of loss or inadequate profits :

The external environment in the global economy as well as Indian economy continued to remain challenging. Slow growth in the economy, huge debt burden along with working capital crunch continued to adversely impact the Company's performance.

(2) Steps taken or proposed to be taken for improvement:

The Company has already taken steps to strengthen it's cost base, the Company has continued to invest as part of it's long term cost optimization plans in equipment, plant, infrastructure facilities and strengthening the teams & processes.

(3) Expected increase in productivity and profits in measurable terms:

The above measures undertaken are expected to yield positive results in the coming years. While it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

IV. Disclosures:

a. The remuneration package of the managerial personnel is for the period 1st February, 2018 to 15th January, 2019.

b. The following information has been disclosed in the Board of Directors' Report under the heading 'Corporate Governance' attached to the Annual Report for the year ended 31st March, 2018.
   i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of the directors.
   ii. Details of the fixed components and performance linked incentive along with performance criteria.
   iii. Service contracts, notice period, severance fees.
   iv. Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

c. The Company has not made any default in payment of any debts or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year ended 31st March, 2018.

Item No. 5

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor, Messrs Guha, Ghosh, Kar & Associates, Cost Accountants at a remuneration of Rs.1,75,000/- 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 ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought by passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratifying proposed remuneration payable to the Cost Auditors for the Financial Year ended 31st March, 2019.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of this Notice for approval of members.

No Director or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 5 of the Notice. As per Section 102(2) of the Act, it is clarified that the proposed Resolution does not relate to or affect any other Company.

Item No. 6

The Company's existing Memorandum of Association ("MOA") 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 MOA suitably to the extent required to conform to the provisions of the Act. The Board of Directors at its Meeting held on 6th February, 2017 approved the draft MOA, subject to approval of the shareholders of the Company.

The draft MOA 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 Director or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 6 of the Notice. As per Section 102(2) of the Act, it is clarified that the proposed Resolution does not relate to or affect any other Company.

The Board of Directors recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board

Shampa Ghosh Ray
Company Secretary
ACS 16737

Place: Kolkata
Date: 18th June, 2018

usha martin

Usha Martin Limited

ATTENDANCE SLIP

CIN: L31400WB1986PLC091621
Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071 India
Ph.: 033-7100 6300, Fax : 033-7100 6415
e-mail: investor@ushamartin.co.in. Website: www.ushamartin.com

32nd Annual General Meeting on Tuesday, 18th September, 2018 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 32nd ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 18th day of September, 2018 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 18th June, 2018 for the 32nd Annual General Meeting scheduled to be held on 18th September, 2018, which is being sent to you along with the Annual Report for the Financial Year 2017-18 of the Company. Please read the instructions printed under Note No. 15 to the Notice of 32nd Annual General Meeting for exercising the vote. The e-Voting period starts from 9:00 A.M. on 15th September, 2018 and ends at 5:00 P.M. on 17th September, 2018. 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

Usha Martin Limited

PROXY FORM Form No. MGT-11

CIN: L31400WB1986PLC091621
Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071 India, Ph.: 033-7100 6300, Fax : 033-7100 6415
e-mail: investor@ushamartin.co.in. Website: www.ushamartin.com

[*Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014*]

32nd Annual General Meeting on Tuesday, 18th September, 2018 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 32nd Annual General Meeting of the Company to be held on Tuesday, 18th day of September, 2018 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 on reverse:

Route Map of AGM Venue

'Vidya Mandir', 1, Moira Street, Kolkata - 700 017

Reso-lution No.	Resolutions Proposed
1	Adoption of the Financial Statements of the Company (both standalone and consolidated basis) for the year ended 31st March, 2018 together with the Directors' and Auditors' Reports thereon.
2	Appointment of a Director in place of Mr. Brij Kishore Jhawar (DIN: 00086200), who retires by rotation and being eligible, offers himself for re-appointment.
3	Reappointment of Mr. Rajeev Jhawar (DIN : 00086164) as Managing Director of the Company.
4	Approval of remuneration payable to Mr. Pravin Kumar Jain, Jt. Managing Director (Wire & Wire Rope Business) (DIN : 02583519).
5	Ratification of remuneration payable to the Cost Auditors for Financial Year ending 31st March, 2019.
6	Approval of Memorandum of Association of the Company in accordance with requirements of Companies Act. 2013.

Signed this .... day of 2018

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note :

1. **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.**
2. For the text of the Resolutions, Statement & Notes, please refer to the Notice dated 18th June, 2018 convening the Annual General Meeting.
3. 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.
4. The Proxy shall prove his/her identity at the time of attending the Meeting.

Financial Summary (Rs/Cr except mentioned)

Standalone	31-03-09	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15	31-03-16	31-03-17	31-03-18
Gross Turnover	2307.21	1960.03	2742.24	3080.76	3346.98	3584.93	4113.59	3830.48	3605.93	4146.15
Net Turnover	2127.23	1850.39	2526.70	2836.89	3044.53	3287.12	3746.05	3447.47	3246.54	4038.97
PBIDT	422.43	359.49	496.02	408.80	572.33	692.82	646.38	335.57	462.64	562.21
Profit Before Tax	214.04	139.21	145.30	-43.81	10.32	-36.86	-244.01	-480.05	-354.95	-282.34
Profit After Tax	146.56	92.21	99.52	-32.77	7.05	-25.68	-292.41	-404.43	-354.95	-282.34
EPS - Diluted - (Rs.)	5.86	3.53	3.23	-1.08	0.23	-0.84	-9.60	-13.27	-11.65	-9.27
Rate of Dividend - (%)	100%	100%	100%	-	15%	-	-	-	-	-
Net Fixed Assets	2331.07	2857.54	3130.00	3671.38	4460.83	5256.95	4932.57	4780.46	4567.42	4354.23
Investments	186.35	186.95	186.95	186.95	182.78	174.78	167.74	153.91	150.65	150.65
Net Current Assets	681.46	185.21	463.78	665.19	597.09	72.85	25.80	-376.50	-539.77	-871.21
Including Cash & Bank Balance	76.47	10.30	113.01	253.18	123.11	154.95	39.33	3.99	4.64	22.89
Debt *	2061.23	1560.91	2008.80	2788.14	3487.80	3785.07	3824.05	3735.86	3722.57	3460.12
Net Worth	1015.55	1499.69	1557.06	1531.54	1544.92	1522.71	1226.44	822.01	455.73	173.55
Debt Equity Ratio (X)	2.03	1.04	1.29	1.82	2.26	2.49	3.12	4.54	8.17	19.94

(Rs/Cr except mentioned)

Consolidated	31-03-09	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15	31-03-16	31-03-17	31-03-18
Gross Turnover	3146.79	2630.33	3266.42	3614.74	3935.27	4388.32	4943.99	4542.91	4255.10	4767.89
Net Turnover	2949.85	2514.41	3044.59	3360.82	3621.83	4073.83	4561.10	4147.92	3881.94	4657.78
PBDIT	531.36	495.01	595.03	497.76	705.03	799.43	753.48	389.34	509.33	628.17
Profit Before Tax	280.59	240.04	204.07	11.40	103.50	26.67	-287.04	-480.70	-354.89	-263.68
Profit After Tax	185.33	168.62	137.03	3.61	78.84	10.70	-253.12	- 414.98	-357.56	-267.95
EPS - Diluted - (Rs.)	7.41	6.46	4.50	0.12	2.59	0.35	-8.31	-13.62	-11.78	-8.90
Net Fixed assets	2623.22	3177.69	3440.37	3988.73	4935.26	5873.13	5608.82	5461.25	5097.04	4920.04
Investments	0.38	0.38	0.38	0.38	0.38	0.48	0.48	0.05	0.05	0.05
Net Current Assets	924.84	420.67	740.32	1006.57	926.52	435.28	390.06	28.95	-215.75	-560.45
Including Cash & Bank Balances	108.80	47.62	147.82	362.24	183.70	195.47	73.78	56.26	50.95	71.02
Debt *	2266.37	1716.58	2155.47	2931.62	3688.50	4071.18	4131.79	4080.13	3994.39	3692.61
Net Worth	1135.50	1687.52	1784.34	1830.28	1935.28	2002.84	1758.99	1365.20	944.91	727.06
Debt Equity Ratio (X)	2.00	1.02	1.21	1.60	1.91	2.03	2.35	2.99	4.23	5.08

* Including capex L/Cs and excluding Buyer's credit from banks & Rupee bills discounting

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