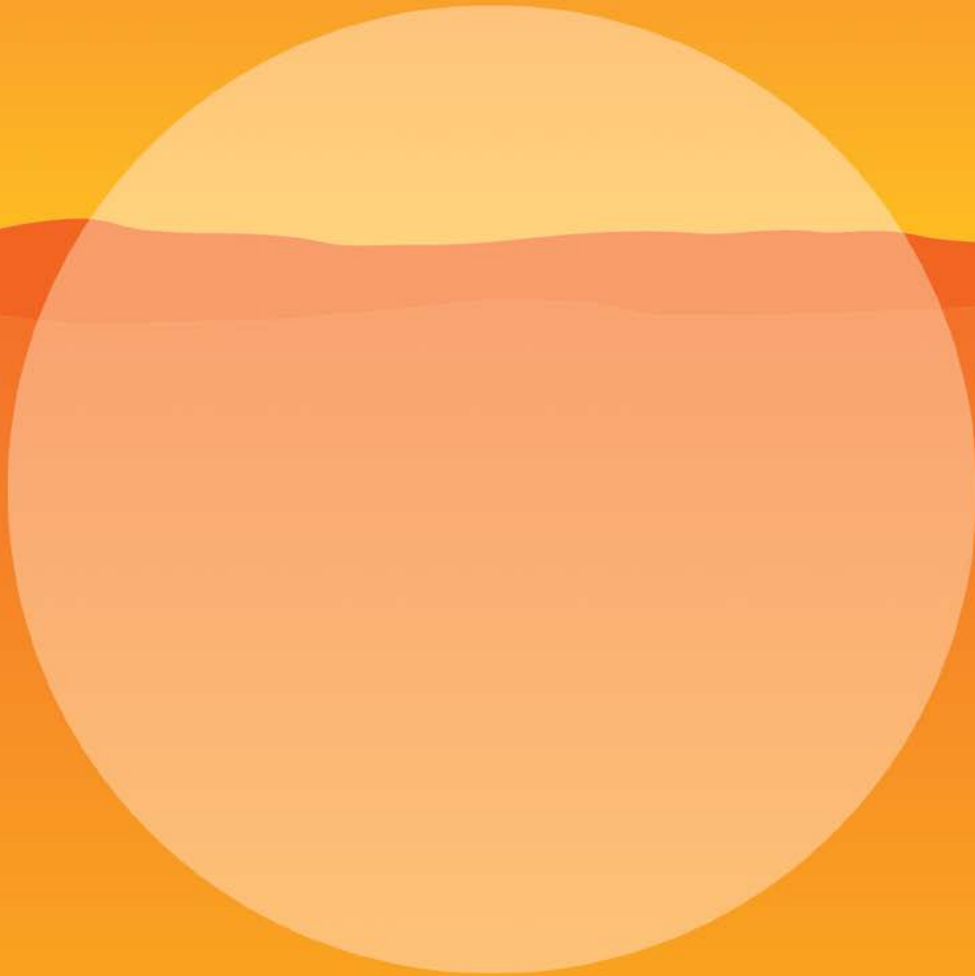


# A New Dawn Beckons





Our overseas subsidiary Usha Martin China Co. Ltd. supplied full locked coil galvanized ropes made in Usha Martin, India to the landmark project of Shanghai Disneyland, China, which has been recently commissioned.



Kolkata's longest flyover "Parama Flyover" was inaugurated recently which is amongst the longest elevated roads in India. Usha Martin's contribution apart from supply of LRPC Strands also involved critical prestressing work. Construction of this flyover marks another milestone for Usha Martin Limited in supplying to critical infrastructure projects.

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# CORPORATE INFORMATION

## Board of Directors

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

## Senior Management

### India

Mr. Amitava Sircar	- Chief Operating Officer [Steel Division]
Mr. A K Somani	- Chief Financial Officer & Company Secretary
Mr. Rohit Nanda	- Chief Financial Officer [Designate]
Mr. Karun Kant Dave	- President [Mining Division]
Mr. D J Basu	- President [HR]
Mr. Debasish Mazumdar	- Associate President [Steel]
Mr. Ashutosh Dixit	- Associate President [Wire & Wire Rope Business]
Mr. Sanjay Nath	- Sr. Vice President [Sales & Marketing]
Mr. Jayanta Bhowmik	- Sr. Vice President [IT]
Dr. I N K Rao	- Sr. Vice President [Environment]
Mr. Anoop Saxena	- Sr. Vice President [TPM]
Mr. M A Dhere	- Sr. Vice President [SMS]
Mr. Debasish Majumder	- Sr. Vice President [QA]
Mr. A. K. Samanta	- Sr. Vice President [Sales & Marketing]

### Europe

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

### South East Asia

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

### Middle East

Mr. S. Mazumder	- GM, Sales & Marketing – Brunton Wolf Wire Ropes, Fzco.
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### United States of America

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

2A, Shakespeare Sarani  
Kolkata – 700 071, India  
CIN : L31400WB1986PLC091621  
Phone : 033 – 39800300; Fax : 033 – 39800415  
Email : investor@ushamartin.co.in  
Website : www.ushamartin.com

## Works :

### India

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

### Overseas

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

Price Waterhouse  
Kolkata

## Share Listings :

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

## Registrar & Share Transfer Agent :

MCS Share Transfer Agent Limited  
12/1/5, Manoharpukur Road, Kolkata – 700 026  
Phone : +91 33 – 40724051-53  
Fax : +91 33 – 40724054  
Email : mcssta@rediffmail.com

## CHAIRMAN'S MESSAGE



*Dear Shareholders,*

In 2015-16, economies of the countries with the highest steel per capita use were struggling. Concerns over excess capacity combined with slower economic growth worldwide are being reflected in the results of steel companies. Over the next decade, market forces will play a deciding role on how the steel industry develops worldwide. Significant factors will be the supply position of raw materials, their cost, technology development, national policies of governments on trade and investment in raw materials, infrastructure and logistics.

The domestic steel sector is not isolated from developments in worldwide markets. At Usha Martin our focus on domestic markets recognizes that steel is strongly driven by consumption. A healthy economy needs a healthy steel industry. Our government is focused on manufacturing growth and steel has a strong relationship with manufacturing and investment in fixed assets; specifically, on investments made in producing capital goods, housing, infrastructure like railways, ports and airports are good examples along with new segments of defense production. However, these trends have only just begun as our economy gears up to transformational growth.

So while the growth story of domestic steel has potential, your company as part of the domestic steel industry faces multi-dimensional challenges. In line with global trends, steel consumption faces challenges from substitute products developed with lower cost alternatives and energy options. Usha Martin is attentive to these trends and are moving to serve the needs of special steel in industry segments relevant to our product lines, assisted by our technical collaboration partners Aichi Steel.

The wire and wire rope division of Usha Martin was also impacted by the sharp downturn in oil prices leading to reduction in demand from this vital sector. The management have taken steps to enhance market presence in other sectors like elevators, cranes, etc. to partially offset the impact.

The growth potential of our domestic industry attracts the attention of worldwide players with overcapacities in raw materials and products. A pre-emptive levelling of the playing field through constructive trade policies of the government is encouraging and will go a long way towards managing related risks to our business.

Our competitiveness depends on many factors including efficiency in production, labour productivity, costs of raw materials and infrastructure to move raw materials and finished products at low costs. Our management team is making efforts in developing cost reduction and rationalization programs. These projects/programmes need to be pursued with full vigor inspite of the near term challenges that may arise.

Our confidence is in the potential of our economic growth and its beneficial impact on our company. I immensely value and acknowledge the support of all shareholders and stakeholders as we journey through difficult times in the industry to a brighter future.

**Prashant Jhavar**

Chairman



## MANAGING DIRECTOR'S OVERVIEW



*Dear Shareholders,*

Worldwide, the Steel Industry has been witnessing a lack of growth in the aggregate demand and consequently it continues to be dogged by overcapacity. During 2015-16, Indian steel demand continued to grow at a moderate pace, but the margins were under constant pressure due to global overcapacities, some of the countries were indulging in unfair trade practices. Eventually, in a bid to create a level playing field for the domestic steel industry, Indian Government came forward and imposed Minimum Import Price (MIP) on various steel grades.

Going forward, Government's thrust on Infrastructure Sector, both Road and Rail, has the potential to be a key demand driver for various brick and mortar industries. Good monsoon and implementation of 7th Pay Commission recommendations are also likely to give a fillip to the economic growth of the country. All these factors combined with the Government's focus on "Make in India" can very well kick start a virtuous growth cycle for the Indian economy. Having said this, the global economic growth scenario continues to be constrained and is likely to be a drag on the overall growth. Some of the countries are adopting aggressive policies to generate economic growth through competitive devaluation of currency, fiscal and monetary stimulus and unorthodox methods like quantitative easing and negative interest rates.

Sluggish oil market and falling activity in mining industry has been a double whammy for Wire and Wire Ropes business. Sharp depreciation of currencies of Russia and Brazil amongst others has also been a dampener for the international business. Projects worth \$270 billion have either been cancelled or deferred in oil sector alone over the last two years as the price of oil continued to tumble all this while. To counter all this, the business has focussed on expanding in the new end-use as well as geographical markets, and enhancing the customer base. This strategy has helped the company to partially offset the loss of sales and profitability arising from the fall in oil prices. Lately, we have been seeing some rebound in the oil prices which, if sustained, is likely to regenerate interest in some of the deferred projects going forward.

In a bid to improve profitability in the current environment, we at Usha Martin Limited have been focussing on enrichment of the product mix through rejigging of the sales mix, new product development and new market development. We have worked very hard on cost reduction through multiple initiatives and have managed to be successful in many areas through improvement in efficiencies of our plant & equipment and reduction in overheads. Cost reduction is a continuous journey and we continue our march on this path in this difficult environment. In order to bring efficiency in its systems and processes the company had decided to upgrade its ERP system by migrating to SAP, the exercise is likely to be completed in the next financial year 2016-17 in a phased manner.

**Rajeev Jhawar**

Managing Director

# MANAGEMENT DISCUSSION & ANALYSIS

## Economic and Industry Overview

Economic forecast of the World Bank projects the global economy to grow at 2.9% in 2016 against 2.4% during 2015. It expects the high income economies like US and Europe as well as the developing countries to grow at a faster pace in 2016 as compared to the last year. Based on domestic statistics, Indian economy is expected to grow at a faster rate of 7.7% in financial year 2016-17 as compared to 7.6% in 2015-16 and 7.2% in 2014-15. The Government continues to pursue fiscal consolidation path and the central government's budget deficit was contained at 3.9% of GDP in 2015-16. Lower oil prices helped the external balance of the country with current account deficit (CAD) contracting to about 1% of GDP, helping rupee to be relatively stable in a year of USD strength.

### Global GDP Growth

	2014 (A)	2015 (A)	2016 (E)	2017 (F)
World	2.6%	2.4%	2.9%	3.1%
High Income Economies	1.7%	1.6%	2.1%	2.1%
- USA	2.4%	2.5%	2.7%	2.4%
- Euro	0.9%	1.5%	1.7%	1.7%
Developing Countries	4.9%	4.3%	4.8%	5.3%

Source : World Bank

Consumer Price Index (CPI) which is the barometer of retail inflation and the Index which RBI is tracking to target inflationary expectations, maintained a broad downward trajectory and was hovering around 5% level towards the end of the financial year, helping the Central Bank to cut benchmark interest rates (Repo rate) by 75 basis points (0.75%) during the year. Though the macro-economic fundamentals for the Indian economy look poised for a leap-up in the economic growth, there is a debt overhang which is acting as a burden on the corporate balance sheets and the consequential drag on banks' ability to lend further. This seems to be holding back private capex cycle in the country.

On the external front, all major economies of the world are witnessing a sluggish growth, constricting the external source of demand for the economy. Indian exports had been contracting for a consecutive 16 months by the end of the financial year. Steel industry which witnessed a major upsurge post the Great Recession of 2008, due to economic stimulus measures of the Chinese Government, has now been bearing the brunt of the downturn for the last 2-3 years.

According to World Steel Association global steel demand contracted 3% in 2015, is expected to contract in 2016 as well, though, at a slower clip of 0.8%, projected to return to growth in 2017 at a meagre 0.4%. Demand in China is expected to continue to contract at 4% and 3%, whereas outside of China it is expected to show growth of 1.8% and 3%, during 2016 and 2017 respectively. Indian steel demand is expected to grow at 5.4% during both 2016 and 2017. India is now the third largest steel producer ahead of United States and behind only

China and Japan. It is also one of the largest steel markets which still showed demand growth. Steel imports grew at around 26% during 2015-16, while steel exports declined by about 27%, leading to a decline in the capacity utilization of steel mills in India and a downward pressure on the prices. After months of what seemed like an endless fall in steel prices, towards the end of the financial year 2015-16, the steel market showed some signs of bottoming out. The Government, in the month of Feb'16, announced 'Minimum Import Price' for a 173 steel products, to help save the domestic steel industry from the onslaught of dumping of steel products. Internationally also most of the commodity prices have moved up sharply towards the end of the financial year, due to what seems like a restocking demand. The sustainability of this upsurge will be tested over the next couple of quarters or so.

## Other Key Economic Indicators

### (YoY Growth %)

		2014 (A)	2015 (A)	2016 (E)	2017 (F)
Fiscal Deficit (Central Government)	% of GDP	4.4%	4.0%	3.9%	3.5%
Current A/c Deficit	% of GDP	1.7%	1.3%	1.2%	1.2%
WPI-Average	%	6.0%	2.0%	-2.5%	2.9%

Source : CSO, GOI

## Domestic GDP Growth

	2014 (A)	2015 (A)	2016 (E)	2017 (F)
Agriculture	3.7%	0.2%	1.1%	2.8%
Industry & Infrastructure	5.0%	5.9%	7.3%	7.2%
- Manufacturing	2.4%	2.5%	2.7%	2.4%
- Mining	0.9%	1.5%	1.7%	1.7%
Services	9.1%	10.2%	9.3%	9.5%
Overall	6.6%	7.2%	7.6%	7.7%

Source : CSO, GOI

## Company Overview

### Business Configuration

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

The Company has state-of-art integrated steel plant near Jamshedpur (Jharkhand) producing a wide range of specialty steel wire rods and bars, with captive iron ore mine in Jharkhand. The other/auxiliary products include iron ore pellet, coke, DRI, pig iron, sinter, oxygen and power generation, primarily for captive consumption. The Company has also successfully participated in coal mine bidding and won Brinda & Sasai Coal block in Jharkhand. Operations in this coal mine are likely to commence in FY'19.

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

The steel products manufactured at Jamshedpur facilities were sold in the market to the extent of 68% and balance 32% was for in-house production of value added products such as wire ropes, wires, strands and bright bars at Ranchi, Hoshiarpur, Chennai and Bangkok.

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

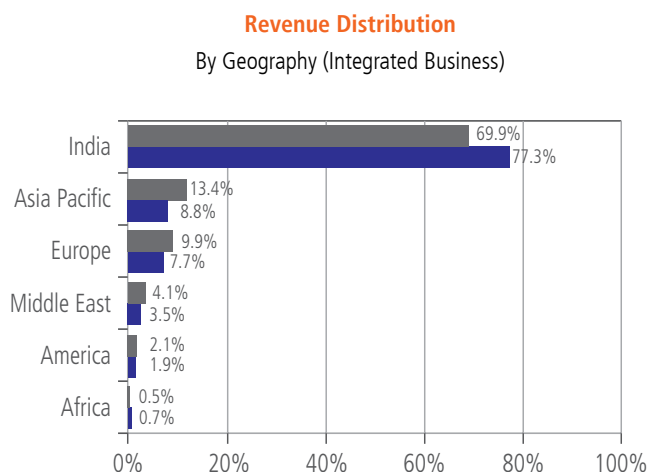
Besides wire ropes, other value added products include cords, strands, wires, bright bars and oil tempered wires. The Company also has a plant at Chennai to manufacture bright bars.

The global business of wire rope is supported by marketing, distribution

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

### Business Environment

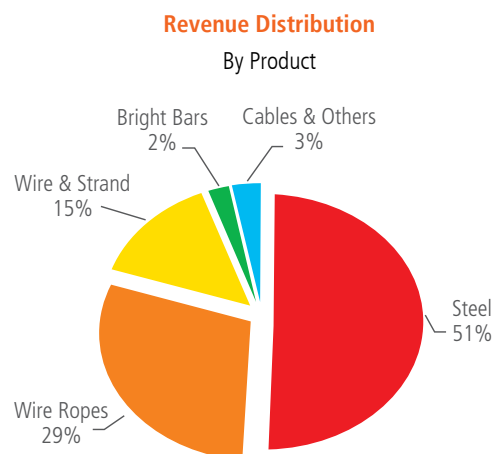
Both Steel and Wire Ropes businesses continued to be under pressure due to domestic as well as international factors. Global excess capacity, significant jump in imports and another bad year for agriculture sector weighed heavily on the steel business and steel prices. On the other hand, continued fall in oil prices and slackness in the mining sector the world-over lead to a fall in volumes and reduction in margins in Wire Ropes business. During 2015-16 the company generated 22.7% of its revenue from exports and overseas businesses as compared to



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

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

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



about 30% last year. Similarly Steel contributed 51% of the revenue during 2015-16 as compared to 47% during 2014-15, corresponding percentage reduction being there in Wire Ropes revenue.

### Steel Business

Despite subdued steel market, the Company continued to push and achieve higher sales volume in the rolled products segment. Due to steep fall in prices, the sales volume of billets was lower by about 25% as compared to the previous year. Due to reduction in prices of iron ore in the global and domestic markets, production in pellet plant was suspended during the year. In order to stay competitive the Company continued to drive for lower cost through process optimization and other cost reduction initiatives.

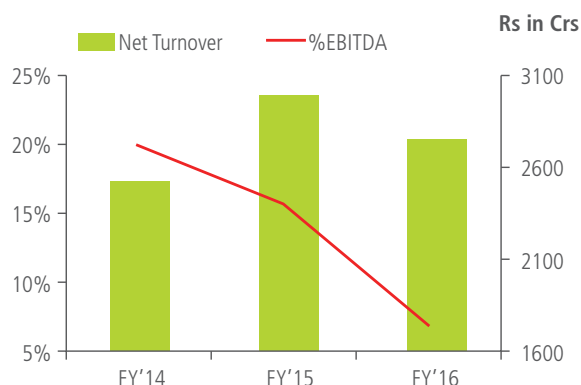
## Steel Production Volume – MT

	FY-15-16	FY-14-15
<b>Iron Ore</b>	<b>2,044,572</b>	1,274,628
<b>Coal</b>	-	789,912
<b>Coke</b>	<b>373,587</b>	338,811
<b>Hot Metal</b>	<b>565,114</b>	515,091
<b>DRI</b>	<b>402,653</b>	431,940
<b>Pellet</b>	<b>353,216</b>	669,136
<b>Sinter</b>	<b>840,919</b>	745,002
<b>Billets</b>	<b>693,699</b>	710,967
<b>Rolled Products</b>	<b>577,063</b>	554,859

## Operational Highlights

The Steel business achieved a sales turnover of Rs.2758.07 Crs in the current financial year against Rs.2996.68 Crs in the previous year, down by 8%. The operating profit and margins were at Rs.191.7 Crs at 6.95% during the year against Rs.467.95 Crs at 15.6% in the previous year.

## Steel Turnover & Profitability



Share of Steel business stood at 67.7% of the Company's gross level of activity and 62.1% of reported net turnover in the current financial year. During FY'16 the export turnover of Steel business was Rs.84.24 Crs, which is 3.05% of its turnover, against Rs. 251.69 Crs in the previous year.

## Wire Ropes & Specialty Products Business

Wire ropes business of the company continued to be profitable despite incessant fall in oil prices and dwindling fortunes of the mining industry which however led to a fall in the turnover. The Company continued its push into other product segments like elevator ropes and LRPC to substitute loss of volume and profitability in oil and mining industry. Relative currency devaluation of other large developing economies also led to a fall in exports as well as revenue from international businesses. At Usha Martin standalone level, during FY'16, the Wire and Wire Ropes (WWR) business achieved gross production of Wire Ropes and Conveyor Cords of 54,360 MT against 66,133 MT in the previous year. The gross production of strands, wires and bright bars was 126,766 MT in FY' 16 against 127,478 MT in FY' 15. Total Value Added products production was down by about 6% in FY'16 compared to that in the previous

financial year.

On standalone basis, the WWR business delivered turnover of Rs.1303.81 Crs in the current financial year against Rs.1515.14 Crs in previous year. The operating profit and margin were at Rs.172.31 Crs and 13.2% during the year against Rs. 200.44 Crs at 13.2% in previous year respectively.

## Production Volume

### VA Products–Standalone

Qty in MT

	FY-15-16	FY-14-15
<b>Wire Ropes</b>	<b>51,173</b>	63,653
<b>Strands</b>	<b>53,574</b>	53,394
<b>Wires</b>	<b>57,788</b>	59,350
<b>Bright Bar</b>	<b>15,404</b>	14,734
<b>Conveyor Cord</b>	<b>3,187</b>	2,480

Share of WWR business stood at 31.99% of the Company's gross level of activity and 37.63% of reported net turnover in the current financial year on standalone basis.

## Focus Areas & New Initiatives

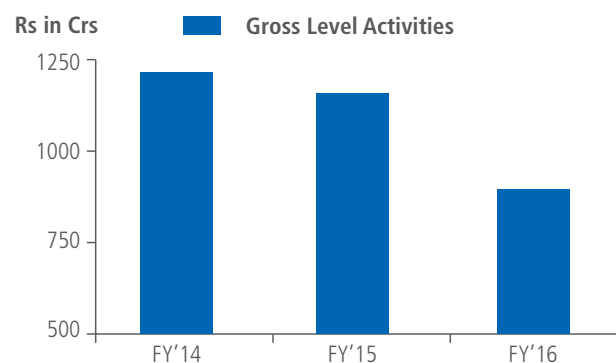
Main focus of the Company in current business environment would be in

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

## International Business

Level of activity from the international businesses of the Company continued to fall. The turnover and operating profit from international businesses fell to Rs.892 Crs and Rs.40 Crs in 2015-16 from Rs.1158 Crs and Rs.74 Crs respectively, the year before. The Company's international business accounted for 18.5% of its consolidated gross activity level.

## International level of activities



## Usha Martin International Limited [UMIL]

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

- Usha Martin UK Limited, which comprises manufacturing



distribution and end use solutions for wire ropes to offshore oil and gas sectors; and

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

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

The consolidated turnover of UMIL was GBP 34.6 Mn in 2015-16 as against GBP 46.3 Mn in 2014-15. UMIL reported a consolidated net profit of GBP 0.8 Mn as against GBP 3.3 Mn in the previous year.

UMIL	GBP in Mn		
	FY'14	FY'15	FY'16
<b>Turnover</b>	<b>47.9</b>	<b>46.3</b>	<b>34.6</b>
<b>Net Profit</b>	<b>3.4</b>	<b>3.3</b>	<b>0.8</b>

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

#### Usha Martin Americas Inc [UMAI]

During the year, UMAI reported a turnover of US\$ 10.0 Mn as against US\$ 12.3 Mn in the previous year. The Company has reported a loss of US\$ 0.1 Mn as against profit of US\$ 0.1 Mn in the previous year.

UMAI	USD in Mn		
	FY'14	FY'15	FY'16
<b>Turnover</b>	<b>15.1</b>	<b>12.3</b>	<b>10.0</b>
<b>Net Profit</b>	<b>0.2</b>	<b>0.1</b>	<b>(0.1)</b>

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

#### Brunton Wolf Wire Ropes FZCo [BWWR]

BWWR, a joint venture with Gustav Wolf of Germany, reported a turnover and net profit of US\$ 18.1 Mn and US\$ 0.6 Mn respectively in 2015-16 as against US\$ 24.0 Mn and US\$ 0.8 Mn respectively in the previous year.

BWWR	USD in Mn		
	FY'14	FY'15	FY'16
<b>Turnover</b>	<b>25.6</b>	<b>24.0</b>	<b>18.1</b>
<b>Net Profit</b>	<b>1.0</b>	<b>0.8</b>	<b>0.6</b>

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

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

USSIL is a subsidiary of the Company in which along with Usha Martin Singapore Pte Ltd., it holds 97.85% of the equity.

The operations of USSIL achieved a turnover of Thai Baht 1,158 Mn during the year under review as against Thai Baht 1,308 Mn in the previous year. It reported a loss of Thai Baht 30.7 Mn against loss of Thai Baht 46.0 Mn in the previous year.

#### USSIL

THB in Mn

	FY'14	FY'15	FY'16
<b>Turnover</b>	<b>1,357</b>	<b>1,308</b>	<b>1,158</b>
<b>Net Profit</b>	<b>50</b>	<b>(46)</b>	<b>(30.7)</b>

The Company registered a decline in its turnover but also managed to curtail its net loss. There was an improvement in operations because of better cost control and reduction in overheads. However, the Company still reported a loss mainly due to a drop in export sales volume and pricing pressure.

#### 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
- Usha Martin Indonesia, and
- Usha Martin China

UMSPL reported a consolidated turnover of US\$ 22.9 Mn and net loss of US\$ 2.5 Mn during the year under review as against US\$ 37.4 Mn and net loss of US\$ 0.4 Mn respectively in the previous year.

#### UMSPL

USD in Mn

	FY'14	FY'15	FY'16
<b>Turnover</b>	<b>41.0</b>	<b>37.4</b>	<b>22.9</b>
<b>Net Profit</b>	<b>0.2</b>	<b>(0.4)</b>	<b>(2.5)</b>

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

#### U M Cables Limited (UMCL)

UMCL a wholly owned Indian subsidiary of the Company, engaged in business of telecommunication cables achieved turnover of Rs.127.3 Crs against Rs.177.3 Crs in the previous year. The net profit for the year was Rs.3.7 Crs as against Rs.12.1 Crs in FY 14-15.

#### UMCL

Rs. in Crs

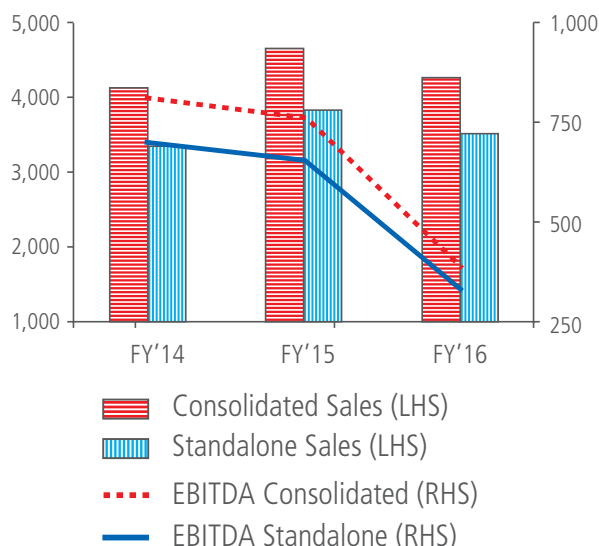
	FY'14	FY'15	FY'16
<b>Turnover</b>	<b>170.0</b>	<b>177.3</b>	<b>127.3</b>
<b>Net Profit</b>	<b>8.3</b>	<b>12.1</b>	<b>3.7</b>

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

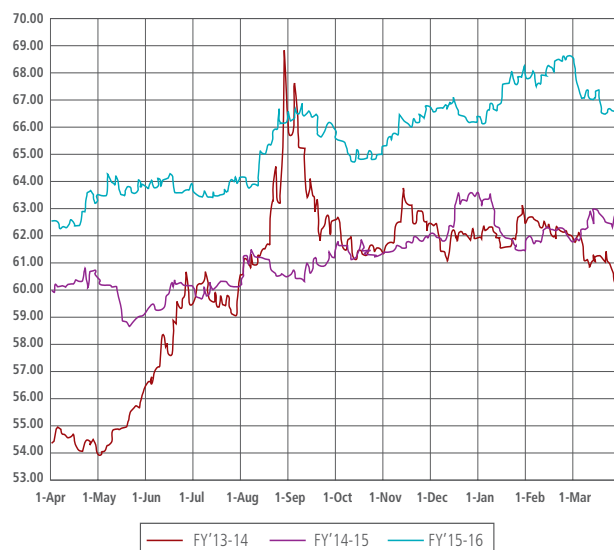
#### Financial Discussion

During the year, consolidated turnover of the Company stood at Rs.4,147.92 Crs, which is 9% lower than Rs.4,561.10 Crs in the previous year. On standalone basis, the Company's turnover decreased to Rs.3,447.47 Crs in the current financial year against Rs.3,746.05 Crs in the previous year, down by 8%.

### Sales & Operating Performance



### USD/INR Rate movement



### Sales & Operating Performance

The operating profit achieved by the Company on consolidated basis was Rs.389.34 Crs, being 9.4% of the reported turnover, and on standalone basis at Rs. 335.57 Crs, being 9.7%, against Rs.753.48 Crs. and Rs. 646.38 Crs. respectively in previous year.

The export sales dropped to Rs.380.94 Crs, with share being 10.4% of net turnover on standalone basis against 17.85% in previous year, while share of domestic sales in the current year was 89.6% against 82.15% in previous year.

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

### Forex Management

During 2015-16, Indian Rupee depreciated by about 6.1% to close the year at 66.26. The main reason for depreciation was the general US Dollar strength against all major currencies of the world. However, Rupee was stable on a relative basis as many of the other currencies were hammered badly against US Dollar. This was a far cry from the its vulnerability during 2013-14 when India was labeled as one of the fragile five emerging economies and speaks volumes about improved macroeconomic fundamentals of the economy. On basis of average exchange rate, the depreciation was 7.1% during the year in FY 15-16 against 1.2% in previous year. The hedging cost stayed high at 6-7% per annum.

### USD/INR Levels & Depreciation

	FY'13	FY'14	FY'15	FY'16
<b>Year End Levels</b>	<b>54.28</b>	<b>59.91</b>	<b>62.50</b>	<b>66.26</b>
<b>Depreciation %</b>	<b>6.7%</b>	<b>10.4%</b>	<b>4.3%</b>	<b>6.1%</b>
<b>Average Rate for the Year</b>	<b>54.37</b>	<b>60.40</b>	<b>61.10</b>	<b>65.43</b>
<b>Depreciation %</b>	<b>13.6%</b>	<b>11.1%</b>	<b>1.2%</b>	<b>7.1%</b>

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

The changes in value of long term capex loans due to forex fluctuation have continued to be accounted for in fixed assets, as in the previous financial years in accordance with notification issued by Ministry of Corporate Affairs. By exercising this option the Company accounted for effect of rupee depreciation on FCY loans, amounting to Rs.44.18 Crs, in the fixed assets during the current financial year.

By way of premium on booking of forex trade exposures, losses on booking and cancellations of hedged positions, payment of trade and valuations of open trade exposures etc., the Company has incurred cost of Rs. 45.82 Crs.

### Finance Cost

The average cost of debt as on 31st March, 2016 was at 10.52%. The net interest charge [excluding other borrowing costs] of the Company increased from Rs.493.69 Crs to Rs.501.65 Crs during the financial year mainly on account of reduction in proportion of FCY debt, which carries lower cost, from 20.1% to 17.7%.

### Capital Expenditure

The Company, on a standalone basis, has incurred Rs.78.16 Crs on projects and normal capital expenditure excluding effect of depreciation and valuation of FCY loans.

## Debt Mobilization, Payments & Management

During FY'16, the Company on standalone basis, has raised long term rupee debt of Rs.838 Crs. The Company has further sanctions of Rs.937 Crs of long term loans for funding development of new coal mine, normal capex and other requirements. The Company has repaid long term loans of Rs.339.85 Crs and prepaid Rs.390.48 Crs of long term capex L/Cs and long term loans.

Overall, there is decrease in debt by Rs.50.86 Crs on standalone basis and Rs.35.63 Crs on consolidated basis.

The Company had a net debt of Rs.3,731.86 Crs (including working capital loans, current maturities of long term debt and net of cash & bank balance of Rs.4 Crs) as on 31st March 2016, with about 17.7% of it in foreign currency. The Company's Net Debt Equity ratio was 4.54 as on 31st March 2016. On consolidated basis, the net debt level and Debt Equity Ratio were Rs.4022.38 Crs and 2.94 respectively at year end.

## Ratings

The Company enjoys rating of CARE A3+ for short term bank facilities and other short term funds by Care Analysis & Research Limited [CARE]. India Ratings & Research Private Limited (formerly known as Fitch Ratings India Private Limited) has given rating of Ind BBB with negative outlook for long term bank loans and facilities.

## Relationships

The Company continued to enjoy excellent relationship with all its lenders. It has made all payments of loans and interest to banks and financial institutions within respective due dates and without any delays.

## Investor Services

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

The Company has appealed to all shareholders and depositors who could not encash warrants/cheques for dividends, interest and fixed deposits for making claims with the Company before the same become due for deposit with the Government.

During the year, the Company deposited Rs.10.28 lacs with the Investors Education & Protection Fund constituted by the Central Government,

being matured dues remaining unpaid for a period of 7 years on account of dividend, debentures and fixed deposits including interest thereon.

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

## Internal Control System and Risk Management

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

## Human Resources

The Company continues to leverage the potential of Human Resources through Job rotation, Job enrichment and developing the competencies through various HR development programmes.

The Company identifies high potential and high performing individuals and focusses on their career development programmes for future succession planning.

The Company creates future talent pool by recruiting fresh graduate/diploma engineers and ensures proper training and mentoring for developing them into future leaders.

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

The Human Resource Department in close coordination with Company's CSR arm, KGVK is working in surrounding villages of its plants for sustainable development through Total Village Management in areas of livelihood, capacity building, new techniques in agriculture, health, natural resource management and education.

## Appreciation

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

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## Cautionary Statement

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

# REPORT OF THE BOARD OF DIRECTORS

*Dear Shareholders,*

The Board of Directors of Usha Martin Limited present the 30th Annual Report and Audited Accounts for the Financial Year ended 31st March, 2016.

## FINANCIAL SUMMARY / HIGHLIGHTS

(Rs. in Crores)

	Stand Alone		Consolidated	
	31st March, 2016	31 March, 2015	31st March, 2016	31 March, 2015
Net Sales / Income from Operations	3,447.47	3,746.05	4,147.92	4,561.10
Other Income	37.46	38.68	35.33	36.99
Net Sales and Other Income	3,484.93	3,784.73	4,183.25	4,598.09
Profit/(Loss) Before Interest, Depreciation & Tax (Before Exceptional Items)	335.57	646.38	389.34	753.48
Depreciation	273.78	383.00	311.99	418.42
Finance Costs	541.84	507.39	558.05	521.94
Profit/(Loss) Before Tax (Before Exceptional Items)	(-)480.05	(-)244.01	(-)480.70	(-)186.88
Exceptional Items	-	(-)100.16	-	(-)100.16
Tax expenses ( including MAT and Deferred Tax)	(-)75.62	(-)51.76	(-)67.09	(-)35.64
Profit (Loss) After Tax	(-)404.43	(-) 292.41	(-)413.61	(-)251.40
Minority Interest	-	-	(-)1.37	(-)1.72
Profit/(Loss) after Tax and Minority interest	(-)404.43	(-) 292.41	(-)414.98	(-)253.12
Profit/(Loss) Brought Forward from Previous Year	(-)295.72	(-)3.31	73.74	335.17
Appropriations are made as under:				
- Transfer to Capital Redemption Reserve	-	-	13.40	8.00
- Proposed Dividend and Tax thereon	-	-	0.19	0.21
- Adjustment arising on acquisition of controlling interest in a Joint Venture	-	-	-	0.10
- Balance Carried Forward to next year	(-)700.15	(-)295.72	(-)354.83	73.74

## Review of Operations

The turnover for the year was Rs. 4,147.92 crores on consolidated basis and Rs. 3,447.47 crores on standalone basis as compared to Rs. 4,561.10 crores and Rs. 3,746.05 crores respectively in the previous year. The operating profit got reduced on consolidated basis from Rs.753.48 crores in previous year to Rs. 389.34 crores in the current financial year and on standalone basis from Rs. 646.38 crores to Rs. 335.57 crores.

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

## 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

Steel business outlook is likely to stay challenging over the near term due to overcapacities in the sector. According to World Steel Association

(WSA) global steel demand is likely to contract by 0.8% in 2016 and expand by only 0.4% in 2017. Demand in China, which produces more than 50% of the global steel, is seen as contracting at 4% and 3% in 2016 & 2017 respectively. At 626 million tons, the steel demand in China in 2017 would be 15% lower compared to 2016. In India, though the demand of steel is expected to grow at a healthy 5.4% both in 2016 and 2017, the sector is likely to be weighed down by global excess capacities and contraction in aggregate demand.

Wire ropes business continues to do reasonably well despite various headwinds, though margins are under continuous pressure. The demand has been weighed down by a collapse in project lead demand in oil sector and slow-down in mining activity globally. The Company managed to increase volumes in some of the other product segments within Wire Ropes business, though the loss of volumes in oil and mining sector could not be compensated and therefore the profitability was affected adversely when compared to the last financial year and the year before. Given the Company's reputation, marketing and distribution strengths in this business, we expect to weather this slowdown by

focussing on new areas.

No material changes and commitments have taken place since the close of the previous financial year and till the date of this report which may significantly affect the financial position of the Company adversely.

### **TPM & Quality**

Steel Division and Wire Ropes & Speciality Products Division continue to have certification for its quality management systems in accordance with ISO 9001 2000 from BVQI.

The TQM journey of Wire & Wire Rope Division for further strengthening competitiveness is progressing well to enable the Company to reap long term benefits.

### **Subsidiaries & Joint Ventures**

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

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

During the year under review, with a view to reduce non – core assets of the Company, the Board has decided to divest its' entire shareholding of 50% in Dove Airlines Private Limited (a joint venture company) ["DAPL"] and the same is under process.

During the year under review, no company has become or has ceased to be subsidiary, joint venture or associate company.

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

### **Environment**

Steel Division and Wire Ropes & Speciality Products Division operate under ISO 14001 Environment Management Systems (EMS) Standards from Det Norske Veritas (DNV) of U.K. The effectiveness of these systems is evident from reduced oil and water consumption, reuse of waste oils and water and utilisation of iron containing wastes.

Wire Rope & Specialty Products Division is driving improvements in effluent treatment plant to eliminate sludge carry over by incorporation of filter press, the output of which is being used for non-critical applications and continues to target zero discharge condition. The Division is also focused on reducing air pollution by converting from oil to LPG and eliminating emission of un-burnt fuels in atmosphere.

### **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, 2016, there are no unclaimed deposits with the Company. Further the Company has

not defaulted in repayment of deposits or payment of interest thereon in the past.

### **Share Capital**

The Paid-up Equity Share Capital as on 31st March, 2016 stood at Rs.30.54 crores. The Company has not during the year under report, issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares.

Subsequent to Shareholder's approval obtained at the Extra Ordinary General Meeting held on 16th March, 2015 the Company had, during the year under review, issued and allotted 34,285,600 convertible equity warrants each convertible into one Equity Share of face value of Re. 1 each at the option of the allottees, to certain persons from Promoter and Promoter Group. Further out of the aforesaid warrants, 750,000 convertible equity warrants lapsed as on 31st March, 2016 due to non-exercising of the option for conversion.

### **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 material orders were passed by any regulatory authority or court which may affect the status of going concern of the Company.

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory and secretarial auditors and external consultants specially appointed for this purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the 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 period ended on 31st March, 2016.

### **Directors**

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

During the year, Mr. R Venkatachalam (DIN: 02194830) was appointed on the Board effective 4th November, 2015 as a nominee of State Bank of India.

Mrs. Ramni Nirula, (DIN: 00015330) an Independent Director resigned as Director of the Company effective 4th April, 2016. The Board places on record its appreciation for Mrs. Nirula's active participation and the guidance provided by her during her tenure as Director of the Company.

### **Directors' Responsibility Statement**

Pursuant to requirements under Section 134(5) of the Companies Act, 2013 the Board, to the best of it's knowledge and belief, confirms that



that:

- (i) the applicable accounting standards have been followed in preparation of annual accounts for financial year ended 31st March, 2016 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, 2016 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, Board as a whole and the Board Committees. Every Director evaluated the performance of other Directors (excepting himself / herself), the Board as a whole and its Committees and provided feedback to the Nomination & Remuneration Committee. The Nomination & Remuneration Committee reviewed the feedback and made its recommendation to the Board for final evaluation.

#### **Nomination & Remuneration Policy**

In accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement), the Board of Directors of the Company on recommendation of the Nomination & Remuneration Committee have adopted the criteria for determination of qualification, positive attributes and independence of Directors alongwith Policies on Remuneration of Directors, Remuneration of Senior Management Personnel (including Key Management Personnel) and Remuneration of Other Employees. The above mentioned criteria and Policies are available at [www.ushamartin.com/investor](http://www.ushamartin.com/investor).

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

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

harassment, victimisation or any other unfair treatment or employment practice being adopted against the whistleblower.

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

The required disclosures in accordance with Section 197 of the Act read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 (erstwhile Clause 49 of the Listing Agreement), the Managing Director and Chief Financial Officer of the Company have submitted a certificate for the year ended 31st March, 2016 to the Board of Directors.

#### **Additional Disclosures**

In line with requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Accounting Standards issued by the Institute of Chartered Accountants of India, the Company has made additional 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 the transition period mentioned therein, Price Waterhouse, Chartered Accountants were appointed as Statutory Auditors of the Company at the 28th Annual General Meeting of the Company held on 31st July, 2014 for a period of two years and upto the conclusion of the 30th Annual General Meeting.

The Board of Directors recommend to the shareholders the appointment of S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E) as the Auditors of the Company to hold office from the conclusion of 30th Annual General Meeting till 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 2015-16 and had recommended their remuneration to the shareholders which was ratified at the Annual General Meeting held on 30th July, 2015.

The Board of Directors have appointed Messers Guha, Ghosh and Kar & Associates as the Cost Auditors for the Financial Year 2016-17 and their remuneration is sought to be ratified from the shareholders at the forthcoming 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 (erstwhile Clause 49 of Listing Agreement) 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.

Further, your attention is drawn to the observations made in the Secretarial Audit Report and Auditors' Certificate on Corporate Governance Report with regard to Independent Directors for which appropriate explanation has been provided in Disclosure XI of the Report on Corporate Governance.

### Corporate Social Responsibility (CSR)

Usha Martin Limited has been constantly involved in sustainable development of communities around its plants & mines. It has expanded its CSR activities to the other districts of Jharkhand. Commitment of founders of Usha Martin Limited towards sustainable development has led KGVK, a non - profit seeking organization, CSR arm of the Company, to reach more than 190 villages of Jharkhand.

The CSR Committee consists of the following Members:

Mr. B K Jhavar	- Chairman (Non – executive director)
Mr. Brij K Jhavar	- Member (Non – executive director)
Mrs. Ramni Nirula	- Member (Independent Director) [till 4th April, 2016]
Mr. P S Bhattacharyya	- Member (Independent Director) [effective 25th May, 2016]

The contents of the CSR Policy of the Company is available at [www.ushamartin.com/investor](http://www.ushamartin.com/investor). The CSR activities undertaken by KGVK on behalf of the Company (including the Annual Report on CSR activities) has been annexed separately and forms part of this Report.

### Extract of Annual Return

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

### Number of Meetings of Board and its Committees

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

### Statement on declaration given by independent directors under Section 149 of the Companies Act, 2013

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.

### 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

The related party contracts or arrangements entered into by the Company during the year under review do not fall under the ambit of Section 188 (1) of the Act and all related party transactions during the financial year were at arm's length basis and in the ordinary course of business. 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 prior approval. The related party transaction policy as approved by the Board is hosted on the Company's website. Further, Form AOC – 2 is not attached with this Report as there were no such related party transactions for which disclosure under Rule 8 of the Companies (Accounts) Rules, 2014 was required.

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

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

### Risk Management

The Company has a Risk Management Committee to assist the Board in discharging its responsibilities towards management of material business risk (material business risks include but is not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, legislative or regulatory and market related risks) including monitoring and reviewing of the risk management plan / policies in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile Clause 49 of the Listing Agreements.

The Committee consists of the following members :

Mr. P S Bhattacharyya	– Chairman (Independent Director)
Mr. Rajeev Jhavar	– Member (Managing Director)
Mr. P K Jain	– Member (Jt. Managing Director [Wire & Wire Rope Business])

### Appreciation

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

On behalf of the Board of Directors

Place : Kolkata  
Date : 25th May, 2016

**B.K. Jhavar**                      **R. Jhavar**  
Chairman - Emeritus      Managing Director

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

Serial No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Name of the subsidiary	UM Cables Limited	Usha Power & Resources Limited	Bharat Minex Private Limited	Gustav Wolf Specialty Cords Limited	Usha Siam Steel Industries Public Company Limited	Usha Martin Americas Inc	Brunton WolfWire Ropes FZCO	Usha Martin Singapore Pte. Limited	Usha Martin Australia Pty Limited	P T Usha Martin Indonesia	Usha Martin Vietnam company Limited	Usha Martin China Company Ltd	Usha Martin International Limited	De Ruiter Staak-abel BV Siedrecht	Usha Martin Italia S.R.L. #	Usha Martin Europe B.V.	Usha Martin UK Limited	Brunton Shaw UK Limited	European Management and Marine Corporation Limited
FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16	FY 2015-16
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, 2016 (used for conversation C/V Vs INR)	-	-	-	-	1.8800	66.2550	18.0374	66.2550	50.9832	66.2550	0.0029	10.2479	95.4735	75.3982	75.3982	75.3982	95.4735	95.4735	95.4735
Share Capital	1,113	5	20	15	2,688	2,650	3,427	379	102	66	51	316	5,941	14	8	14	3,676	*	*
Reserves and Surplus	3,857	(2)	9	199	11,310	2,400	3,376	9,489	1,337	253	176	(2,131)	3,124	4,032	172	(143)	22,030	-	-
Total Assets	16,029	3	78	270	29,875	8,906	10,248	18,692	2,710	566	642	4,193	9,113	9,895	295	733	37,036	*	*
Total Liabilities	11,059	*	49	56	15,877	3,856	3,445	8,824	1,271	247	415	6,008	48	5,849	115	862	11,330	-	-
Investments	-	-	-	-	2,350	-	-	822	-	-	-	-	6,741	-	-	-	-	-	-
Turnover (Net)	12,733	-	-	-	21,716	6,615	11,959	7,407	5,510	1,086	2,264	2,949	-	9,477	672	1,762	27,655	-	-
Profit/(Loss) before Taxation	617	*	(31)	16	(131)	(95)	350	(979)	185	94	55	(941)	165	196	77	(2)	554	-	-
Provision for Taxation	243	-	-	6	(15)	(26)	-	(131)	55	32	12	112	19	37	28	*	118	-	-
Profit/(Loss) after Taxation	374	*	(31)	10	(116)	(69)	350	(848)	130	62	43	(1,053)	146	159	49	(2)	436	-	-
Proposed Dividend	12	-	-	-	-	-	400	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	97.98%	100%	60%	100%	100%	100%	100%	100%	92%	100%	100%	100%	100%	100%	100%

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

# Financial information is based on Unaudited Results.

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

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

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

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (Cont...)**

**Part "B" : Associates and Joint Ventures**

(Rs. in Lakhs)

Sl. No	1	2	3	4
Name of the Associates / Joint Ventures	Pengg Usha Martin Wires Private Limited (PUMWPL)	CCL Usha Martin Stressing Systems Limited (CUMSSL)	Dove Airlines Limited (DAPL)	Tesac Usha Wirerope Company Limited (TUWCL)
Latest audited Balance Sheet Date	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
Shares of Associate/Joint Ventures held by the Company on the year end				
Number	Equity Shares - 10,800,000 *	Equity Shares 473,195 *	Equity Shares - 1,038,000*	Ordinary Shares 1,250,000 *#
Amount of Investment in Associates/Joint Ventures	1,080	47	104	2,350
Extent of Holding%	40.00%	49.99%	50.00%	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.	DAPL is a joint venture company wherein the Company is holding 50% of the equity in DAPL 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 to the extent of the Company's interest therein.	The financial statement of CUMSSL is taken into consideration for consolidation of financial statements to the extent of the Company's interest therein.	The financial statement of DAPL is taken into consideration for consolidation of financial statements of the extent of Company's interest therein.	The financial statement of TUWCL is taken into consideration for consolidation of financial statements of to the extent of the Company's interest therein.
Net worth attributable to Shareholding as per latest audited Balance Sheet	1,601	37	295	1,833
Profit / Loss for the year	443	4	(196)	(430)
Considered in Consolidation	177	2	(98)	(215)
Not Considered in Consolidation	266	2	(98)	(215)

\* Denotes actual number of shares.; # Denotes shares held by subsidiaries of the Company.

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

Place : Kolkata

Date : 25th May, 2016

On behalf of the Board of Directors

**B.K. Jhawar**

**R. Jhawar**

Chairman - Emeritus Managing Director

**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, 2016**

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

(A) Employed throughout the financial year and was in receipt of remuneration for the year which in the aggregate was not less than Rs.60,00,000 per annum Jhawar Rajeev; 51; Managing Director; 1,61,41,022; B. Com (Hons); 31; 01-Oct-97; Usha Martin Industries Limited (Since Merged with the Company); Jt. Managing Director; Jain Pravin Kumar; 62 ; Jt Managing Director (Wire and Wire Rope Business); 2,02,49,848; B.Tech, MBA ; 39; 01-Sep-09; Brunton Wolf Wire Ropes,Fzco; Managing Director; Somani A. K.; 62 ; Chief Financial Officer & Company Secretary; 1,59,11,030 ; B. Com., C.A. C.S; 37; 03-Apr-90; Emami Paper Mills; Vice President - Commercial; Sircar Amitava; 62; Chief Operating Officer-Steel Business; 91,04,898; B.E.(Metallurgy); 38; 03-Nov-14; Jindal Steel & Power Ltd; Executive Vice President Operation; Trivedi Pavan; 45; President-Commercial & Accounts; 1,08,13,211; ICWA, CA; 21; 26-May-14; Tata Motors Finance Ltd; Chief Financial Officer; Mazumdar Debasish; 52; Associate President-Steel; 78,87,232; B.E (Metallurgy); 29; 01-Sep-11; Electrotherm India Limited; President-Works; Dixit Ashutosh; 46; Associate President-(Wire and Wire Rope Business); 71,31,863; B.Tech.(Mech.Engg); MBA (General Management), PG Certificate (Metallurgy); 23; 25-Jul-13; Hindalco Industries Ltd; Basu Dhruv Jyoti; 58; President-Human Resource; 75,84,016; B.Sc.Hons,PGD Personnel Management; 36; 10-Apr-06; Larfarge India Ltd; Vice President-Human Resource; Nath Sanjay; 62; Sr.Vice President-Marketing (Steel); 62,56,497; B.E.(Metallurgy),D.I.M (IGNOU); 38; 04-Sep-10; Kalyani Steels Ltd; Sr Vice President (H.O.D.Marketing & Sales); Prasad Gururaja; 60; Sr. Vice President; 60,74,801; B.E. (Mechanical), PGDPE; 36; 01-Mar-12; JSW Steel; Vice President - Project Operation & Maintenance

(B) Employed for a part of the financial year and was in receipt of remuneration for any part of the year at a rate which in the aggregate was not less than Rs.500,000 per month. Dave Karun Kant; 50; President-Mining Division; MBA (Marketing), Diploma (Mining & Mine surveying), B.E. (Mining), MBM Class 1 Mine Manager Certificate, Executive Development Programme; 62,89,059; 30; 02-Nov-15; Vedanta Ltd.; Chief Operating Officer - Lanjigarh Refinery; Nanda Rohit ; 43; Chief Financial Officer -(Designate); 46,04,580; B.Com, C.A.; 21; 02-Nov-15; MTAR Technologies Pvt. Ltd. ; Chief Financial Officer

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 under Sections 2(78), 197 read with Schedule V of the Companies Act, 2013; (3) None of the employees named above is a relative of any Director of the Company except, Mr Rajeev Jhawar who is a relative of Mr Brij K Jhawar, a Director of the Company.

On behalf of the Board of Directors

Place : Kolkata

Date : 25th May, 2016

**B.K. Jhawar**

**R. Jhawar**

Chairman - Emeritus Managing Director

## Annexure to Directors Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

The Company recognizes its responsibility towards meeting its social obligations and hence has been voluntarily doing CSR activities through its CSR arm – Krishi Gram Vikash Kendra (KGVK) [an eligible partner under The Companies (Corporate Social Responsibility Policy) Rules, 2014], to reach out to more than 190 villages in the State of Jharkhand. Subsequent to the enactment of Companies Act, 2013 ("the Act"), the Company has formally constituted a CSR Committee and adopted a CSR Policy for discharging its social responsibilities more effectively.

For Usha Martin, CSR is the commitment of its businesses to contribute to sustainable economic development by working with civil society organizations, local community and society at large to improve their lives in ways that are good for business and development. Thus, implicit in Usha Martin's understanding of CSR is the recognition of the importance of sustainable behavior where it consistently operates in a manner that increases the social impact to society and stakeholders concerned, and at the same time adheres to the CSR mandate as contained in the Act.

The objective of the Company's CSR Policy is to ensure that the levels of economic, legal, ethical and discretionary activities of Usha Martin is in line with the values as set out under the Act, Companies (Corporate Social Responsibility) Rules, 2014 ("CSR Rules") and Schedule VII of the Act ("Schedule VII").

The Company's CSR Policy has been hosted on the Company's website [www.ushamartin.com](http://www.ushamartin.com).

2. The composition of the CSR Committee:

- a) Mr. B K Jhawar – Chairman
- b) Mr. Brij Kishore Jhawar – Member
- c) Mrs. Ramni Nirula – Member (Independent Director) [till 4th April, 2016]
- d) Mr. P S Bhattacharyya – Member (Independent Director) [effective 25th May, 2016]

3. Net profit of the Company for last three financial years (as per Section 198 of the Companies Act, 2013) (Rs .in Lakhs)

FY 2012 – 13	FY 2013 – 14	FY 2014 – 15
(2,941.92)	(5,058.86)	(34,188.92)

Average profit / (loss) for last three financial years: Rs. (14,063.23) Lakhs [Loss]

4. Prescribed CSR Expenditure (2% of the amount of average profits for last three years): NIL. However, the Company as a committed good corporate citizen has voluntarily contributed Rs.531 Lakhs to KGVK, the CSR arm for undertaking various projects for upliftment of the society.
5. Details of CSR spent during the financial year.

- a) Total amount to be spent for the financial year – Rs. 531 Lakhs (voluntary spending).
- b) Amount unspent, if any – NIL
- c) Manner in which the amount spent during the financial year is detailed below:

(Rs .in Lakhs)

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or program wise	(6) Amount spend on the project or programs Subheads: (1) (Direct expenditure on projects or programs) (2) Overheads	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	Total Village Management (TVM)	Natural Resources Management (NRM), Resource Mobilisation & Infrastructure Development, Health, Nutrition & Sanitation, Education, Women's Empowerment, Energy inclusion, Capacity Building & Market Linkage, Livelihood & Financial inclusion	Saranda, West Singhbhum, Jharkhand Selected villages of Namkum, Kanke & Angra Block, all in the State of Jharkhand Selected villages of Patrau, Bundu, Burmu, Namkum, Ranchi, Saraikela, all in the State of Jharkhand	531	531	531	Implemented through KGVK [a society registered under Societies Registration Act, 1860]

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – Not Applicable.
7. The implementing and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place : Kolkata  
Date : 25th May, 2016

**B K Jhawar**  
Chairman of CSR Committee

**R Jhawar**  
Managing Director



## 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 (Accounts) Rules, 2014:

#### (A) Conservation of energy:

##### i) Steps taken or impact on conservation of energy.

- a. Change from conventional tube lights / HPMV / SON lamps to LED lights.
- b. Replacement of office tube light from 40W to 18W LED light and plant 250W son/HPMV Lamp to 120W LED high way fitting light.
- c. Reduction of LDO consumption by increasing boiler availability in CPP by various measures taken for reduction of breakdowns.
- d. Reduction of power import from JSEB by increasing the power generated from Gas based units and increasing the availability of the Coal based CPP.
- e. Reduction in Turbine Oil consumption from approx 27KL in FY 14-15 to 18KL in FY 15-16 by recycling all waste oil through ELC and OPC (Electrostatic & Oil Purifying Control).
- f. Stopping the cooling water pump of the centrifugal compressor by providing an interconnection of the cooling water header with the condenser cooling water header thereby saving auxiliary power consumption in CPP.
- g. Reduction in the Auxiliary Power Consumption of 35MW CPP from 2.48 MU to 1.87MU by modifying the expansion bellows of boiler flue gas duct.
- h. Saving of power & electrode at SMS by running EAF # 3 on oxygen blowing by introducing third Oxygen Lance.
- i. Automation implemented in LRF ID fan damper so that damper closes when there is no heat in LRF#3 resulting in saving of power consumption(SMS-1&2).
- j. Implementation of LED Light Fittings in SMS #1 / #2 Billet Bay (resulting in power saving 184 KWH/Day).
- k. Char utilization in DRI to reduce specific coal consumption for fuel energy saving.
- l. Reduction in specific power consumption at DRI.
- m. Implementation of LED Light Fittings in SBWM-1 in Billet Bay, for energy saving.
- n. VF drive arrangement for RT in WRM as an energy saving measure.
- o. Transfer of combustion air from reheating to preheating furnace at WRM to reduce fuel consumption.
- p. Total plant lighting of different areas taken at Coke Oven on automation (resulting in power saving 263.5 KWH/Day).
- q. LV drive installed in slurry Pump 1& 2 and ID Fan motor at Pellet / BP (resulting in power saving 3000 KWH/Day).
- r. Introduction of LED at Pellet / BP lamp in some places instead of sodium lamps resulting in saving of electricity.
- s. Replacement of pre-heat furnace by annealing hood & modification in ignition furnace & preheat furnace to increase the Sinter machine bed height to 700mm resulting in reduction of specific fuel consumption.
- t. Power consumption reduced in BF-1 by installation of VFD in Blower1.
- u. An extra BFG line connected to WRM BFG line to improve BFG line pressure & flow, resulting in 8 liter/t LDO saving in WRM.

##### ii) Steps taken by the Company for utilising alternate sources of energy: None.

##### iii) Capital investment on energy conservation equipment.

- a. Acquisition of energy conservation equipment for Wire & Wire Rope Division in Ranchi.
- b. MV drive for Tail ESP at Sinter Plant – to control wastage of power due to full speed running of motor (approx. 145 KWH/hr).
- c. VFD to be installed in Blower 2 & 3, HP cooling water pump for MBF-2, LP cooling water pump for MBF-2 and Blooming mill ID Fan to reduce specific power consumption.
- d. Installation of LED lights in place of conventional lights across divisions.
- e. Steps have been initiated for entire plant as per Energy Audit Report & as per BEE (Bureau of Energy Efficiency- Ministry of Power) target, to reduce specific energy consumption by 2018-19.
- f. Energy conservation is an ongoing process and there is a continuous programme to create awareness and motivate employees to conserve energy through small group activities & plan to setup Energy Management System 50001 in FY 16-17.

#### (B) Technology absorption:

##### i) Efforts made towards technology absorption.

- a. New rope core for better grease retention design.
- b. New Elevator Hoist Ropes having new type of Core with reduced lubricant content.
- c. The Company is constantly applying global benchmark in terms of Quality, Cost & Performance and remains committed to TPM & TQM Process – QMS, EMS & OHSAS, Energy Measures for Plant System Improvement & Development.
- d. OHSAS ISO 18001: 2007 system accreditation obtained in 2015-16 with focus on Occupation Health & Safety Management across Plants.
- e. ERP SAP setup & implementation is under process to integrate all key business modules for better productivity & co-ordination among divisions & departments.
- f. Implementation & accreditation of ISO 50001- 2011 system in FY16-17, with an effort to develop Energy Management System with aim to optimize Energy Consumption & achieve BEE Target on Specific Energy Consumption as per guidelines of BEE. (Bureau of Energy Efficiency – Ministry of Power).
- g. Monitoring & Verification - PAT Cycle I Audit & Mandatory Plant Energy Audit carried out as per guidelines of BEE (Bureau of Energy Efficiency – Ministry of Power).
- h. Energy Auditors recommendations are under implementation while certain others are in Capex pipeline in a phased manner.
- i. Reduction of clinker formation in Unit 1 30 MW boiler by modifying the bubble caps near the wall thereby eliminating clinker formation around the water walls.
- j. Reduction in consumption of Bed Material at CPP from approx. 900MT per month @ Rs. 4800 / MT to < 200 MT per month by recycling the Bed ash generated in the Boilers.
- k. Usage of river sand in Sinter Plant to minimize quartzite addition in blast furnace.
- l. Connected the preheating combustion air blower line to main combustion air line so that it can be used in case of failure of main blowers.
- m. Logic developed for the automation of T-3 trolley (Iron ore fines storage in proportioning bunkers 1 to 7).
- n. CCM 1 & 2 roller table motor and VT Pump taken in automation (SMS 1 & 2).
- o. Implementation of RTD sensor in pump house CT fan motor resulting in power saving in winter season.

- p. Continued optimal utilization of steel plant waste like Mill scale, BF Flue Dust, ESP dust, SMS Slag, DRI Fines in Sinter.

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

- The new core will retain grease for longer period providing longer period of corrosion protection and improve performance of the Wire Rope.
- Due to enhanced lubrication period & resistance to corrosion, the performance of Wire Rope shall increase substantially.
- Introduction of new type of Core with less lubricant shall reduce the overall manufacturing cost.
- Development of low-cost Post-Tensioning Grease through one local vendor to reduce Product Costing.
- Approval received from Power Grid Corporation of India Limited for High Carbon Steel Wire Rod/Round for manufacturing Bolts and Nuts for power grid projects.
- BIS approval received during FY.15-16 for UASD & SBWM on IS:7283, IS:7887 & IS:1875 for UASD.

- Approvals received from various OEMs and ancillaries such as AFL, Blue Stamping, Aichi Steel, RKFL, Britlodge, Caparo, Amtek, SPD Ranchi, Ador Welding, ABC Bearing, etc. for supply of different grades & new products such as SS/ B27VB, SCr420HB, C70S6, S43C, 40 Cr4, 30Mn5, ER90SG etc. for the respective requirement of OEMs. Total 14 Grades / Items developed in FY15-16 as per requirement of OEMs.
- Sustenance of previous approvals received from various OEMs for the forging & machining industry.
- Continued development & supply of critical steel for medium & heavy commercial vehicles & auto ancillary producers.
- Metallurgical preparedness for future business of alloy & specialty steel.
- Introduction of new & improved products to stay ahead of competition & technology driven obsolescence.
- Effort to increase market share of high end products.
- Efficient & productive utilisation of iron ore & fines through conventional DRI, BF Plants.

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

Details of technology imported	Year of import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
3 – Roller Compacting technology from M/s DEM, Italy for compacting strands	2014 – 15	Successful trial run has been made;will be inducted into regular manufacturing.	Being absorbed in stages.
Technical Assistance Agreement with AICHI STEEL CORPORATION, Japan for improving steel quality and process control in Steel Melting Shops, Rolling Mills and Finishing and inspection.	2013 – 14	Technical assistance is being implemented in stages.	Being absorbed in stages.

**iv) Expenditure incurred on Research and Development:**

Rs.361.94 Lakhs.

**(C) Foreign exchange earnings and outgo:**

(Rs. In Lakhs)

i.	Foreign Exchange earned in terms of actual inflows during the year	37,766
ii.	Foreign Exchange outgo during the year in terms of actual outflows	81,706

**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 for the year ended 31st March, 2016:**

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 – 0.46:1*
		b)	Mr. Prashant Jhawar, Chairman, Non – Executive Promoter – Director – 0.68:1*
		c)	Mr. Brij Kishore Jhawar, Non – Executive Promoter – Director– 0.57:1*
		d)	Mr. Salil Singhal, Non – Executive, Independent Director – 1.14:1*
		e)	Mr. Ghyanendra Nath Bajpai, Non – Executive, Independent Director–1.60:1*
		f)	Mrs. Ramni Nirula, Non – Executive, Independent Director – 0.91:1*
		g)	Mr. Jitender Balakrishnan, Non – Executive, Independent Director – 1.60:1*
		h)	Mr. Partha Sarathi Bhattacharyya, Non – Executive, Independent Director – 0.91:1*
		i)	Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Independent Director – 0.34:1*
		j)	Mr. Rajeev Jhawar, Managing Director – 36.78:1;
		k)	Mr. P K Jain, Joint Managing Director [Wire & Wire Rope Business] – 46.15:1.
		* Only sitting fees paid to non – executive directors 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;	<div><div>a) Mr. Basant Kumar Jhawar, Chairman Emeritus, Non – Executive Promoter – Director – 33.33% *</div><div>b) Mr. Prashant Jhawar, Chairman Emeritus, Non – Executive Promoter – Director – (60.00)% *</div><div>c) Mr. Brij Kishore Jhawar, Non – Executive Promoter – Director – NIL *</div><div>d) Mr. Salil Singhal, Non – Executive, Independent Director – (9.09)% *</div><div>e) Mr. Ghyanendra Nath Bajpai, Non – Executive, Independent Director - 40.00% *</div><div>f) Mrs. Ramni Nirula, Non – Executive, Independent Director – (50.00)% *</div><div>g) Mr. Jitender Balakrishnan, Non – Executive, Independent Director – (12.50)% *</div><div>h) Mr. P S Bhattacharyya, Non – Executive, Independent Director – 100% *</div><div>i) Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Nominee Director – Not Applicable *</div><div>* Only sitting fees paid to non – executive directors for attending Board and Committee meetings in which such director is a member.</div><div>j) Mr. Rajeev Jhawar, Managing Director – (6.34)%</div><div>k) Mr. P K Jain, Joint Managing Director [Wire &amp; Wire Rope Business] – (7.35)%</div><div>l) Mr. A K Somani, Chief Financial Officer &amp; Company Secretary – 23.16% [there were no increase in remuneration, however, the arrear of salary for FY 2014 – 15 were paid in the FY 2015- 16.]</div></div>								
iii.	Percentage increase in the median remuneration of employees in the Financial Year;	There were no increase in remuneration, however, the arrear of salary for FY 2014 – 15 were paid in the FY 2015- 16.								
iv.	Number of permanent employees on the rolls of the Company;	1751 <i>[only officers of the Company has been considered]</i>								
v.	Explanation on the relationship between average increase in remuneration and company performance;	Not applicable as no increase in remuneration was effected during the year.								
vi.	Comparison of the remuneration of Key Management Personnel (KMP) against the performance of the Company;	<div>The payment of remuneration to KMP of the Company is decided after considering the following factors:</div> <div><div>a) Job profile, strategic roles and responsibilities;</div><div>b) Comparison with industry standards;</div><div>c) Operating performance of the Company;</div><div>d) Adjustment towards cost of living;</div></div>								
vii.	Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year and percentage increase or decrease in the market quotation of the shares of the Company in comparison to the rate in which the Company came out with last public offer.	<div>The market capitalization as on 31st March, 2016 is Rs.350.45 crores as compared to Rs.701 crores as on 31st March, 2015. The price earnings ratio as on 31st March, 2016 was (-) 0.87x as compared to (-) 2.40x as on 31st March, 2015.</div> <div>The stock price (as per National Stock Exchange) of the Company as on 31st March, 2016 was Rs. 11.50 as compared to Rs.85.90 in respect of the QIP issue made during the Financial Year 2009 – 10.</div>								
viii.	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.	Not applicable, as no increase in remuneration was effected during the year.								
ix.	Comparison of each remuneration of the KMP against the performance of the Company	<div>The comparison of remuneration of each KMP against the performance (Profit Before Depreciation and Tax) of the Company are as under:</div> <table><tr><td>Name of KMP</td><td>Remuneration as percentage of Profit Before Depreciation and Tax</td></tr><tr><td>Mr. Rajeev Jhawar, Managing Director</td><td>(0.78)</td></tr><tr><td>Mr. P K Jain, Jt. Managing Director [Wire &amp; Wire Rope Business]</td><td>(0.98)</td></tr><tr><td>Mr. A K Somani, Chief Financial Officer and Company Secretary.</td><td>(0.77)</td></tr></table>	Name of KMP	Remuneration as percentage of Profit Before Depreciation and Tax	Mr. Rajeev Jhawar, Managing Director	(0.78)	Mr. P K Jain, Jt. Managing Director [Wire & Wire Rope Business]	(0.98)	Mr. A K Somani, Chief Financial Officer and Company Secretary.	(0.77)
Name of KMP	Remuneration as percentage of Profit Before Depreciation and Tax									
Mr. Rajeev Jhawar, Managing Director	(0.78)									
Mr. P K Jain, Jt. Managing Director [Wire & Wire Rope Business]	(0.98)									
Mr. A K Somani, Chief Financial Officer and Company Secretary.	(0.77)									
x.	The key parameters for any variable component of remuneration availed by the directors	No variable component.								
xi.	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	None.								
xii.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes.								

# 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, 2016 comprised of one Non-Executive Chairman Emeritus, one Non - Executive Chairman, five Independent Non Executive Directors, one Non Executive Director and two Executive Directors.

Composition of Board of Directors and other details as on 31st March, 2016 are as under:

Name of Directors	Promoter/ Executive/ Non Executive/ Independent	No. of Other* Directorships held	Other committee positions held **		No. of Equity Shares held	Relationship between directors inter-se
			As Chairman	As Member including Chairman-ship		
Mr. Basant Kumar Jhawar	Non Executive, Chairman Emeritus, Promoter	2	None	1	82,310	Father of Mr. Prashant Jhawar
Mr. Prashant Jhawar	Non Executive, Chairman, 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	5	1	3	15,61,741	Son of Mr. Brij Kishore Jhawar
Mr. Salil Singhal	Independent, Non Executive	6	None	2	-	None
Mr. Ghyandendra Nath Bajpai	Independent, Non Executive	8	3	8	20,000	None
Mrs. Ramni Nirula #	Independent, Non Executive	9	4	9	-	None
Mr. Jitender Balakrishnan	Independent, Non Executive	9	1	4	-	None
Mr. Partha Sarathi Bhattacharyya	Independent, Non Executive	2	1	1	-	None
Mr. Venkatachalam Ramakrishna Iyer @	Non Executive, Nominee of State Bank of India (Lender)	-	-	-	-	None
Mr. Pravin Kumar Jain	Jt. Managing Director [Wire & Wire Rope Business], Executive	3	1	1	10,000	None

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

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

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

@ Mr. Venkatachalam Ramakrishna Iyer was appointed as a Nominee Director by State Bank of India with effect from 4th November, 2015.

Mr. Venkatachalam (62) has been associated with State Bank of India (SBI) since 1974 and has held various positions within SBI.

He has rich experience in finance and banking matters.

He does not hold directorship in any other Company, neither does he hold any shares nor is he related to any other Director of the Company.

# Mrs. Ramni Nirula ceased to be a Director with effect from 4th April, 2016.

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

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and as per SEBI LODR, separate meetings of the Company's Independent Directors were held on 22nd December, 2015 and 8th February, 2016.

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

Six Board Meetings were held during the year on 19th April, 2015, 25th May, 2015, 30th July, 2015, 4th November, 2015, 22nd December, 2015 and 8th February, 2016. Annual General Meeting [AGM] was held on 30th July, 2015.

Name of Directors	Board Meetings during the year/ tenure		Attendance at last AGM
	Held	Attended	
Mr. Basant Kumar Jhawar	6	3	No
Mr. Prashant Jhawar	6	5	Yes
Mr. Brij Kishore Jhawar	6	3	No
Mr. Rajeev Jhawar	6	6	Yes

Mr. Salil Singhal	6	5	No
Mr. Ghyanendra Nath Bajpai	6	6	Yes
Mrs. Ramni Nirula	6	3	Yes
Mr. Jitender Balakrishnan	6	6	Yes
Mr. Partha Sarathi Bhattacharyya	6	5	Yes
Mr. V. Ramakrishna Iyer #	3	3	Not Applicable
Mr. Pravin Kumar Jain	6	6	Yes

# Mr. Venkatachalam Ramakrishna Iyer was appointed as a Nominee Director by State Bank of India with effect from 4th November, 2015.

### Code of Conduct

Pursuant to SEBI LODR and erstwhile Clause 49 of the Listing Agreements with Stock Exchanges, the Board has suitably modified the 'Code of Conduct for Board of Directors and Senior Management' ("Code of Conduct") and is available on the Company's website. The Directors and senior management personnel have affirmed their compliance with the Code of Conduct as at 31st March, 2016.

### III. Audit Committee

The terms of reference of the Audit Committee include the powers and roles as set out in erstwhile Clause 49 of the Listing Agreement), 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; 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 Training) Regulations, 2015, the Board has approved 'Code of Conduct for Prevention of Insider Trading' (Code) and authorised the Audit Committee to implement and monitor various requirements as set out in the Code.

Five meetings of the Audit Committee were held during the year on 19th April, 2015, 25th May, 2015, 29th July, 2015, 4th November, 2015 and 8th February, 2016.

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

Particulars			No. of Meetings	
			Held	Attended
Mr. Jitender Balakrishnan	Chairman	Independent Non-Executive	5	5
Mr. Salil Singhal	Member	Independent Non-Executive	5	3
Mr. Ghyanendra Nath Bajpai	Member	Independent Non-Executive	5	5

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

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

The Statutory Auditors remain present during discussion and review of quarterly results and annual accounts as invitees in Meetings of the Audit Committee. The 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 30th July, 2015.

### 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.

One meeting of the Nomination and Remuneration Committee was held during the year on 25th May, 2015.

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

Particulars			No. of Meetings	
			Held	Attended
Mr. Ghyanendra Nath Bajpai	Chairman	Independent, Non-Executive	1	1
Mrs. Ramni Nirula#	Member	Independent, Non-Executive	1	-
Mr. Brij K Jhawar	Member	Non Executive, Promoter	1	-
Mr. J Balakrishnan	Member	Independent, Non-Executive	1	1

# Mrs. Ramni Nirula ceased to be a Director with effect from 4th April, 2016.

Mr. G.N. Bajpai , Chairman of the Committee was present at the last AGM.

### 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 judgement, etc. Thereafter on such individual assessment made by the Directors, the Chairman of Nomination & Remuneration Committee provides his overall report to the Chairman of the Board.

### Remuneration Policies

The Company is having separate remuneration policies for Directors, senior management personnel and other employees.

The aforementioned remuneration policies inter – alia covers the salary, perquisites and retiral benefits payable to executive directors, senior management personnel and other employees of the Company.

The policies are available on [www.ushamartin.com](http://www.ushamartin.com).

**The break-up of remuneration paid to the Managing Director and the Joint Managing Director for the year 2015-16 are given below:**

(Rs. In Lakhs)

Names	Mr. Rajeev Jhawar	Mr. Pravin Kumar Jain*
Position	Managing Director	Jt. Managing Director [Wire & Wire Rope Business]
Period	FY 2015 – 16	FY 2015 – 16
Salary	72.00	69.00
Commission	-	-
Allowances	42.00	110.10
Contribution to Provident Fund, Gratuity and Superannuation Funds	20.92	11.76
Incentive	-	-
Perquisites	26.49	11.64
Total	161.41	202.50



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

\* The Nomination & Remuneration Committee and Board of Directors, at their respective Meetings held on 30th January, 2015 have recommended / approved the reappointment of Mr. Pravin Kumar Jain as the Jt. Managing Director [Wire & Wire Rope Business] effective 1st February, 2015 to 15th January, 2019 with revised remuneration which was subsequently approved by the shareholders at the Extra Ordinary General Meeting held on 16th March, 2015. Subsequently the Central Government approved the remuneration payable to Mr. Jain as Jt. Managing Director at a consolidated limit of minimum remuneration upto Rs.1.93 crores per annum for the period commencing from 1st February, 2015 till 31st January, 2018.

Both Mr. Rajeev Jhawar and Mr. Pravin Kumar Jain were paid minimum remuneration for the Financial Year 2015-16. Further, in accordance with Schedule V of the Act, the minimum remuneration determined does not include the Company's 'Contribution to Provident Fund' and 'Contribution to Gratuity Fund'.

No stock options have been given to any of the Directors.

**The break-up of remuneration to Non Executive Directors for the year 2015-16 are given below:**

Name of Non – executive Directors	Sitting Fees (Rs.)	Commission (Rs.)
Mr. Basant Kumar Jhawar	2,00,000	-
Mr. Prashant Jhawar	3,00,000	-
Mr. Brij Kishore Jhawar	2,50,000	-
Mr. Salil Singhal	5,00,000	-
Mr. Ghyandendra Nath Bajpai	7,00,000	-
Mrs. Ramni Nirula	4,00,000	-
Mr. Jitender Balakrishnan	7,00,000	-
Mr. Partha Sarathi Bhattacharyya	4,00,000	-
Mr. Venkatachalam Ramakrishna Iyer	1,50,000	-
<b>Total</b>	<b>36,00,000</b>	<b>-</b>

The Board of Directors of the Company at their Meeting held on 27th May, 2014 approved payment of sitting fee of Rs. 50,000 to every Non Executive Director for attending each Meeting of the Board as well as Committees.

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

The criteria for making payments to Non – Executive Directors are available under the 'investor' section of the Company's website [www.ushamartin.com](http://www.ushamartin.com).

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

#### V. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises of 3 Members. Mrs. Ramni Nirula chaired the Meetings till her cessation as Director on 4th April, 2016. The other Members are Mr. Brij Kishore Jhawar (Non Executive Director) and Mr. Pravin Kumar Jain, Jt. Managing Director [Wire & Wire Rope Business]. Mr. G N Bajpai, an Independent Non Executive Director was appointed as the Chairman

of the Stakeholders' Relationship Committee effective 25th May, 2016. The role of this Committee inter-alia includes considering and resolving of grievances of stakeholders and speedy disposal of requests received from security holders. During the year, the Committee met three times on 30th July 2015, 4th November, 2015 and 8th February, 2016.

Mrs. Ramni Nirula, the then chairperson of the Committee was present at the last AGM.

**Status of complaints of shareholders are as under:**

Complaints pending as on 1st April, 2015	NIL
Number of complaints received during year ended 31st March, 2016	28
Number of complaints attended to/resolved during the year	28
Complaints pending as on 31st March, 2016	NIL

#### Share Transfer

The Board of Directors of the Company have authorised Mr. Rajeev Jhawar, Managing Director, Mr. Pravin Kumar Jain, Jt. Managing Director (Wire & Wire Rope Business) and Mr. Ashok Kumar Somani, Company Secretary (Authorized Persons) individually to decide on matters relating to share transfer issues including approval of transfer and transmission of securities. The share transfers are processed on behalf of the Company by the Registrar and Transfer Agents viz. MCS Limited and are placed for approval by the Authorized Persons which are noted and ratified in subsequent board meeting.

Number of share transfers pending for approval as on 31st March, 2016	NIL
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Compliance Officer: Mr. Ashok Kumar Somani, Chief Financial Officer & Company Secretary  
2A, Shakespeare Sarani  
Kolkata 700 071.  
Phone : 033 39800300; Fax : 033 39800415  
Email : cosec@ushamartin.co.in

#### VI. Corporate Social Responsibility Committee

During the year under review, the Corporate Social Responsibility Committee was reconstituted. It comprises of 3 members namely Mr. Basant Kumar Jhawar (Chairman -Non Executive Director), Mr. Brij Kishore Jhawar (Non Executive Director) and Mrs. Ramni Nirula (Independent Non Executive Director) till her cessation as Director on 4th April, 2016. Mr. P S Bhattacharyya, an Independent Non – Executive Director was appointed as a Member of the Corporate Social Responsibility Committee effective 25th May, 2016. The Committee framed the Corporate Social Responsibility Policy (CSR) and the same was approved by the Board of Directors. 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.

#### VII. Risk Management Committee

A Risk Management Committee was constituted by the Board of Directors on 7th November, 2014. It comprises of Mr. Partha Sarathi Bhattacharyya as the Chairman, Mr. Rajeev Jhawar and Mr. Pravin Kumar Jain as other Members. The Committee assists the Board in discharging its responsibilities towards management of material business risk (material business risks include but not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, legislative or regulatory and market related risks) including monitoring and reviewing of the risk management plan / policies in accordance with the provisions of SEBI LODR.

#### VIII. Finance Committee

The Finance Committee of the Board of Directors comprises of Mr. Prashant Jhawar as the Chairman, Mrs. Ramni Nirula (till her cessation as Director on 4th

April, 2016) and Mr. Rajeev Jhawar as Members to inter-alia assist the Board in discharging its' financial decision making responsibilities.

Mr. J Balakrishnan, an Independent Non – Executive Director and Mr. P K Jain, Jt. Managing Director (Wire and Wire Rope Business) were appointed as Members of the Finance Committee with effect from 25th May, 2016.

## IX. Investment & Strategy Committee

The Investment & Strategy Committee comprises of Mr. Prashant Jhawar as the Chairman and Mr. Rajeev Jhawar and Mr. Jitender 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.

## X. General Meetings

Date	Type	Venue	Time	No. of Special Resolutions
30th July, 2015	AGM	Rotary Sadan, Kolkata	2.00 p.m.	NIL
16th March, 2015	EGM	Vidya Mandir, Kolkata	2.30 p.m.	3
31st July, 2014	AGM	Vidya Mandir, Kolkata	2.00 p.m.	1
30th July, 2013	AGM	Vidya Mandir, Kolkata	2.00 p.m.	3

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

## XI. 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 45 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 have 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 has been denied access to the Audit Committee.
- During the financial year 2015-16, all mandatory requirements have been complied with except that due to appointment of a lender's nominated Director on the Board, an additional Independent Director needs to be appointed. Further, orderly succession plans for appointment to the Board of Directors and senior management are yet to be put in place. Non-mandatory requirements are dealt with at the end of the Report.
- The Company has complied with all other requirements specified in Regulations 17 to 27 and Clause (b) to (i) of Sub Regulation (2) of Regulation 46 of SEBI (LODR).
- Various Policies and Codes including that of material subsidiaries and related party transactions are available under the 'investor' section of the website [www.ushamartin.com](http://www.ushamartin.com).
- Management Discussion and Analysis is annexed to the Directors' Report to shareholders and forms part of Annual Report.
- 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.

## XII. Means of communication

- 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. Business Standard / Financial Express (English – all editions) and Dainik Statesman (Bengali editions).
- The financial results and official press releases are also posted on the Company's website [www.ushamartin.com](http://www.ushamartin.com).
- Presentations made to media, analysts, institutional investors and fund managers from time to time are posted on the Company's website as aforesaid.
- Apart from statutory announcements, the Company shares information relating to financial performance with public and investors through business newspapers and magazines on periodical basis.

## XIII. General Shareholders' Information

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

The Thirtieth Annual General Meeting of the Company will be held on 9th August, 2016 at 11.00 a.m. at "Kala-Mandir" 48, Shakespeare Sarani, Kolkata-700017.

### (b) Financial Calendar

Financial Year ended 31st March, 2016	Meetings held on	Next Financial Year ending 31st March, 2017	Meetings to be held on or before
First Quarter Results – June, 2015	25th May, 2015	First Quarter Results – June, 2016	14th August, 2016
Second Quarter Results – September, 2015	30th July, 2015	Second Quarter Results – September, 2016	14th November, 2016
Third Quarter Results – December, 2015	4th November, 2015	Third Quarter Results – December, 2016	14th February, 2017
Audited Results for the year ended 31st March, 2016	8th February, 2016	Audited Results for the year ended 31st March, 2017	30th May, 2017

### (c) Book Closure Dates

The Share Transfer Books and Register of Members will be closed from 2nd August, 2016 to 9th August, 2016 (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 at and the scrip code :

1)	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	517146
2)	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051	USHAMART
3)	3) Societe de la Bourse de Luxembourg (For GDRs) Societe Anonyme/R.C.B 6222 B.P. 165, L-2011 Luxembourg	US9173002042

The listing fees for all above stock exchanges have been duly paid for Financial Year 2015-16.

GDRs are listed at Luxembourg Stock Exchange.

**(f) Stock Market Price Data**

Month	BSE (Rs/Share)		NSE(Rs/Share)		VOLUME		TOTAL Volume
	HIGH	LOW	HIGH	LOW	BSE	NSE	
2015							
April	24.50	20.20	24.50	20.15	958,597	2,957,754	3,916,351
May	21.60	18.50	21.65	18.60	564,639	1,927,751	2,492,390
June	21.55	16.20	21.70	16.20	1,304,568	6,106,526	7,411,094
July	21.90	17.75	21.90	17.70	1,435,441	4,904,470	6,339,911
August	20.40	13.65	20.45	13.50	1,031,925	2,723,216	3,755,141
September	15.85	13.95	16.00	13.85	1,180,623	2,620,032	3,800,655
October	18.50	14.24	17.85	14.20	1,302,123	4,008,905	5,311,028
November	16.30	13.20	16.35	13.30	1,233,775	4,601,004	5,834,779
December	14.88	10.15	14.80	10.15	3,264,145	16,011,717	19,275,862
2016							
January	12.42	8.10	12.45	8.10	3,286,872	13,413,001	16,699,873
February	9.95	6.75	9.80	6.70	1,989,319	11,006,863	12,996,182
March	13.57	6.86	13.65	6.80	15,363,625	32,409,550	47,773,175

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

Month	Price at BSE (Rs./Share)	BSE Sensex	Price at NSE (Rs./Share)	NSE Nifty
<b>2015</b>				
April	20.85	27,011.31	20.85	8,181.50
May	18.90	27,828.44	18.90	8,433.65
June	19.55	27,780.83	19.45	8,368.50
July	17.95	28,114.56	17.85	8,532.85
August	15.50	26,283.09	15.55	7,971.30
September	14.20	26,154.83	14.20	7,948.90
October	16.24	26,656.83	16.25	8,065.80
November	13.45	26,145.67	13.40	7,935.25
December	10.19	26,117.54	10.20	7,946.35
<b>2016</b>				
January	8.65	24,870.69	8.60	7,563.55
February	6.82	23,002.00	6.75	6,987.05
March	11.47	25,341.86	11.50	7,738.40

**(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  
 Fax : +91 33 4072 4054  
 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 are processed within a period of fifteen days from date of receipt, provided documents are in order.

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, 2016**

Range (No. of shares)	No. of Shareholders	%	Number of Shares	%
1-100	21422	40.57	1235162	0.41
101-500	20305	38.45	5579743	1.83
501-1000	5188	9.83	4286650	1.41
1001-5000	4452	8.43	10475766	3.44
5001-10000	668	1.27	5121778	1.67
10001 & above	767	1.45	278042681	91.24
<b>Total</b>	<b>52802</b>	<b>100</b>	<b>304741780</b>	<b>100</b>
Holding in Physical Form (Included in above)	13296	25.18	2373163	0.78

**(k) Pattern of Shareholding as on 31st March, 2016**

	Category	No. of Shares	% of Total Shareholding
<b>A</b>	<b>Promoter Holding</b>	<b>128,253,320</b>	<b>42.09</b>
<b>B</b>	<b>Public Holding</b>		
	- Mutual Fund	12,409,976	4.07
	- Financial Institution / Banks	24,180	0.01
	- Insurance Companies	8,406,416	2.76
	- Foreign Institutional Investors	22,718,300	7.45
	- Bodies Corporate	26,744,079	8.77
	- Individual	70,351,959	23.09
	<b>Total {B}</b>	<b>140,654,910</b>	<b>46.15</b>
<b>C</b>	<b>GDRs</b>	<b>35,833,550</b>	<b>11.76</b>
	<b>GRAND TOTAL [A+B+C]</b>	<b>304,741,780</b>	<b>100.00</b>

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

As at 31st March, 2016, 99.22% of total Equity Shares of the Company were held in electronic form with NSDL/CDSL.

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

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

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

As on 31st March, 2016, there were 7,166,710 Global Depository Receipts (GDRs) outstanding representing 35,833,550 Equity Shares.

During the year under review, the Company had issued and allotted 34,285,600 convertible equity warrants each convertible into one equity shares of face value of Re. 1 each at the option of the allottees, to certain persons from Promoter and Promoter Group. Further, out of the aforesaid warrants, 750,000 convertible equity warrants lapsed as on 31st March, 2016 due to non - exercising of the option for conversion.

**(n) Electronic Clearing Service (ECS)**

The Company has extended the ECS 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 ECS provides adequate protection against fraudulent interception and encashment of dividend warrants in transit and correspondence with the Company on revalidation /issuance of duplicate dividend warrants.

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

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

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

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

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

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

**Steel Business**

UAS Division, Adityapur, Jamshedpur-831 001  
Iron Ore Mines, Barajamda, Jharkhand – 833 221  
Coal Mines, Brinda & Sasai, Jharkhand

**Wire Rope Business**

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

**Wire & Wire Rope Division-North**

Hoshiarpur, Punjab – 146 024

**Speciality Product Division – South**

Sri Perumbudur, Tamil Nadu – 602 105

**(r) Address for Correspondence**

**(i) Usha Martin Limited**

2A, Shakespeare Sarani  
Kolkata 700 071  
Phone : +91 33 39800300, Fax : +91 33 39800415

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

Mr. Kalyan Chatterjee  
Deputy General Manager (Secretarial)  
2A, Shakespeare Sarani, Kolkata 700 071  
Phone : +91 33 39800494, Fax : +91 33 39800415  
Email : investor@ushamartin.co.in  
: cosec@ushamartin.co.in

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

**Board of Directors**

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

**Shareholder Rights**

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

**Separate Chairperson and Chief Executive Officer**

The Board is presently being headed by a Non – Executive Chairman and his position is separate from that of the Managing Director.

**Reporting of the Internal Auditor**

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

**Other Item**

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

**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, 2016.

Kolkata  
25th May, 2016

**R. Jhavar**  
Managing Director

**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") for the financial year ended on 31st March, 2016 as stipulated in clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit for an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable. However, the Company is yet to appoint the requisite number of Independent Directors on its Board.

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.

Place : Kolkata  
Date : 25th May, 2016

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

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31st March, 2016**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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 – 700 071, 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 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

#### **Auditors' Responsibility**

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

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

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

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

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

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

**We report that**, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS – 1 and SS-2) as issued by The Institute of Company

Secretaries of India and which became effective from 01.07.2015.

- (iii) Listing Agreements with the stock exchanges.
- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) 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;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) 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;
  - (e) 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. The Standards of Weights and Measures Act, 1976
6. The Boiler Act, 1923
7. The Arms Act, 1959
8. Explosives Act, 1884

to the extent of their applicability to the Company during the financial year ended 31.03.2016 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, environments laws, etc.

During the period under review the Company has complied with the provisions of the Acts, 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) SEBI (Share Based Employee Benefits) Regulations, 2014



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

**We further report that :**

- (i) The Company had been allocated two Coal Blocks namely, Kathautia Coal

Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the order dated 24.09.2014 as issued by the Hon'ble Supreme Court of India followed by promulgation of the Coal Mines (Special Provisions) Act, 2015 (CMSP Act), the allocation of all Coal blocks since 1993, including the aforesaid two Coal blocks allocated to the Company stands cancelled w.e.f. 24.09.2014. The aforesaid Coal blocks of the Company stands allocated to other successful bidders by the Central Government in terms of the process of public auction as envisaged in the CMSP Act. The handover is in process and hence, the Company was not required to comply with the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 and the Mines Act, 1952 in totality during the year under report pertaining to the said Coal mines. However, the Company continues to operate its Iron Ore mines at Barajamda, Jharkhand;

- (ii) The Company has issued and allotted 34,285,600 convertible equity warrants consisting in Series I, J and K to the promoters and their associates 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 : 25th May, 2016

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

The Company has put in place a 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 2015-16 were as under:

Number of complaints received: Nil

Number of complaints disposed off: Not Applicable

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## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF USHA MARTIN LIMITED

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Usha Martin Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

2. 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 financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. 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 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.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 the 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2016, and its loss and its cash flows for the year ended on that date.

#### Emphasis of Matter

9. We draw your attention to Note 24 (a) to the financial statements regarding the deallocation of the Company's erstwhile Kathautia and Lohari coal blocks in the previous year pursuant to unfavourable regulatory developments and the consequent declassification of the related non-current assets to current assets, the outstanding balance of which as at March 31, 2016 is Rs 18,846 lakhs. In the view of the Management, the realizable value of the aforesaid assets will not be less than their carrying values. Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instrument: Recognition and measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 22 (a);
- ii. The Company has long-term contracts including derivative contracts as at March 31, 2016 for which there were no 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 during the year ended March 31, 2016.

**For Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

**Pradip Law**

Partner

Kolkata

May 25, 2016

Membership Number 51790

**Annexure A to Independent Auditors' Report**

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Usha Martin Limited on the standalone financial statements for the year ended March 31, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Usha Martin Limited ("the Company") as of March 31, 2016 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**

2. 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 (ICAI). 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 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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

**Pradip Law**

Partner

Kolkata

May 25, 2016

Membership Number 51790

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Usha Martin Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining 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 have been noticed on such verification.

- (c) The title deeds of immovable properties, as disclosed in Note 13A on fixed assets & 24 (c) (read with note 21) on other current assets to the standalone financial statements, are held in the name of the Company, except for the following, for reasons set out in the respective Notes to the standalone financial statements as mention below.

Sl No.	Class of asset	No. of cases	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)	Reference to Note to the Standalone Financial Statements
1.	Freehold Land	4	5020	5020	13A (a) I
2.	Leasehold Land	2	16	4	13A (a) II
3.	Buildings	3	113	77	13A (a) III
4.	Freehold Land (included in Assets held for disposal)	147	Net carrying amount	412	24 (c)

- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations

given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 as applicable in respect of the loans and investments made, and guarantees and security provided by it.

- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of employees state insurance, employees pension scheme, service tax, income tax, duty of excise, sales tax, profession tax, value added tax & Royalty though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise & value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central and State Sales Tax Act / Value Added Tax Act	Taxes including interest	1442.14	1986-87, 2003-04, 2004-05, 2005-06, 2009-10, 2010-11 and 2011-12	Sales Tax Appellate Tribunal
		214.06	1984-85, 2006-07 and 2009-10	Deputy Commissioner of Commercial Taxes
		1330.51	2007-08, 2009-10, 2012-13 and 2013-14	Joint Commissioner of Commercial Taxes
		282.44	2010-11	Additional Commissioner of Commercial Taxes
		1.92	2005-06	Madhya Pradesh High Court (Gwalior Bench)
		16.02	2003-04	Chennai High Court
		821.92	2002-03, 2003-04, 2004-05 and 2005-06	Ranchi High Court
Central Excise Act	Duty of Excise including penalty	6554.72	2001-02 to 2012-13	Central Excise and Service Tax Appellate Tribunal
		48.06	2004-05 to 2007-08	Additional Commissioner of Central Excise
		78.53	2011-12 to 2014-15	Commissioner of Central Excise (Appeals)
		16.13	2013-14	Joint Commissioner of Central Excise
Finance Act, 1994	Service Tax	17.81	2001-02	Joint Commissioner of Central Excise
Customs Act, 1962	Duty of Customs	15.85	1995-96, 1996-97, 1998-99, 2000-01 and 2008-09	Deputy Commissioner of Customs
		15.93	1989-90, 1992-93 and 1993-94	Central Excise and Service Tax Appellate Tribunal
		815.11	1989-90, 1996-97, 2002-03 and 2012-13	Assistant Commissioner of Customs
		0.02	2005-06	Commissioner of Customs (Appeals)
Income Tax Act, 1961	Income Tax	551.77	Assessment Year 1998-99	Ranchi High Court
		1388.44	Assessment Year 2007-08	Commissioner of Income Tax (Appeals), Ranchi

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans, as applicable have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instrument) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, except for misappropriation of fund by an erstwhile employee in one of the units of the Company involving amounts aggregating Rs. 9.33 lakhs, during the period June 2014 to December 2015 as detected by the Management, and for which the Management has taken appropriate steps for recovery from such erstwhile employee, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not

applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has made a preferential allotment of Equity Warrants during the year under review, in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

**Pradip Law**

Partner

Membership Number 51790

Kolkata

May 25, 2016

## Balance Sheet as at 31st March, 2016

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

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>Equity and Liabilities Shareholders' Funds</b>			
Share Capital	3	3,054	3,054
Reserves and Surplus	4A	76,213	1,16,590
Money received against Share Warrant	4C	2,934	-
		<b>82,201</b>	<b>1,19,644</b>
<b>Equity Warrant application money pending allotment</b>	4B	-	3,000
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	2,82,920	2,60,027
Deferred Tax Liabilities (Net)	6	-	7,562
Other Long-term Liabilities	7	13	10,460
Long-term Provisions	8	2,819	2,718
		<b>2,85,752</b>	<b>2,80,767</b>
<b>Current Liabilities</b>			
Short-term Borrowings	9	49,474	74,485
Trade Payables	10		
Total outstanding dues of micro enterprises and small enterprises		580	356
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,66,618	1,61,665
Other Current Liabilities	11	81,931	82,749
Short-term Provisions	12	2,203	1,890
		<b>3,00,806</b>	<b>3,21,145</b>
<b>TOTAL</b>		<b>6,68,759</b>	<b>7,24,556</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	13A	4,71,059	4,88,110
Intangible Assets	13B	179	244
Capital Work-in-progress	13C	4,488	3,919
Intangible Assets under development	13D	2,320	984
Non-current Investments	14	15,391	16,774
Long-term Loans and Advances	15	5,625	3,159
Other Non-current Assets	16	-	39
		<b>4,99,062</b>	<b>5,13,229</b>
<b>Current Assets</b>			
Inventories	17	98,897	1,31,676
Trade Receivables	18	31,173	32,493
Cash and Bank Balances	19	399	3,933
Short-term Loans and Advances	20	31,032	34,275
Other Current Assets	21	8,196	8,950
		<b>1,69,697</b>	<b>2,11,327</b>
<b>TOTAL</b>		<b>6,68,759</b>	<b>7,24,556</b>

This is the Balance Sheet referred to in our report of even date.

The notes are an integral part of the financial statements.

### For PRICE WATERHOUSE

Firm Registration Number : 301112E  
Chartered Accountants

**B. K. Jhawar**  
Chairman Emeritus

### Pradip Law

Partner  
Membership No. 51790

**R. Jhawar**  
Managing Director

Place : Kolkata  
Date : 25th May, 2016

**A. K. Somani**  
Chief Financial Officer and Company Secretary



## Statement of Profit and Loss for the year ended 31st March, 2016

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

	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Income</b>			
Revenue from Operations (Gross)	25	3,83,048	4,11,359
Less: Excise Duty		38,301	36,754
Revenue from Operations (Net)		3,44,747	3,74,605
Other Income	26	3,746	3,868
<b>Total Revenue</b>		<b>3,48,493</b>	<b>3,78,473</b>
<b>Expenses</b>			
Cost of Materials Consumed	27	1,38,044	1,23,837
Purchases of Stock-in-trade	28	3,031	5,775
Changes in inventories of Finished Goods, Work-in-progress, Stock-in-trade and Scrap	29	18,781	(6,605)
Employees Benefits Expense	30	23,117	23,988
Finance Costs	31	54,184	50,739
Depreciation and Amortisation Expense	32	27,378	38,300
Other Expenses	33	1,32,339	1,67,418
Adjustment of Items Capitalised and Departmental Orders for own consumption		(376)	(578)
<b>Total Expenses</b>		<b>3,96,498</b>	<b>4,02,874</b>
Profit /(Loss) before Exceptional and Extraordinary items and tax		(48,005)	(24,401)
Exceptional items	41	-	(10,016)
Profit /( Loss) before Extraordinary items and tax		(48,005)	(34,417)
Extraordinary items		-	-
<b>Profit/(Loss) before tax</b>		<b>(48,005)</b>	<b>(34,417)</b>
<b>Tax expenses</b>			
MAT Credit Entitlement (Reversal)		-	5,399
Deferred Tax Credit		(7,562)	(10,575)
<b>Profit/(Loss) for the period</b>		<b>(40,443)</b>	<b>(29,241)</b>
Earning/(Loss) per Equity Share [ Nominal Value per Share Re.1/- (31st March, 2015 Re.1/-)	42		
Basic		(13.27)	(9.60)
Diluted		(13.27)	(9.60)

This is the Statement of Profit and Loss referred to in our report of even date.

The notes are an integral part of the financial statements.

### For PRICE WATERHOUSE

Firm Registration Number : 301112E  
Chartered Accountants

**B. K. Jhavar**  
Chairman Emeritus

### Pradip Law

Partner  
Membership No. 51790

**R. Jhavar**  
Managing Director

Place : Kolkata  
Date : 25th May, 2016

**A. K. Somani**  
Chief Financial Officer and Company Secretary

## Cash Flow Statement for the year ended 31st March, 2016

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

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit/(Loss) before Taxation</b>	(48,005)	(34,417)
Adjustment for:		
Depreciation and Amortisation Expense	27,378	38,300
Loss on sale / disposal of Tangible Assets (Net)	47	15
Interest Income	(862)	(1,154)
Dividend received from Subsidiary Companies	(269)	(332)
Dividend received from Current Investments	-	(91)
Finance Costs	54,184	50,739
Unrealised Foreign Currency losses / (gain) (Net)	1,746	(3,711)
Unrealised Derivative Gains (Net)	19	(614)
Provision for Doubtful Debts and Advances	337	1,799
Provision for Diminution in the value of Investments	43	-
Provision for Doubtful Debts and Advances no longer required written back	(249)	(12)
Insurance claims received against Tangible Assets	(36)	(137)
Liabilities no longer required written back	(923)	(425)
Bad Debts /Advances written off	1	10
Tangible Assets/Capital Work-in-Progress written off and Provision for Mines Restoration Cost [includes Rs. Nil (Previous Year : Rs 1,643) shown as exceptional items ] [Refer Note 41]	20	3,046
<b>Operating profit before working capital changes</b>	<b>33,431</b>	<b>53,016</b>
<b>Changes in Working Capital:</b>		
Increase in Trade Payables	5,424	13,432
(Decrease)/Increase in Long-term Provisions	(129)	320
Increase in Short-term Provisions	318	599
Increase in Other Current Liabilities	1,891	5,600
Decrease in Other Long-term Liabilities	(5)	(3)
Decrease in Trade Receivables	1,446	3,487
(Increase)/Decrease in Inventories	32,779	(15,279)
(Increase)/Decrease in Long-term Loans and Advances	(31)	(330)
(Increase)/Decrease in Other Non-current Assets	39	(21)
(Increase)/Decrease in Short-term Loans and Advances	(1,407)	2,480
Decrease in Other Current Assets	663	1,526
	<b>40,988</b>	<b>11,811</b>
<b>Cash generated from operations</b>	<b>74,419</b>	<b>64,827</b>
Direct tax paid	(49)	(430)
<b>Net cash generated from Operating Activities</b>	<b>74,370</b>	<b>64,397</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Tangible and Intangible Assets [Refer (b) below]	(35,448)	(51,201)
Sale of Tangible Assets	206	40
Investment in a Subsidiary Company	-	(95)
Insurance claims received against Tangible Assets	36	137
Redemption of Investment in Preference Shares in a Subsidiary Company and a Joint Venture Company	1,340	800
Loans and Advances to Subsidiary Companies	4,306	332
Interest Income received	1,791	635
Placement of fund in long-term deposits with bank having maturity of more than 3 months but less than 12 months	(24)	(3)
Realisation of long-term deposits with bank having maturity of more than 3 months but less than 12 months	3	2,203
Dividend received from Subsidiary Companies	269	332
Dividend received from Current Investments	-	91
<b>Net Cash used in Investing Activities</b>	<b>(27,521)</b>	<b>(46,729)</b>

## Cash Flow Statement for the year ended 31st March, 2016 contd...

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

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>C. Cash flow from Financing Activities</b>		
Long-term Borrowings - Receipts	84,525	35,072
Long-term Borrowings - Repayments	(58,165)	(21,984)
Short term borrowings - Receipts	(25,011)	7,586
Finance Costs paid	(51,743)	(50,700)
Proceeds from Convertible Equity Warrants [ Net of Issue Expenses Rs.Nil (Previous Year : Rs. 5)]	-	3,005
Dividend Transferred to Investor Education and Protection fund	(10)	(9)
<b>Net Cash used in Financing Activities</b>	<b>(50,404)</b>	<b>(27,030)</b>
<b>Net (decrease) in Cash and Cash Equivalents during the year</b>	<b>(3,555)</b>	<b>(9,362)</b>
<b>D. Effect of Foreign Exchange Differences on Cash and Cash Equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>3,930</b>	<b>13,292</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>375</b>	<b>3,930</b>
Cash and cash equivalents comprise :		
Cash on hand	13	17
Remittance in transit	136	332
Balance with Banks		
In Current Accounts	186	3,031
In Unclaimed Dividend Accounts [Refer (c) below]	40	50
Demand deposits (less than 3 months maturity)	-	500
	<b>375</b>	<b>3,930</b>

(a) The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements notified under Section 211 (3C) [Companies (Accounting Standards) Rules 2006, as amended] and relevant provisions of the Companies Act, 2013.

(b) Includes interest expense capitalised Rs. 63 (Previous year Rs. 126).

(c) Earmarked for payment of unclaimed dividend.

This is the Cash Flow Statement referred to in our report of even date.

### For PRICE WATERHOUSE

Firm Registration Number : 301112E  
Chartered Accountants

### Pradip Law

Partner  
Membership No. 51790

Place : Kolkata

Date : 25th May, 2016

The notes are an integral part of the financial statements.

**B. K. Jhawar**  
Chairman Emeritus

**R. Jhawar**  
Managing Director

**A. K. Somani**  
Chief Financial Officer and Company Secretary

## 1. General Information

Usha Martin Limited (the 'Company') is a public limited company domiciled in India, incorporated under the provisions of the Companies Act, 1956 and is listed on two stock exchanges in India and its GDRs are listed on stock exchange in Luxembourg. The Company is engaged in the manufacturing of speciality steel and value added steel products. The Company caters to both domestic and international markets.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 (The Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] and other relevant provisions of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred in Section 211(3C) of the erstwhile Companies Act, 1956.

All assets and liabilities have been classified as current and non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

### 2.2 Fixed Assets

#### (a) Tangible Assets

Tangible Assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises cost of acquisition, construction and subsequent improvements thereto including taxes and duties (net of credits and draw backs), freight and other incidental expenses related to acquisition and installation. Preoperative expenses, where appropriate, are capitalised till the commercial use of the assets.

#### (b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment losses, if any. Cost comprises cost of acquisition and subsequent improvements thereto including taxes and duties and other incidental expenses related to acquisition and installation.

#### (c) Capital Work-in-progress

Capital Work-in-progress are stated at cost and inclusive of preoperative expenses, project development expenses etc.

#### (d) Intangible Assets under Development

Intangible Assets under Development are stated at cost.

#### (e) Assets held for Disposal

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of the net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately.

### 2.3 Depreciation and Amortisation

(a) Depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, specified in Schedule II to the Act with the exception of the following items where estimated useful lives have

been determined to be longer than the lives specified in Schedule II based on technical evaluation carried out by the Company.

- Certain items of plant and equipment - 10 years to 35 years

(b) Leasehold Land is amortised over the tenure of respective leases.

(c) Mining lease and Development is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.

(d) Intangible assets (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.

### 2.4 Borrowing Cost

Borrowing Cost attributable to the acquisition and construction of qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.

### 2.5 Impairment Loss

An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.

### 2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year are classified as current investments and are carried at cost or fair value, whichever is lower. All other investments are classified as long term investments and are stated at cost. However diminution in carrying amount, other than temporary, is either written down or provided for and netted off against the cost.

### 2.7 Inventories

Inventories are valued at lower of cost and estimated net realisable value. Cost is determined on Weighted Average basis. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

### 2.8 Transaction in Foreign Currencies

#### Initial Recognition

On initial recognition, all foreign currencies transactions are recorded at exchange rates prevailing on the date of the transaction.

#### Subsequent Recognition

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate. With respect to long-term foreign currency monetary items, from 1st April, 2011 onwards, the Company has adopted the following policy:

(a) Foreign exchange difference on account of a depreciable asset, is adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.

(b) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability expressed in a foreign currency has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement/settlement of all other monetary items are recognised in the Statement of Profit and Loss.

### 2.9 Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments such as foreign exchange contracts, currency swaps, option contracts, interest rate swaps etc. to hedge its exposure to movements in foreign exchange rates and interest rates relating to the underlying transactions, highly probable forecast transactions and firm commitments.

Effective 1st April, 2009 the Company adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India (ICAI) to the extent the adoption does not contradict with existing Accounting Standards and other authoritative pronouncements of the Act and other regulatory requirements.

For option contracts and interest rate swaps that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in reserves (under the "Hedging Reserve Account") and are reclassified into the Statement of Profit and Loss upon the occurrence of the hedged transactions.

The Company recognises gains or losses from changes in fair values of option contracts and interest rate swaps that are not designated as effective cash flow hedges in the Statement of Profit and Loss in the period in which they arise. In respect of forward exchange contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expenses or accounted for as income over the life of contracts.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting net loss, if any, is provided for in the financial statements.

Any profit or loss arising on cancellation of derivative instruments are recognised as income or expense for the period.

## 2.10 Revenue Recognition

**Sale of Goods:** Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes but including excise duties.

**Sale of Services:** Sales are recognised upon the rendering of services and are recognised net of service tax.

**Other items are recognised on accrual basis.**

## 2.11 Other Income

**Interest:** Interest income is generally recognised on a time proportion basis taking into account the amount outstanding and the rate applicable, when there is reasonable certainty as to realisation.

**Dividend:** Dividend income is recognised when the right to receive dividend is established.

**All other items are recognised on accrual basis.**

## 2.12 Employees Benefits

### (a) Short-term Employee Benefits :

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

### (b) Post Employment Benefit Plans :

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method (PUCM), with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets where such plans are funded. Measurement of any assets resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future

contributions to the scheme.

### (c) Other Long-term Employment Benefits (unfunded)

The cost of providing long-term employee benefits is determined using PUCM with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

## 2.13 Research and Development expenditure

Revenue expenditure on Research and Development (R & D) is charged in the year in which it is incurred. Capital Expenditure for R & D are capitalised.

## 2.14 Government Grants

- Government grants of the nature of promoters' contribution are credited to Capital Reserve.
- Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book values.
- Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with their related costs.

## 2.15 Taxation

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax Credit (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 2.16 Provision and contingent liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

## 2.17 Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a systematic basis over the period of lease.

## Notes to the financial statements

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

### 2.18 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenues have been accounted for based on prices normally negotiated between the segments with reference to the costs, market prices and business risks, within an overall optimisation objective for the Company. Revenue and expenses have been identified with segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Corporate-Unallocated/Others (Net)".

### 2.19 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments, if any, with original maturities of three months or less.

### 2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss

for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 2.21 Revision in useful lives of Tangible Assets

Pursuant to the requirement under Schedule II to the Companies Act, 2013 vide Notification dated 29th August, 2014, the Company, based on the external technical advice, identified components (significant parts) of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of certain Plant and Machinery and Electrical Installation with effect from 1st April, 2015. Accordingly, the depreciation expense for the year ended 31st March, 2016 is lower by Rs. 9,607 lakhs compared to the corresponding previous year with corresponding impact on the Loss before tax of the Company for the year.

3. Share Capital		
	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised:</b>		
50,00,00,000 (31st March, 2015 : 50,00,00,000) Equity Shares of Re 1/- each	5,000	5,000
1,00,00,000 (31st March, 2015 : 1,00,00,000) Redeemable Cumulative Preference Shares of Rs.50/- each	5,000	5,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued Subscribed and Paid-up:</b>		
30,47,41,780 (31st March, 2015 : 30,47,41,780) Equity Shares of Re. 1/- each fully paid up	3,047	3,047
Add: Shares Forfeited	7	7
<b>Total</b>	<b>3,054</b>	<b>3,054</b>

(a) 3,58,33,550 (31st March, 2015 : 3,58,33,550) Equity Shares are represented by Global Depository Receipts (GDRs) out of above paid up Equity Shares.

(b) Rights, preference and restrictions attached to shares issued:

The Company has only one class of equity shares having a par value of Re. 1/- per share. Each shareholder is eligible for one vote per share held (except in case of GDRs). The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	%	No of Shares	%
UMIL Shares & Stock Broking Services Limited	38,888,369	(12.76%)	38,888,369	(12.76%)
Usha Martin Ventures Limited	20,627,588	(6.77%)	20,627,588	(6.77%)
Peterhouse Investments Limited	18,971,455	(6.23%)	18,971,455	(6.23%)
Peterhouse Investments India Limited	20,767,330	(6.81%)	20,767,330	(6.81%)
Deutsche Bank Trust Company Americas	35,833,550	(11.76%)	35,833,550	(11.76%)



## Notes to the financial statements

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

<b>4A. Reserves and Surplus</b>		
	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Capital Reserve</b>		
Balance as at the beginning of the year	3,718	3,718
Add: Equity Warrants Application Money Forfeited (Refer Note 4C)	66	-
<b>Balance as at the end of the year</b>	<b>3,784</b>	<b>3,718</b>
<b>Capital Redemption Reserve</b>	<b>2,285</b>	<b>2,285</b>
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	85,584	85,589
Less: Expenses related to Issue of Equity Warrants	-	5
<b>Balance as at the end of the year</b>	<b>85,584</b>	<b>85,584</b>
<b>General Reserve [Refer (a) below]</b>		
Balance as at the beginning of the year	54,575	57,569
Less : Adjustment consequent to revision of useful lives of certain tangible assets [Net of deferred tax of Rs.Nil (Previous Year Rs. 1,543)]		2,994
<b>Balance as at the end of the year</b>	<b>54,575</b>	<b>54,575</b>
<b>Hedging Reserve Account (Refer Note 2.9)</b>		
Balance as at the beginning of the year	-	387
Add: Additions during the year	-	268
Less : Transfer during the year	-	655
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(29,572)	(331)
Profit / (Loss) for the year	(40,443)	(29,241)
<b>Balance as at the end of the year</b>	<b>(70,015)</b>	<b>(29,572)</b>
<b>Total</b>	<b>76,213</b>	<b>1,16,590</b>

(a) Represents a free reserve not held for any specific purpose.

### 4B. Equity Warrant application money pending allotment

During the previous year the Company had issued 34,285,600 Equity Warrants, each convertible into one Equity Share of Re. 1/- each at the option of holders within a period of eighteen months from the date of allotment, at a price ("Consideration") of Rs. 35/- (which includes premium of Rs. 34/- per share), on preferential allotment basis to promoter/promoters' group and their relatives and associates in keeping with related SEBI Regulations. As per the terms of the issue, 25% of the Consideration is payable by the applicants before allotment of Equity Warrants and the balance 75% of consideration will be payable before the conversion of such Warrants into Equity Shares. Further, if the conversion option is not exercised within the stipulated time, the amount paid at the time of application (being 25% of the Consideration) shall be forfeited.

**The aforesaid Equity Warrant Issue had been fully subscribed and the Company had received application money of Rs.3,010 lakhs on 30th March, 2015 which has been disclosed as follows :**

	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Equity Warrant application money pending allotment	-	3,010
Less: Equity Warrant application money received in excess (Refer Note 11)	-	10
	<b>-</b>	<b>3,000</b>

Also refer Note 4C below

### 4C. Money received against Equity Warrants

The Company had allotted on 1st April, 2015, 34,285,600 convertible Equity Warrants referred to in Note 4B above on a preferential basis to promoter / promoters' group and their relatives and associates in lots under different Series namely I, J and K, convertible at the option of the warrant holders within 30th September, 2016, 31st March, 2016 and 30th September, 2016 respectively as per the terms and conditions mentioned in Note 4B above.

The holders of the Series J of the said Equity Warrants did not exercise the option for conversion of entire 7,50,000 Equity Warrants issued under the aforementioned Series within 31st March, 2016 (the latest date for conversion for the said Series) and accordingly the entire Equity Warrants issued under Series J have been cancelled and the amount of Rs.66 received earlier against issue of those warrants have been forfeited by crediting Capital Reserve (Refer Note 4A). The position is summarised below:

	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Money received against Equity Warrants	<b>3,000</b>	-
Less: Equity Warrants forfeited	<b>66</b>	-
	<b>2,934</b>	-

## Notes to the financial statements

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

5. Long-term Borrowings		
	As at 31st March, 2016	As at 31st March, 2015
<b>Secured:</b>		
<b>Term Loans</b>	31,000	34,000
From Financial Institution (Rupee Loans)		
Banks		
Rupee Loans [Refer item (iii) on Note 45 ]	2,17,563	1,62,637
Foreign Currency Loans	33,128	62,500
<b>Unsecured:</b>		
<b>Term Loans</b>		
From Body Corporate (Rupee Loans)	1,229	890
<b>Total</b>	<b>2,82,920</b>	<b>2,60,027</b>

### Nature of Security and terms of repayment for secured borrowings :

#### Nature of Security

All Term Loans from Financial Institution and Banks are secured by way of Joint Equitable Mortgage by deposit of title deeds of certain immovable properties and hypothecation over movable assets of the Company both present and future subject to prior charges of the Company's Bankers on specified movable assets for Working Capital requirements.

#### Secured Loans - Terms of Repayment

- Rupee term loan from a Financial Institution amounting to Rs.13,750 (31st March, 2015 : Rs.16,000) is repayable in three quarterly installments from 1st April, 2017 to 1st October, 2017. Interest is payable on monthly basis at Long-term minimum lending rate plus 1.85% p.a.
- Rupee term loan from a Financial Institution amounting to Rs.17,250 (31st March, 2015 : Rs. 18,000) is repayable in seven quarterly installments from 1st April, 2017 to 1st October, 2018. Interest is payable on monthly basis at Long-term minimum lending rate plus 1.85% p.a.
- Rupee term loan from a Bank amounting to Rs. 1,600 (31st March, 2015 : Rs. 3,200) is repayable in three quarterly installments from 29th April, 2017 to 29th October, 2017. Interest is payable on monthly basis at Base rate of the Bank plus 1.75% p.a.
- Rupee term loan from a Bank amounting to Rs. 22,500 (31st March, 2015 : Rs. 23,750) is repayable in twenty quarterly installments from 30th June, 2017 to 31st March, 2022. Interest is payable on monthly basis at Base rate of the Bank plus 2.50% p.a.
- Rupee term loan from a Bank amounting to Rs. 18,750 (31st March, 2015 : Rs. 23,750) is repayable in sixteen quarterly installments from 29th June, 2018 to 29th March, 2022. Interest is payable on monthly basis at Base rate of the Bank plus 2.50% p.a.
- Rupee term loan from a Bank amounting to Rs. 52,250 (31st March, 2015 : Rs. 55,000) is repayable in twenty seven quarterly installments from 30th June, 2017 to 31st December, 2023. Interest is payable on monthly basis at Base rate of the Bank plus 3.00% p.a.
- Rupee term loan from a Bank amounting to Rs.14,063 (31st March, 2015 : Rs. 14,812) is repayable in twenty three quarterly installments from 30th June, 2017 to 31st December, 2022. Interest is payable on monthly basis at Base rate of the Bank plus 1.75% p.a.
- Rupee term loan from a Bank amounting to Rs. 12,000 (31st March, 2015 : Rs. 14,625) is repayable in eighteen quarterly installments from 30th June, 2018 to 30th September, 2022. Interest is payable on monthly basis at Base rate of the Bank plus 2.50% p.a.
- Rupee term loan from a Bank amounting to Rs. 12,600 (31st March, 2015 : Rs.14,000) is repayable in twenty six quarterly installments from 30th April, 2017 to 31st July, 2023. Interest is payable on monthly basis at Base rate of the Bank plus 1.50% p.a.
- Rupee term loan from a Bank amounting to Rs. 54,500 (31st March, 2015 : Rs. Nil) is repayable in twenty eighth quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at Base rate of the Bank plus 2.10% p.a.
- Rupee term loan from a Bank amounting to Rs. 6,500 (31st March, 2015 : Rs. Nil) is repayable in twenty eighth quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at Base rate of the Bank plus 1.95% p.a.
- Rupee term loan from a Bank amounting to Rs. 14,000 (31st March, 2015 : Rs. Nil) is repayable in twenty four quarterly installments from 30th June, 2018 to 31st March, 2024. Interest is payable on monthly basis at Base rate of the Bank plus 1.65% p.a.
- Rupee term loan from a Bank amounting to Rs. 8,800 (31st March, 2015 : Rs. Nil) is repayable in twenty eighth quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at Base rate of the Bank plus 2.00% p.a.
- Foreign Currency term loan from a Bank amounting to Rs. 33,128 (31st March, 2015 : Rs.62,500) is repayable in four equal quarterly installments from 29th April, 2017 to 31st January, 2018. Interest is payable on quarterly basis at three months USD LIBOR plus 2.85% p.a.
- Outstanding balances of loans as indicated in (a) to (n) above are exclusive of current maturities of such loans as disclosed in Note 11.

#### Unsecured Loan - Terms of Repayment

- Rupee term loans from a Body Corporate amounting to Rs.1,229 (31st March, 2015 Rs. 890) is repayable in sixteen installments from 1st April, 2017 to 1st January, 2021. Interest is payable on quarterly basis at 11.81% p.a. and is exclusive of current maturities of such loan as disclosed in Note 11.

## Notes to the financial statements

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

6. Deferred Tax Liabilities (Net)			
		As at 31st March, 2016	As at 31st March, 2015
<b>Deferred Tax Liabilities</b>			
Depreciation as per tax law and books		60,571	54,062
<b>Total</b>	(A)	60,571	54,062
<b>Deferred Tax Assets</b>			
Unabsorbed tax depreciation/loss @		57,403	43,647
Disallowances allowable for tax purpose on payment		2,378	1,828
Provision for doubtful debts and advances		790	1,025
<b>Total</b>	(B)	60,571	46,500
<b>Net Deferred Tax Liabilities</b>	<b>(A) - (B)</b>	<b>-</b>	<b>7,562 #</b>
As a matter of prudence, deferred tax assets have been recognised only to the extent of the deferred tax liability.			
@ Absorption expected based on future Taxable Income.			
# After considering adjustment against General Reserve pursuant to revision of useful lives of certain tangible assets Rs. Nil (Previous Year: Rs. 1,543)			

7. Other Long-term Liabilities			
		As at 31st March, 2016	As at 31st March, 2015
Trade Payables		13	10
Others			
Capital Liabilities (Acceptances)		-	10,442
Security Deposits Received		-	8
<b>Total</b>		<b>13</b>	<b>10,460</b>

8. Long-term Provisions			
		As at 31st March, 2016	As at 31st March, 2015
Provision for Employees Benefits		1,127	1,256
Others Provisions			
Provision for Restoration of Mines Sites [Refer (a) below]		1,692	1,462
<b>Total</b>		<b>2,819</b>	<b>2,718</b>
<b>(a) Movement of Provision for Restoration of Mine Sites</b>			
Balance as at the beginning of the year		1,462	2,162
Additions		230	214
Amounts used/adjusted		-	914
<b>Balance as at the end of the year</b>		<b>1,692</b>	<b>1,462</b>
Provision for Restoration of Mines Sites is held for the purpose of meeting site restoration obligation pursuant to Rule 23 under Mineral Conservation and Development (Amendment Rules, 2003) read with Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957.			

9. Short-term Borrowings			
		As at 31st March, 2016	As at 31st March, 2015
Secured			
Working Capital Loans from Banks @		49,324	74,485
Unsecured			
From a Related Party		150	-
<b>Total</b>		<b>49,474</b>	<b>74,485</b>
@ Nature of Security - Working Capital Loans from Banks are 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.			

## Notes to the financial statements

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

<b>10. Trade Payables</b>		
	As at 31st March, 2016	As at 31st March, 2015
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	580	356
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	1,19,311	1,18,708
(ii) Others	47,307	42,957
<b>Total</b>	<b>1,67,198</b>	<b>1,62,021</b>

<b>11. Other Current Liabilities</b>		
	As at 31st March, 2016	As at 31st March, 2015
Current maturities of long-term debt (Refer Note 5)	41,192	33,970
Interest accrued but not due on borrowings	2,644	2,140
Interest accrued on trade payables and others	2,485	565
Unclaimed Dividend [ Refer (a) below ]	40	50
Equity Warrant application money received in excess	10	10
Advances from Customers	4,331	4,662
Derivative Liabilities	19	5
Capital Liabilities [including Current maturities of long-term acceptances Rs. Nil (31st March, 2015 : Rs. 3,481) and short-term acceptances Rs.2,913 (31st March, 2015 : Rs.12,900)]	12,415	26,695
Security Deposits Received	1,532	226
Employees Benefits payable	3,228	3,344
Statutory dues (including Provident Fund, Tax deducted at Source, etc.)	9,595	8,676
Payable related to Forward Contracts	2,025	162
Payable relating to Coal Mines	1,383	1,383
Other Payables	1,032	861
<b>Total</b>	<b>81,931</b>	<b>82,749</b>
(a) There are no amount due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.		

<b>12. Short-term Provisions</b>		
	As at 31st March, 2016	As at 31st March, 2015
Provision for Employees Benefits	2,203	1,870
Provision for Wealth Tax	-	20
<b>Total</b>	<b>2,203</b>	<b>1,890</b>

## Notes to the financial statements

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

### 13 A. Tangible Assets

	Gross Block			Depreciation/Amortisation			Net Block	
	Cost as on 31st March, 2015	Additions during the year	Disposal/ Adjustments during the year [Refer (c) below]	Other Adjustments [Refer (d) below]	Cost as on 31st March, 2016	As on 31st March, 2015	As on 31st March, 2016	As on 31st March, 2015
Land and Site Development								
Freehold [Refer (a) below]	10,689	21	-	-	10,710	-	10,710	10,689
Leasehold [Refer (a) II below]	2,598	-	-	-	2,598	351	2,203	2,247
Mining Lease and Development [Refer (b) below]	9,855	320	-	-	10,175	5,771	3,841	4,084
Buildings [Refer (a) II below]	45,670	207	-	*	45,877	14,438	28,416	31,232
Plant and Equipment	5,65,641	4,082	2,440	4,427	5,71,710	1,67,843	3,85,596	3,97,798
Railway Sidings	3,531	-	-	-	3,531	1,528	1,754	2,003
Electrical Installation	54,657	874	537	36	55,030	16,079	18,080	38,578
Water Treatment and Supply Plant	1,912	291	-	-	2,203	1,516	1,532	396
Office Equipment	1,164	61	29	-	1,196	946	200	218
Furniture and Fixtures	708	40	20	-	728	481	213	227
Vehicles	1,299	10	124	-	1,185	661	482	638
	<b>6,97,724</b>	<b>5,906</b>	<b>3,150</b>	<b>4,463</b>	<b>7,04,943</b>	<b>2,09,614</b>	<b>4,71,059</b>	<b>4,88,110</b>
31st March 2015	6,80,915	23,158	10,287	3,938	6,97,724	1,70,626	2,09,614	4,88,110

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

#### (a) I. Freehold Land includes :

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

#### II. Leasehold Land includes :

- Two plots of land [Gross Block and Net Block of Rs. 16 and Rs. 4 (31st March, 2015 Gross Block Rs.16 and Net Block Rs. 5) respectively as at 31st March, 2016] located at Ranchi in respect of which lease deeds are yet to be executed in favour of the Company.

#### III. Buildings include :

- One property [Gross Block and Net Block of Rs. 42 and Rs. 29 (31st March, 2015 Gross Block Rs. 42 and Net Block Rs. 30) respectively as at 31st March, 2016] located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
- Two properties [Gross Block and Net Block of Rs. 71 and Rs. 48 (31st March, 2015 Gross Block Rs. 71 and Net Block Rs. 49) respectively as at 31st March, 2016] located at Kolkata in respect of which title deeds being not readily traceable. Steps are being taken to obtain certified copies of the title deeds from the appropriate authorities for the said properties.
- Gross Block includes Rs. 1,719 (31st March, 2015 : Rs.1,488) on account of provision for meeting mine sites restoration obligation as referred to in Note 8. The depreciation for the current period includes Rs. 175 (31st March, 2015 : Rs. 440) on account of amortisation of the same.
- Disposal/Adjustments during the year includes transfer to Assets held for disposal (Refer Note 21) - Gross Block Rs. Nil (Previous Year : 7,905) and Accumulated Depreciation Rs. Nil (Previous Year : Rs. 2,667).
- Other adjustments comprise adjustments on account of Borrowing Costs of Rs. 45 (31st March, 2015 : Rs. 692) and Exchange Loss of Rs. 4,418 (31st March, 2015 : Rs. 3,246).

## Notes to the financial statements

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

13 B. Intangible Assets												
	Gross Block					Depreciation/Amortisation				Net Block		
	Cost as on 31st March, 2015	Additions during the year	Disposal/ Adjustments during the year [Refer (c) below]	Other Ad-justments [Refer (d) below]	Cost as on 31st March, 2016	As on 31st March, 2015	For the year	Adjustment consequent upon revision of useful lives	On Dis-posal/ Ad-justments during the year	Total up to 31st March, 2016	As on 31st March, 2016	As on 31st March, 2015
Computer Softwares ( Acquired )	1,207	5	-	-	1,212	963	93	-	23	1,033	179	244
	1,207	5	-	-	1,212	963	93	-	23	1,033	179	244
31st March 2015	1,091	116	-	-	1,207	874	89	-	-	963	244	
13 C. Capital Work-in-progress (Refer Note below)											4,488	3,919
(a) Capital work-in-progress includes Project Development Expenses Rs. 25 (31st March, 2015 : Rs.31), Borrowing Costs Rs. 86 (31st March, 2015 : Rs.68).												
(b) During the year Rs. Nil (Previous Year ; Rs. 159) has been transferred to Assets held for disposal												
13 D. Intangible Assets under development #											2,320	984
# Represents Computer Software acquired under development.												



## Notes to the financial statements

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

	As at 31st March, 2016	As at 31st March, 2015
<b>14. Non-current Investments</b>		
<b>Unquoted (valued at Cost unless stated otherwise)</b>		
<b>Trade Investments</b>		
<b>Investments in Equity Instruments :</b>		
<b>Investments in Subsidiary Companies :</b>		
Usha Martin International Limited		
59,09,388 (31st March, 2015 : 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, 2015 : 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, 2015 : 10,00,000) Ordinary Shares of SGD 1 each fully paid	268	268
Brunton Wolf Wire Rope, FZCO		
114 (31st March, 2015 : 114) Ordinary Shares of AED 1,00,000 each fully paid	1,777	1,777
Usha Martin Americas Inc		
40,00,000 (31st March, 2015 : 40,00,000) Shares of USD 1 each fully paid	1,660	1,660
UM Cables Limited		
1,11,29,660 (31st March, 2015 : 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, 2015 : 50,000) Equity Shares of Rs. 10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 1 (31st March, 2015 : Rs.1)]	5	5
Bharat Minex Private Limited		
2,00,000 (31st March, 2015 : 2,00,000) Equity Shares of Rs. 10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 10 (31st March, 2015 : Rs 10)]	-	-
Gustav Wolf Speciality Cords Limited		
150,000 (31st March, 2015 : 150,000) Equity Shares of Rs.10/- each fully paid	168	168
<b>Investments in Joint Ventures Companies :</b>		
[ Refer (a) below ]		
Pengg Usha Martin Wires Private Limited		
1,08,00,000 (31st March, 2015 : 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, 2015 : 4,73,195) Equity Shares of Rs.10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 16 (31st March, 2015 : Rs.16)]	31	31
Dove Airlines Private Limited		
10,38,000 (31st March, 2015 : 10,38,000) Equity Shares of Rs.10/- each fully paid	325	325
<b>Investments in Preference Shares :</b>		
<b>Investment in Subsidiary Company :</b>		
UM Cables Limited		
Nil (31st March, 2015 : 9,00,000) 8% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid	-	900
<b>Investment in Joint Venture Company :</b>		
Pengg Usha Martin Wires Private Limited		
Nil (31st March, 2015 : 4,40,000) 0.50% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid	-	440
<b>Total</b>	<b>(A) 15,386</b>	<b>16,726</b>

## Notes to the financial statements

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

Other than Trade Investments		As at 31st March, 2016	As at 31st March, 2015
<b>Investments in Equity Instruments :</b>			
<b>Adityapur Toll Bridge Company Limited</b>			
1,00,000 (31st March, 2015 : 1,00,000) Equity Shares of Rs.10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 5 (31st March, 2015 : Rs. Nil)]		5	10
Adityapur Auto Cluster			
1,000 (31st March, 2015 : 1,000) Equity Shares of Rs.1000/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 10 (31st March, 2015 : Rs. Nil)]		*	10
Usha Communications Technology Limited BVI			
1,21,10,242 (31st March, 2015 : 1,21,10,242) Ordinary Shares of USD 0.50 each fully paid [Net of provision for other than temporary diminution amounting to Rs. 28 (31st March, 2015 : Rs. Nil)]		*	28
UMI Special Steel Limited (under liquidation)			
1,80,68,472 (31st March, 2015 : 1,80,68,472) Equity Shares of Rs.10/- each fully paid [At cost less write-down - Rs.327 (31st March, 2015 : Rs.327)]		*	*
<b>Total</b>	<b>(B)</b>	<b>5</b>	<b>48</b>
<b>Total</b>	<b>(A) + (B)</b>	<b>15,391</b>	<b>16,774</b>
<b>Aggregate amount of unquoted investment</b>		<b>15,391</b>	<b>16,774</b>
Aggregate provision for diminution in value of investment		70	27
* Amount is below the rounding off norm adopted by the Company.			
(a) The Company's ownership interest and other particulars relating to the Joint Venture Companies have been set out in Note 46.			
(b) For classification of investments in accordance with AS 13 : Accounting for Investments, refer Note 49.			

15. Long-term Loans and Advances		
	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured Considered Good (unless otherwise stated)</b>		
Capital Advances		
Considered Good	2,941	506
Considered Doubtful	240	37
Less : Provision for Doubtful Capital Advances	(240)	(37)
Security Deposits	2,109	2,117
Loans and Advances to Related Parties (Refer Note 45)	5	5
Loans and Advances to Employees	70	49
Other Loans and Advances		
Prepaid Expenses	11	8
Electricity Duty Receivable - Considered doubtful	92	92
Less : Provision for Electricity Duty Receivable	(92)	(92)
Balances with Government Authorities	489	474
<b>Total</b>	<b>5,625</b>	<b>3,159</b>

## Notes to the financial statements

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

<b>16. Other Non-current Assets</b>		
	<b>As at 31st March, 2016</b>	As at 31st March, 2015
Unsecured Considered Good (unless otherwise stated)		
Long term deposits with bank with maturity period more than 12 months	-	21
Derivative Assets	-	18
<b>Total</b>	<b>-</b>	<b>39</b>

<b>17. Inventories [ Refer Note 2.7 ]</b>	<b>As at 31st March, 2016</b>	As at 31st March, 2015
Raw Materials [including in transit - Rs. 5,145 (31st March, 2015 : Rs. 16,852)]	16,173	29,256
Work-in-progress [Refer (a) below]	30,036	42,857
Finished Goods [including in transit - Rs. 3,201 (31st March, 2015 : Rs.2,063)] [Refer (b) below]	45,479	52,249
Stock-in-trade (i.e. Traded Goods)	37	56
Stores and Spares Parts [including in transit - Rs. 160 (31st March, 2015 : Rs. 121)]	4,548	5,338
Loose Tools	1,447	1,572
Scrap	1,177	348
<b>Total</b>	<b>98,897</b>	<b>1,31,676</b>
<b>(a) Details of Work-in-progress</b>		
Steel Products in process (including Mined inputs)	21,163	33,203
Wire and Wire Rope Products in process	8,873	9,654
	<b>30,036</b>	<b>42,857</b>
<b>(b) Details of Finished Goods</b>		
Wire Rods	6,644	5,830
Bars	15,854	14,160
Billets	14,331	16,625
Wire Ropes, Strands including Locked Coil Wire Ropes	2,562	2,593
Wires	1,686	1,684
Bright Bar	531	339
Conveyor Cord	89	39
Miscellaneous Items	3,782	10,979
	<b>45,479</b>	<b>52,249</b>

<b>18. Trade Receivables</b>	<b>As at 31st March, 2016</b>	As at 31st March, 2015
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	540	342
Considered Doubtful	215	869
Less: Provision for Doubtful Debts	(215)	(869)
	540	342
Others		
Considered Good	30,633	32,151
Considered Doubtful	-	6
Less: Provision for Doubtful Debts	-	(6)
	<b>30,633</b>	<b>32,151</b>
<b>Total</b>	<b>31,173</b>	<b>32,493</b>

## Notes to the financial statements

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

<b>19. Cash and Bank Balances</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Cash and Cash Equivalents		
Cash on hand	13	17
Remittance in transit	136	332
Bank Balances		
In current accounts	186	3,031
In Unclaimed Dividend Accounts @	40	50
Demand deposits (less than 3 months maturity)	-	500
	375	3,930
Other Bank Balances		
Long-term deposits with maturity more than 3 months but less than 12 months	24	3
<b>Total</b>	<b>399</b>	<b>3,933</b>
@ Earmarked for payment of unclaimed dividend.		

<b>20. Short-term Loans and Advances</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Unsecured Considered Good (unless otherwise stated)		
Loans and Advances to Related Parties (Refer Note 45)	1,403	5,729
Advances against Land - Coal Mines [Refer Note 24(a)]	13,981	14,179
Advances against procurement of goods, services etc.		
Considered good	3,599	4,780
Considered doubtful	1,325	1,222
Less: Provision for Doubtful Advances	(1,325)	(1,222)
Advance Income Tax [Net of Provision for tax Rs.13,479 (31st March, 2015 : Rs.16,326)]	3,202	3,153
Other Loans and Advances		
Deposits		
Considered Good	2,719	247
Considered Doubtful	15	15
Less: Provision for Doubtful Deposits	(15)	(15)
Prepaid Expenses	1,693	1,597
Balance with Government Authorities		
Considered Good	4,214	4,307
Considered Doubtful	624	746
Less: Provision for Doubtful Balances	(624)	(746)
Other Advances		
Considered Good	221	283
Considered Doubtful	10	10
Less: Provision for Doubtful Other Advances	(10)	(10)
<b>Total</b>	<b>31,032</b>	<b>34,275</b>

## Notes to the financial statements

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

<b>21. Other Current Assets</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Unsecured Considered Good (unless otherwise stated)		
Interest accrued on Loans to a Subsidiary (Refer Note 45)	-	965
Interest accrued on deposits and others	153	117
Export Incentive Receivables	1,333	1,779
Claims Receivable	458	481
Derivative Assets	-	89
Other Recoverable	17	16
Unamortised Expenses:		
Unamortised Premium on Forward Contracts	804	106
Assets held for disposal [Refer Note 24 (a), (b) and (c) ]	5,431	5,397
<b>Total</b>	<b>8,196</b>	<b>8,950</b>

<b>22. Contingent Liabilities</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>(a) Claims against the Company not acknowledged as debt</b>		
Disputed Tax and Duty for which the Company has preferred appeal before appropriate authorities.		
Demand for Income Tax Matters	1,940	1,940
Demand for Sales Tax and Entry Tax #	7,144	6,063
Demand for Excise Duty and Service Tax #	6,715	6,583
Demand for Customs Duty	847	83
Outstanding Labour Disputes	67	59
Disputed Electricity duty rebate matters which is subjudice	552	552
Disputed Demand for Fuel Surcharge matter is pending with appropriate authority	6,579	1,637
Disputed Electricity demand on account of Low Power Factor pending with appropriate authority	4,904	-
Disputed Demand for Mining matter is pending with appropriate authority	7,460	7,033
# Out of the above, stay orders against demand for Sales Tax amounting to Rs. 1,597 (31st March, 2015 : Rs. 237) and demand for Excise Duty and Service Tax amounting to Rs. 6,404 (31st March, 2015 : Rs. 6,404) have been obtained by the Company		
<b>(b) Guarantees</b>		
Corporate Guarantee Given by the Company to secure the financial assistance/accommodation extended to other Bodies Corporate	7,973	9,435
<b>(c) Bills discounted with Banks including against Letter of Credit</b>	<b>14,169</b>	<b>17,166</b>
(d) In respect of the contingent liabilities mentioned in Note 22(a) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any. In respect of matters mentioned in Note 22 (b) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Company does not expect any reimbursements in respect of the above contingent liabilities.		

<b>23. Commitments</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>(a) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,281	4,824
<b>(b) Other Commitments</b>		
The Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill quantified export in the next five years.	3,34,950	1,80,076
Outstanding Letter of Credit for materials yet to be received	2,107	792

## Notes to the financial statements

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

- 24 (a). The Company had been allocated two Coal Blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Supreme Court order dated 24th September, 2014 followed by promulgation of the Coal Mines (Special Provisions) Act, 2015, (CMSP Act) the allocation of all Coal Blocks since 1993, including the aforesaid Coal Blocks allocated to the Company stands cancelled with effect from 24th September, 2014 in case of Lohari Coal Block, which was yet to commence mining operations and with effect from 1st April, 2015 in the case of Kathautia Coal Block, which had been carrying out mining operations.

Therefore, through the process of public auction as envisaged in the CMSP Act the aforesaid Coal Blocks of the Company had been allocated to other successful bidders by the Central Government. Pursuant to conclusion of such auction, the Central Government had also issued vesting orders for Kathautia and Lohari Coal Blocks transferring and vesting all the rights, title and interest of the Company in and over the Land and Mine Infrastructure of the said Coal Blocks to the respective successful bidders.

Upon de-allocation of aforesaid coal blocks, the Company has reclassified its related non-current assets in form of land, movable and immovable properties, advances etc. and presented the same in the Balance Sheet as follows:

	As at 31st March, 2016	As at 31st March, 2015
Assets held for Disposal under Other Current Assets (Refer Note 21)	4,505	4,471
Advances against Land-Coal Mines under Short-term Loans and Advances (Refer Note 20)	13,981	14,179
<b>Total</b>	<b>18,486</b>	<b>18,650</b>

Under the CMSP Act, the Company is entitled to receive compensation for its investment in the land with interest @12% p.a. from the date of purchase / acquisition till the date of the execution of the vesting

order and compensation for mine infrastructure as per the written down value reflected in the audited balance sheet of the Company for the previous financial year. Under the said Act, a successful bidder or allottee may negotiate with prior allottee, being Company, to own or utilize movable properties of the latter used in coal mining operations on such terms and conditions as may be mutually agreed.

The Nominated Authority, Ministry of Coal, Government of India has sanctioned interim claims for the Company's Kathautia and Lohari Coal Blocks against which the Company has filed various representations but so far without any outcome. In the situation based on legal advice, the Company is contemplating to file two separate writ petitions before the Hon'ble Delhi High Court for both the Coal blocks to realise the claimed compensation.

Further, in respect of advance payment made by the Company to the State Government of Jharkhand for acquisition of land for its coal mining project, the Company has also initiated process of recovery from the said State Government and the Company is also in negotiation with successful bidders of Coal Blocks for realization of compensation / investments in mines, which is ongoing.

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

- 24 (b). The Company had closed down the Construction Steel Division at Agra for subsequent disposal of its Land, Building and Plant and Equipment. The written down value of such assets amounting to Rs.926 (31st March, 2015: Rs 926) has been disclosed under Other Current Assets as "Assets held for disposal".
- 24 (c). Assets held for disposal includes 147 plots of Freehold Land amounting to Rs. 412 located at Coal Mine sites in respect of which conveyance deeds are yet to be executed in favour of the Company.



## Notes to the financial statements

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

<b>25. Revenue from Operations (Gross)</b>			
		<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>(i)</b>	<b>Sale of Products</b>		
	<b>Manufactured Items</b>		
	Wire Rods	54,138	57,674
	Bars	123,650	121,121
	Billets	24,277	40,945
	Sponge Iron	12,107	2,055
	Sinter	2,133	1,959
	Pig Iron / Skull	6,423	5,377
	Rolled Products	-	17
	Pallet	5,432	3,583
	Coke	4,168	1,238
	Wire Ropes, Strands including		
	Locked Coil Wire Ropes	83,327	99,476
	Wires	38,349	43,400
	Bright Bar	10,261	10,458
	Conveyor Cord	4,348	3,476
	Miscellaneous Items	1,905	3,239
		<b>370,518</b>	<b>394,018</b>
	<b>Traded Goods</b>		
	Tube Unit	496	721
	Coking Coal	2,805	5,408
	Miscellaneous Items	23	41
		<b>3,324</b>	<b>6,170</b>
	<b>Total</b>	<b>373,842</b>	<b>400,188</b>
<b>(ii)</b>	<b>Sale of Services</b>		
	Service Charges	640	749
	<b>Total</b>	<b>640</b>	<b>749</b>
<b>(iii)</b>	<b>Other Operating Revenue</b>		
	Product Scrap Sales	7,059	8,744
	Sale of Captive Power	276	234
	Sale of Raw Materials	-	74
	Export Incentives	1,231	1,370
	<b>Total</b>	<b>8,566</b>	<b>10,422</b>
	<b>Total Revenue from Operations (Gross)</b>	<b>383,048</b>	<b>411,359</b>

## Notes to the financial statements

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

<b>26. Other Income</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Interest Income	862	1,154
Income from Non-current Investments		
-Dividend from subsidiary companies	269	332
Income from Current Investments - Dividend	-	91
Non Product Scrap Sales	506	291
Net Gain on Derivative Contracts	-	614
Provision for Doubtful Debts and Advances		
no longer required written back	249	12
Liabilities no longer required written back	923	425
Claims Received	93	137
Miscellaneous Income	844	812
<b>Total</b>	<b>3,746</b>	<b>3,868</b>

<b>27. Cost of Materials Consumed</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Opening Stock	29,256	21,524
Add: Purchases	1,24,961	1,31,569
	1,54,217	1,53,093
Deduct: Closing Stock	16,173	29,256
<b>Total</b>	<b>1,38,044</b>	<b>1,23,837</b>
<b>Details of Materials Consumed</b>		
Metallic (Ferrous bearing)	8,979	5,221
Alloys	18,823	24,432
Non Coking Coal	31,436	12,108
Coking Coal	49,116	50,756
Other Materials [individual item does not exceed 10% of total materials consumed]	29,690	31,320
<b>Total</b>	<b>1,38,044</b>	<b>1,23,837</b>

<b>28. Purchases of Stock-in-trade</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Tube Unit	339	591
Coking Coal	2,383	5,167
Miscellaneous Items	309	17
<b>Total</b>	<b>3,031</b>	<b>5,775</b>

## Notes to the financial statements

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

<b>29. Change in Inventories of Finished Goods, Work-in-Progress, Stock-in-trade and Scrap</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
<b>(Increase)/decrease in stocks:</b>		
<b>Finished Goods</b>		
Opening Stock	52,249	44,099
Deduct : Closing Stock	45,479	52,249
	<b>6,770</b>	<b>(8,150)</b>
<b>Work-in-progress</b>		
Opening Stock	42,857	44,282
Deduct : Closing Stock	30,036	42,857
	<b>12,821</b>	<b>1,425</b>
<b>Stock-in-trade</b>		
Opening Stock	56	28
Deduct : Closing Stock	37	56
	<b>19</b>	<b>(28)</b>
<b>Scrap</b>		
Opening Stock	348	496
Deduct : Closing Stock	1,177	348
	<b>(829)</b>	<b>148</b>
<b>(Increase) / Decrease in stocks</b>	<b>18,781</b>	<b>(6,605)</b>

<b>30. Employees Benefits Expense</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Salaries, Wages and Bonus	18,829	19,145
Contribution to Provident and Other Funds	1,787	2,426
Workmen and Staff Welfare Expenses	2,501	2,417
<b>Total</b>	<b>23,117</b>	<b>23,988</b>

### (a) Post Employment Defined Contribution Plans

	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Amount recognised in the Statement of Profit and Loss		
(i) Provident Fund paid to the authorities @	17	29
(ii) Pension Fund paid to the authorities	579	468
(iii) Superannuation Fund - Contribution payable/paid to a Trust	358	344
	<b>954</b>	<b>841</b>

@ Contribution towards Provident Fund for certain employees is made to the regulatory authorities. Such Provident Fund benefit is classified as Defined Contribution Scheme as the Company does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the Statement of Profit and Loss, as indicated above.

### (b) Post Employment Defined Benefit Plans

#### I. Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LIC) and other insurance companies make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days (ranging from fifteen days to one month) depending upon the tenure of service subject to a maximum limit of twenty months' salary. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 2.12 (b) above, based upon which, the Company makes contributions to the Gratuity Funds.

## Notes to the financial statements

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

The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company :

<b>(i) Reconciliation of Opening and Closing balances of the Present Value of the</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Defined Benefit Obligation		
Present Value of Obligation at the beginning of the year	5,047	4,437
Current Service Cost	131	167
Interest Cost	374	329
Actuarial (Gains)/ Losses	97	758
Benefits Paid	(738)	(644)
<b>Present Value of Obligation at the end of the year</b>	<b>4,911</b>	<b>5,047</b>
<b>(ii) Reconciliation of Opening and Closing balances of the Fair Value of Plan</b>		
Assets		
Fair Value of Plan Assets at the beginning of the year	3,276	3,301
Expected Return on Plan Assets	262	264
Actuarial Gains/ (Losses)	(9)	18
Contributions	2	337
Benefits Paid	(738)	(644)
<b>Fair Value of Plan Assets at the end of the year</b>	<b>2,793</b>	<b>3,276</b>
<b>(iii) Reconciliation of the Present Value of the Defined Benefit Obligation and</b>		
the Fair Value of Plan Assets		
Present Value of Obligation at the end of the year	4,911	5,047
Fair Value of Plan Assets at the end of the year	2,793	3,276
<b>Assets/(Liabilities) recognised in the Balance Sheet</b>	<b>(2,118)</b>	<b>(1,771)</b>
<b>(iv) Expense recognised in the Statement of Profit and Loss</b>		
Current Service Cost	131	167
Interest Cost	374	329
Expected Return on Plan Assets	(262)	(264)
Actuarial (Gains)/ Losses	106	740
Total Expense (Recognised under Contribution to Provident and Other Funds)	349	972
<b>(v) Category of Plan Assets</b>		
Fund with LIC	2,761	3,250
Fund with SBI Life Insurance	-	-
Others (including Bank balances)	32	26
<b>Total</b>	<b>2,793</b>	<b>3,276</b>
<b>(vi) Actual Return on Plan Assets</b>	<b>253</b>	<b>282</b>
<b>(vii) Principal Actuarial Assumptions</b>		
Discount Rate	8.00%	8.00%
Salary Escalation	6.00%	6.00%
Expected Return on Asset	8.00%	8.00%

## Notes to the financial statements

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

<b>(viii) Other Disclosure (Amount recognised in current year and previous four years)</b>					
	<b>31st March, 2016</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>	<b>31st March, 2013</b>	<b>31st March, 2012</b>
Present Value of the Plan Obligation as at the end of the year	4,911	5,047	4,437	4,161	3,415
Fair Value of Plan Assets as at the end of the year	2,793	3,276	3,301	3,271	2,894
Surplus / (Deficit) as at the end of the year	(2,118)	(1,771)	(1,136)	(890)	(521)
Experience Adjustments on Plan Assets [Gain/ (Loss)]	(9)	18	(8)	39	10
Experience Adjustments on Plan Obligation [(Gain)/Loss]	97	758	28	459	418
The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.					
The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.					

### II. Provident Fund

Provident Fund contributions in respect of employees [other than those covered in (a) above] are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. Both the employer and the employees contribute to this Fund and such contributions together with interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of services by the employee. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. In terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using PUCM and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. Further during the period, the Company's contribution of Rs. 484 (31st March, 2015 : Rs.613) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

<b>Principal Actuarial Assumptions</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Discount Rate	7.82%	8.00%
Expected Return on Exempted Fund	9.00%	8.78%
Expected EPFO Return	8.80%	8.75%

<b>31. Finance Costs</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Interest Expenses	50,165	49,369
Other Borrowing Costs	4,019	1,370
<b>Total</b>	<b>54,184 @</b>	<b>50,739 @</b>
@ Net of Capitalisation	63	126

<b>32. Depreciation and Amortisation Expense</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Depreciation and Amortisation on Tangible assets	27,285	38,211
Amortisation of Intangible assets	93	89
<b>Total</b>	<b>27,378</b>	<b>38,300</b>

## Notes to the financial statements

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

<b>33. Other Expenses</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Consumption of Stores and Spare Parts	22,483	29,210
Power and Fuel	30,536	38,123
Material Handling Charges	19,282	30,595
Repairs to Buildings	1,568	1,964
Repairs to Machinery	15,733	15,817
Royalty	7,040	6,792
Rent	279	295
Rates and Taxes [including Wealth Tax of Rs. Nil; (Previous Year : Rs.20)]	395	603
Insurance	972	1,212
Freight, Transport and Delivery	15,624	16,171
Processing Charges	5,901	9,601
Travelling Expenses	747	1,102
Expenditure towards Corporate Social Responsibility (CSR) activities	531	621
Directors' Fees	36	45
Net loss on foreign currency transaction and translation	4,563	1,398
Provision for Doubtful Debts and Advances	337	1,799
Provision for diminution in the value of Investments	43	-
Bad Debts and Advances Written off	1	10
Net Loss on Derivative Contracts	19	-
Tangible Assets/Capital Work-in-progress written off	20	1,403
Loss on Sale/Disposal of Tangible Assets (Net)	17	15
Loss on Sale of Assets held for disposal	30	-
Excise Duty on Stocks, Replacements etc.	(1,246)	1,486
Miscellaneous Expenses [Refer (a) below]	7,428	9,156
<b>Total</b>	<b>1,32,339</b>	<b>1,67,418</b>
(a) Includes remuneration paid/payable to Auditors' : As Auditors' Audit Fee		
Standalone financial statements	54	54
Consolidated financial statements	6	6
Tax Audit Fee	8	8
Other matters (Certificates etc.)	48	34
Reimbursement of Expenses [excluding Service Tax Rs. 13 (Previous Year : Rs. 13) not routed through the Statement of Profit and Loss]	4	2
<b>Total</b>	<b>120</b>	<b>104</b>

<b>34. (a) The following are included under different heads of Other Expenses in the Statement of Profit and Loss</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Consumption of Stores and Spare Parts	696	1,300
Material Handling Charges	1,004	904
Repairs to Plant and Machinery	636	550
Repairs to Building	12	11
<b>(b) Total Consumption of Stores and Spare Parts</b>	<b>23,179</b>	<b>30,510</b>

<b>35. Research and Development Expenditure</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Revenue	331	301
Capital	-	-



## Notes to the financial statements

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

<b>36. Value of Imports Calculated on C.I.F basis:</b>				
	<b>Year ended 31st March, 2016</b>		<b>Year ended 31st March, 2015</b>	
Raw Materials	69,741		76,457	
Components and Spare Parts	7,168		9,429	
Capital Goods	72		1,405	

<b>37. Value of imported and indigenous materials consumed</b>				
	<b>Year ended 31st March, 2016</b>		<b>Year ended 31st March, 2015</b>	
	<b>Value</b>	<b>%</b>	<b>Value</b>	<b>%</b>
<b>(i) Materials</b>				
Imported	87,001	63%	74,919	60%
Indigenous	51,043	37%	48,918	40%
<b>Total</b>	<b>1,38,044</b>	<b>100%</b>	<b>1,23,837</b>	<b>100%</b>
<b>(ii) Stores and Spare Parts</b>				
Imported	5,618	24%	9,109	30%
Indigenous	17,561	76%	21,401	70%
<b>Total</b>	<b>23,179</b>	<b>100%</b>	<b>30,510</b>	<b>100%</b>

<b>38. Expenditure (including on Capital Account) in Foreign Currency on account of</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Professional and Consultancy Fees	747	1,454
Interest including Other Borrowing Costs	3,312	3,181
Research and Development Expenditure	258	203
Purchase of Stock-in-trade	-	4,826
Other Matters	408	604

<b>39. Earnings in Foreign Currency on account of</b>		
	<b>Year ended 31st March, 2016</b>	<b>Year ended 31st March, 2015</b>
Revenue from Export of Goods on F.O.B basis	37,132	67,115
Interest Received	69	73
Service Charges	200	193
Dividend Received	240	242
Commission Received on Corporate Guarantees	87	103
Reimbursement of Expenses related to the Depository Receipt	39	-

<b>40. Information relating to Micro and Small Enterprises (MSEs)</b>		
	<b>As at 31st March, 2016</b>	<b>As at 31st March 2015</b>
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows :		
(i) The principal amount and interest due thereon remaining unpaid to any supplier registered under MSMED Act as at the end of the year		
Principal	580	356
Interest	124	-
(ii) The amount of interest paid by the buyer in terms of Section 16 to the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
Principal	Nil	Nil
Interest	Nil	Nil
(iii) 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	Nil	Nil
The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Company.		

## Notes to the financial statements

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

### 41. Exceptional items in the Statement of Profit and Loss comprise the following:

(a) Pursuant to the Order dated 24th September, 2014 issued by The Hon'ble Supreme Court of India for cancellation of Kathautia and Lohari Coal Blocks of Steel Division, allotted to the Company in earlier years, as well as imposition of additional levy of Rs. 295/- per metric ton of coal extracted from the date of extraction till 31st March 2015, the Company made a provision of Rs. Nil (Previous Year : Rs. 8,373) on prudent basis and without prejudice to its rights.

(b) Write down of the carrying amount of certain assets and other adjustments of Rs. Nil (Previous Year : Rs. 1,643) pertaining to the Coal Blocks.

42. Computation of Earning/(Loss) per Equity Share		Year ended 31st March, 2016	Year ended 31st March, 2015
<b>(I) Basic</b>			
(a)	(i) Number of Equity Shares at the beginning of the year	30,47,41,780	30,47,41,780
	(ii) Number of Equity Shares at the end of the year	30,47,41,780	30,47,41,780
	(iii) Weighted average number of Equity Shares outstanding during the year	304,741,780	304,741,780
	(iv) Face Value of each Equity Share Re.	1	1
(b)	Profit /(Loss) after tax attributable to Equity Shareholders		
	Profit /(Loss) for the period	(40,443)	(29,241)
(c)	Basic Earning/(Loss) per Share [ (b)/(a)(iii) ] - Rs.	(13.27)	(9.60)
<b>(II) Diluted</b>			
(a)	Dilutive Potential Equity Shares	-	-
(b)	Diluted Earning /(Loss) per Share [ same as I (c) above ]	(13.27)	(9.60)

### 43. Segment Information for the year ended 31st March, 2016

#### A. Primary Segment Reporting (by Business Segments)

##### Composition of Business Segments

Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) prescribed under the Act.

Details of products included in each of the above Segments are given below :

Steel	:	Steel Wire Rods, Rolled Products, Billets, Pig Iron and allied products.
Wire and Wire Ropes	:	Steel Wires, Strands, Wire Ropes, Cord, Bright Bar, related accessories, etc.
Others	:	Jelly Filled Telecommunication Cables, Wire Drawing and allied machineries, etc.

#### Segment Revenues, Results and Other Information

	Steel	Wire and Wire Ropes	Others	Total of Reportable Segment
External Revenue from Operations @	2,13,972	1,29,721	1,054	3,44,747
	2,21,281	1,51,489	1,835	3,74,605
Inter Segment Revenue from Operations @	61,835	660	376	62,871
	78,387	25	556	78,968
Other Income	1,452	924	28	2,404
	554	1,530	94	2,178
Segment Revenues	2,77,259	1,31,305	1,458	4,10,022
	3,00,222	1,53,044	2,485	4,55,751
Segment Results	(5,270)	14,572	(190)	9,112
	5,103	13,791	(143)	18,751
	[Refer (a) below]			
Segment Assets	5,54,317	1,02,841	3,392	6,60,550
	594,673	1,10,193	9,584	7,14,450
Segment Liabilities	1,79,769	25,822	368	2,05,959
	1,93,783	29,782	324	2,23,889
Capital Expenditure (Net)	10,098	827	-	10,925
	14,268	1,509	-	15,777
Depreciation and Amortisation	24,440	2,659	79	27,178
	31,676	6,253	144	38,073
Non cash expenses other than depreciation and amortisation	310	31	-	341
	4,832	21	-	4,853

@ Net of excise duty

## Notes to the financial statements

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

### (a) After considering Exceptional Items (Expenses) as indicated in Note 41 (a) and (b) aggregating Rs.Nil (Previous Year : Rs. 10,016)

Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit (Loss)	Assets	Liabilities #
Total of Reportable Segments	4,10,022	9,112	6,60,550	2,05,959
	4,55,751	18,751	7,14,450	2,23,889
Corporate - Unallocated /Others ( Net)	1,342	(2,933)	8,209	3,80,599
	1,690	(2,429)	10,106	3,78,023
Inter Segment Revenue from Operations	(62,871)	-	-	-
	(78,968)	-	-	-
Finance Costs	-	(54,184)	-	-
	-	(50,739)	-	-
MAT Credit Entitlement (Reversal)	-	-	-	-
	-	(5,399)	-	-
Tax expenses -Deferred Tax Charge/(Credit)	-	(7,562)	-	-
	-	(10,575)	-	-
As per Financial Statements	3,48,493	(40,443)	6,68,759	5,86,558
	378,473	(29,241)	7,24,556	6,01,912

# Excluding Shareholders' Funds, money received against share warrants (31st March, 2015 : Equity Warrants application money pending allotment.)

### B. Secondary Segment Reporting (by Geographical Segments)

	Domestic	Exports	Total
Segment Revenue from external customers	3,09,057	38,094	3,47,151
	3,07,722	69,061	3,76,783
Segment Assets	6,60,550	-	6,60,550
	7,14,450	-	7,14,450
Capital Expenditure	10,925	-	10,925
	15,777	-	15,777

Figures in normal type relate to previous year.

### 44. Lease Commitments

#### (a) Operating Lease Commitments

The Company has two non-cancellable operating lease agreements both having a tenure of fifteen years, in connection with establishment and operation of plants, by the lessor, for production of gaseous oxygen to cater to the Company's Steel Plant at Jamshedpur. One of such agreements became operative in 2001-02 (Lease A) and the other one has become operative in 2007-08 (Lease B). Both these lease agreements had been extended till 2026-27. The Company pays minimum lease rent and fixed, as well as, variable operating and maintenance charges for both the leases.

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

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

The future minimum lease commitments of the Company relating to aforesaid leases are as follows:

	Lease Rent		Operation and Maintenance Charges	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
Up to one year	894	894	296	296
More than one year and up to five years	3,272	3,383	1,069	1,111
More than five years	4,699	5,483	2,001	2,255

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

	Year ended 31st March 2016	Year ended 31st March 2015
Lease Rent	1,010	1,100
Operation and Maintenance Charges	341	348
Escalation Charges and Taxes	161	175
<b>Total</b>	<b>1,512</b>	<b>1,623</b>

## Notes to the financial statements

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

- (b) The Company has entered into cancellable operating lease arrangements for taking on lease gaseous oxygen plant, accommodation for office spaces and employees residential accommodation etc. Tenure of leases generally vary between 1 and 10 years. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs. 640 (31st March, 2015 Rs. 636) have been debited to the Statement of Profit and Loss.

<b>45. Related party disclosures pursuant to Accounting Standard 18 prescribed under the Act.</b>		
<b>(i)</b>	<b>Related Parties</b>	
<b>(a)</b>	<b>Where control exists :</b>	
	Name	Relationship
	Usha Martin International Limited (UMIL)	Subsidiary
	Usha Martin Americas Inc. (UMAI)	-do-
	Usha Martin UK Limited (UMUK)	-do-
	Usha Martin Vietnam Co. Limited (UMVCL)	-do-
	Usha Martin Australia Pty Limited (UM AUS)	-do-
	European Management and Marine Corporation Limited (EMMC)	-do-
	EMM Caspian Limited (EMM Caspian)	-do-
	Usha Siam Steel Industries Public Company Limited (USSIL)	-do-
	Brunton Shaw UK Limited (BSUK)	-do-
	Usha Martin Singapore Pte. Limited (UMSPL)	-do-
	Brunton Wolf Wire Ropes FZCO. (BWWR)	-do-
	P. T. Usha Martin Indonesia (PTUMI)	-do-
	De Ruiter Staalkabel B.V. (De Ruiter)	-do-
	Usha Martin Europe B.V. (UMEBV)	-do-
	Usha Martin Italia S.R.L. (UMISRL)	-do-
	UM Cables Limited (UMCL)	-do-
	Usha Martin Power and Resources Limited (UMPRL)	-do-
	Bharat Minex Private Limited (BMPL)	-do-
	Usha Martin China Company Limited (UMCCL)	-do-
	Gustav Wolf Speciality Cords Limited (GWSCL)	-do-
<b>(b)</b>	<b>Others :</b>	
	Pengg Usha Martin Wires Private Limited (PUMWPL)	Joint Venture Company
	CCL Usha Martin Stressing Systems Limited (CCLUMSSL)	-do-
	Dove Airlines Private Limited (DAPL)	-do-
	UMI Special Steel Limited (UMISL) - (under liquidation)	Substantial Interest in voting power of the entity
	Mr. Rajeev Jhawar, Managing Director	Key Management Personnel
	Dr. Vijay Sharma, Joint Managing Director (Steel Business)(up to 24th May,2014)	-do-
	Mr. P.K.Jain, Joint Managing Director (Wire & Wire Rope Business)	-do-
	Mr. A. K. Somani, Chief Financial Officer and Company Secretary	-do-
	Mr. Brij K Jhawar	Relative of a Key Management Personnel
	Mrs. Shanti Devi Jhawar	-do-
	Mrs. Susmita Jhawar	-do-
	Mrs. Vineeta Ruia	-do-
	Ms. Stuti Jhawar	-do-
	Ms. Shreya Jhawar	-do-
	Ms. Amisha Jhawar	-do-
	Ambe International Pte. Limited (AIPL)	Enterprise over which Key Managerial Personnel is able to exercise significant influence

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

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

**45. Related party disclosures pursuant to Accounting Standard 18 prescribed under the Act. (Contd.)**

**(ii) Particulars of Transactions during year ended 31st March, 2016**

Name and Relationship	Transactions during the period							Balance outstanding at the year end										
	Sale of Products and Services	Sale of Fixed Assets	Purchase of Goods of Fixed Assets	Dividend Received	Dividend Paid	Interest Expenses/ (Income) (Net)	Directors' / Key Management Personnels' Remuneration	Brokerage and Discount on Sale of Products	Reimbursement of Expenses of Management and other Services	Receiving/ (Recoveries) of Preference Shares	Redemption of Preference Shares	Loans/ Advances (taken)/ given (net)	Corporate / Other Guarantees Given	Trade Receivables	Trade Payables/ Other Current Liabilities	Loans and Advances (Long-term / Short-term)	Other Current Assets	Investments in Equity and Preference Shares
Joint Venture Company																		
GWSCl	-	-	-	-	-	-	-	-	-	89	3	-	-	-	-	-	-	-
PUMWPL	3,331	-	1	17	-	-	-	-	(63)	-	(440)	-	-	656	654	-	-	1,080
	3,213	-	-	-	-	-	-	-	(60)	60	-	-	-	863	476	89	-	1,520
CCLUMSSL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31
DAPL	-	-	-	-	-	-	-	-	54	-	-	6	-	-	-	11	-	325
	-	-	-	-	-	-	-	-	243	-	-	-	-	-	25	5	-	325
Total	3,331	-	1	17	-	-	-	-	(9)	-	(440)	6	656	654	-	11	-	1,436
	3,213	-	-	-	-	17	-	-	272	63	-	-	863	476	114	5	-	1,876
Key Management Personnel and Relatives																		
Mr. Rajeev Jhawar	-	-	-	-	-	-	161	-	-	-	-	-	1,36,050	-	-	-	-	-
	-	-	-	-	-	-	172	-	-	-	-	-	55,000	-	-	-	-	-
Mr. Brij K. Jhawar	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-
Mrs. Shanti Devi Jhawar	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-
Mrs. Susmita Jhawar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Suniti Jhawar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Shreya Jhawar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Anisha Jhawar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. P. K. Jain	-	-	-	-	-	-	202	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	219	-	-	-	-	-	-	-	15	-	-	-
Mr. A. K. Somani	-	-	-	-	-	-	159	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	129	-	-	-	-	-	-	-	18	-	-	-
Dr. Vijay Sharma	-	-	-	-	-	-	73	-	-	-	-	-	-	-	- (7)	-	-	-
Mrs. Vineeta Ruia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	525	-	-	-	-	-	1,36,050	-	-	-	-	-
	-	-	-	-	-	-	596	-	-	-	-	-	55,000	-	33	-	-	-
Enterprise over which Key Managerial Personnel are able to exercise significant influence																		
AIPL	1,707	-	4,027	-	-	-	-	-	66	-	-	-	-	-	-	-	-	-

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

# Net of provision for other than temporary diminution [Refer Note 14].

(iii) Represents guarantee provided by Mr. Rajeev Jhawar in respect of Rupee Term Loan from a Bank [Refer Note 5].

(iv) Figures in normal font relate to previous year.



## Notes to the financial statements

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

### 46. Disclosure in respect of Joint Ventures

#### (a) Details of Joint Ventures

Name of Joint Venture	Country of Incorporation	Description of Interest	Proportion of Ownership Interest	
			As at 31st March, 2016	As at 31st March, 2015
Pengg Usha Martin Wires Private Limited (PUMWPL)	India	Jointly Controlled Entity	40%	40%
Gustav Wolf Speciality Cords Limited (GWSCL)	India	Jointly Controlled Entity	0%	@
@ Ceased to be a Joint Venture with effect from 9th February, 2015.				
CCL Usha Martin Stressing Systems Limited (CCLUMSSL)	India	Jointly Controlled Entity	49.99%	49.99%
Dove Airlines Private Limited (DAPL)	India	Jointly Controlled Entity	50%	50%

#### (b) The Company's Financial Interest in the aforesaid Joint Venture companies are set out below :

	PUMWPL	GWSCL	CCLUMSSL	DAPL
<b>ASSETS as at 31st March, 2016</b>				
Tangible Assets	1,922	-	-	366
	1,399	-	-	350
Intangible Assets	3	-	-	-
	1	-	-	-
Capital Work-in-Progress	14	-	-	-
	25	-	-	-
Long-term Loans and Advances	150	-	-	2
	281	-	-	2
Other Non-current Assets	-	-	-	-
	10	-	-	-
Inventories	543	-	-	-
	580	-	-	-
Trade Receivables	1,088	-	-	39
	928	*	-	34
Cash and Bank Balances	6	-	37	4
	9	-	35	23
Short-term Loans and Advances	334	-	2	32
	246	-	2	86
Other Current Assets	36	-	1	-
	17	-	1	3
<b>Total</b>	<b>4,096</b>	<b>-</b>	<b>40</b>	<b>443</b>
	3,496	*	38	498

	PUMWPL	GWSCL	CCLUMSSL	DAPL
<b>LIABILITIES as at 31st March, 2016</b>				
Long-term Borrowings	437	-	-	-
	351	-	-	-
Deferred Tax Liabilities (Net)	175	-	-	28
	-	-	-	28
Other Long-term Liabilities	-	-	-	5
	13	-	-	5
Long-term Provisions	53	-	-	-
	46	-	-	-
Short-term Borrowings	568	-	-	91
	248	-	-	-
Trade Payable	491	-	*	13
	419	-	*	8
Other Current Liabilities	418	-	*	11
	296	-	*	6
Short-term Provisions	354	-	1	-
	160	-	1	58
<b>Total</b>	<b>2,496</b>	<b>-</b>	<b>1</b>	<b>148</b>
	1,533	-	1	105

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

## Notes to the financial statements

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

	PUMWPL	GWSCL [Refer (c) below]	CCLUMSSL	DAPL
<b>INCOME for year ended 31st March, 2016</b>				
Revenue from operations (Net of Excise Duty)	3,135	-	-	141
	3,186	1	-	248
Other Income	16	-	3	2
	11	10	3	2
Total	3,151	-	3	143
	3,197	11	3	250
<b>EXPENSES for year ended 31st March, 2016</b>				
Cost of Materials Consumed	1,715	-	-	-
	1,741	-	-	-
Change in inventories of Finished Goods, Work-in-progress and Stock-in-trade and Scrap	(32)	-	-	-
	(46)	-	-	-
Employees Benefits Expense	121	-	-	59
	121	-	-	57
Finance Costs	55	-	-	1
	74	-	-	-
Depreciation and Amortisation Expense	175	-	-	52
	193	-	-	57
Other Expenses	572	*	*	129
	588	*	*	168
Tax expenses - Current Tax	192	-	*	-
	112	2	*	-
Tax expenses - MAT Credit Entitlement	-	-	-	-
	(112)	-	-	-
Tax expenses - Deferred Tax Charge/(Credit)	175	-	-	-
	-	-	-	-
<b>Total</b>	<b>2,973</b>	<b>-</b>	<b>*</b>	<b>241</b>
	2,671	2	*	282

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

(c) Income and Expenses of GWSCL relate to the period from 1st April, 2014 to 9th February, 2015.

(d) Capital Commitment outstanding of Rs. 3 (31st March, 2015 : Rs. 342) related to Pengg Usha Martin Wire Private Limited

(e) Figures in normal type relates to previous year.

<b>47. Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V of SEBI Listing Regulations, 2015</b>			
I. Loans and advances in the nature of loans to subsidiaries			
		As at 31st March, 2016	As at 31st March, 2015
	<b>Loans to subsidiary :</b>		
(a)	<b>Bharat Minex Private Limited</b>		
	Balance as at the year end	-	-
	Maximum amount outstanding at any time during the year	-	595
(b)	<b>Usha Siam Steel Industries Public Company Limited</b>		
	Balance as at the year end	940*	1,057 *
	Maximum amount outstanding at any time during the year	965	1,057
(c)	<b>UM Cables Limited</b>		
	Balance as at the year end	- *	4,500 *
	Maximum amount outstanding at any time during the year	4,500	4,500
	<b>The aforesaid loanees have not made any investments in the shares of the Company.</b>		
	<b>* No repayment schedule or repayment beyond seven years</b>		
II.	In view of voluminous data furnishing of particulars such as name, amount outstanding at the year end and maximum amount outstanding during the year in respect of loans and advances in the nature of loan given to employees for medical, furniture, housing, vehicle etc. with interest rate varying from 0 - 6 per cent and repayment terms varying from 1 - 10 years is not considered practicable. Aggregate amount of such advances and loans outstanding at the year end is Rs. 284 [31st March, 2015 : Rs.195).		

## Notes to the financial statements

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

### 48. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

(a) Derivative Instrument outstanding as at the reporting date

Particulars	Purpose	As at 31 st March, 2016			As at 31 st March, 2015		
		Currency	Amount in Foreign Currency	Amount	Currency	Amount in Foreign Currency	Amount
Forward Contracts	Hedge of Foreign Currency Loan Payables (Long Term)	USD	25,000,000	16,564	USD	-	-
Forward Contracts	Hedge of Foreign Currency Payables	USD	77,466,417	51,325	USD	27,931,451	17,457
	Hedge of Foreign Currency Payables	EURO	1,755,377	1,323	EURO	528,815	355
	Hedge of Foreign Currency Payables	CHF	83,000	57	CHF	-	-
	Hedge of Foreign Currency Payables	GBP	107,123	102	GBP	40,200	37
	Hedge of Foreign Currency Receivable	EURO	201,647	152	USD	1,397,997	939
	Hedge of Foreign Currency Receivable	USD	784,225	520			
	Hedge of Foreign Currency Receivable	ZAR	27,185,960	1,223	ZAR	2,269,504	116
	Hedge of Foreign Currency Receivable	AUD	550,532	281	AUD	1,994,920	948
Call Spread Option	Hedge of Foreign Currency Payables	USD	-	-	USD	11,280,000	7,050

(b) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	As at 31 st March, 2016			As at 31 st March, 2015		
	Currency	Amount in Foreign Currency	Amount	Currency	Amount in Foreign Currency	Amount
Loans Payable	USD	75,000,000	49,691	USD	125,000,000	78,125
Loan Receivables	THB	50,000,000	940	THB	50,000,000	960
Payables	USD	5,503,307	3646	USD	62,445,150	39,028
Payables	EURO	459,740	347	EURO	1,684,546	1,132
Payables	GBP	20,465	20	GBP	60,505	56
Payables	JPY	-	-	JPY	1,363,360	7
Payables	SEK	1,462,713	120	SEK	321	*
Receivables	USD	6,804,247	4,508	USD	13,398,090	8,374
Receivables	EURO	64,356	49	EURO	447,683	301
Receivables	GBP	37,386	36	GBP	134,404	124
Receivables	ZAR	1,678,167	76	ZAR	179,730	9
Receivables	AUD	24141	12	AUD	107,024	51
				2015-2016		2014-2015
(c) Mark-to-Market losses provided for				20		5

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

### 49. The following table includes the classification of investments in accordance with AS-13 : Accounting for Investments

	As at 31st March, 2016	As at 31st March, 2015
<b>Long Term Investments</b>		
Usha Martin International Limited 59,09,388 (31st March, 2015 : 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, 2015 : 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, 2015 : 10,00,000) Ordinary Shares of SGD 1 each fully paid	268	268
Brunton Wolf Wire Rope, FZCO 114 (31st March, 2015 : 114) Ordinary Shares of AED 1,00,000 each fully paid	1,777	1,777
Usha Martin Americas Inc 40,00,000 (31st March, 2015 : 40,00,000) Shares of USD 1 each fully paid	1,660	1,660

## Notes to the financial statements

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

	As at 31st March, 2016	As at 31st March, 2015
UM Cables Limited 1,11,29,660 (31st March, 2015 : 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, 2015 : 50,000) Equity Shares of Rs. 10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 1 (31st March, 2015 : Rs.1)]	5	5
Bharat Minex Private Limited 2,00,000 (31st March, 2015 : 2,00,000) Equity Shares of Rs. 10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 10 (31st March, 2015 : Rs 10)]	-	-
Pengg Usha Martin Wires Private Limited 1,08,00,000 (31st March, 2015 : 1,08,00,000) Equity Shares of Rs.10/- each fully paid	1,080	1,080
Gustav Wolf Speciality Cords Limited 150,000 (31st March, 2015 : 150,000) Equity Shares of Rs.10/- each fully paid up	168	168
CCL Usha Martin Stressing System Limited 4,73,195 (31st March, 2015 : 4,73,195) Equity Shares of Rs.10/- each fully paid up [Net of provision for other than temporary diminution amounting to Rs. 16 (31st March, 2015 : Rs.16)]	31	31
Dove Airlines Private Limited 10,38,000 (31st March, 2015 : 10,38,000) Equity Shares of Rs.10/- each fully paid	325	325
UM Cables Limited Nil (31st March, 2015 : 9,00,000) 8% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid	-	900
Pengg Usha Martin Wires Private Limited Nil (31st March, 2015 : 4,40,000) 0.50% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid	-	440
Adityapur Toll Bridge Company Limited 1,00,000 (31st March, 2015 : 1,00,000) Equity Shares of Rs.10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 5 (31st March, 2015 : Rs. Nil)]	5	10
Adityapur Auto Cluster 1,000 (31st March, 2015 : 1,000) Equity Shares of Rs.1000/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 10 (31st March, 2015 : Rs. Nil)]	*	10
Usha Communications Technology Limited BVI 1,21,10,242 (31st March, 2015 : 1,21,10,242) Ordinary Shares of USD 0.50 each fully paid [Net of provision for other than temporary diminution amounting to Rs. 28 (31st March, 2015 : Rs. Nil)]	*	28
UMI Special Steel Limited (under liquidation) 1,80,68,472 (31st March, 2015 : 1,80,68,472) Equity Shares of Rs.10/- each fully paid [At cost less write-down - Rs.327 (31st March, 2015 : Rs.327)]	*	*
<b>Total Investments</b>	<b>15,391</b>	<b>16,774</b>
<b>Disclosed Under :</b>		
Non Current Investments (Refer Note 14)	<b>15,391</b>	16,774
* Amount is below the rounding off norm adopted by the Company		

50. The previous year figures have been reclassified where considered necessary to conform to this year's classification.

**Signature to Note '1' to '50'.**

**For PRICE WATERHOUSE**  
Firm Registration Number : 301112E  
Chartered Accountants

**B. K. Jhawar**  
Chairman Emeritus

**Pradip Law**  
Partner  
Membership No. 51790

**R. Jhawar**  
Managing Director

Place : Kolkata  
Date : 25th May, 2016

**A. K. Somani**  
Chief Financial Officer and Company Secretary

## INDEPENDENT AUDITORS' REPORT

### To the Members of Usha Martin Limited

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Usha Martin Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities; (refer Note 2 to the attached consolidated financial statements), comprising the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

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

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

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

6. 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 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 jointly controlled entities as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

8. We draw your attention to Note 25 (a) to the consolidated financial statements regarding the deallocation of the Holding Company's erstwhile Kathautia and Lohari coal blocks in the previous year pursuant to unfavourable regulatory developments and the consequent declassification of the related non-current assets to current assets, the outstanding balance of which as at March 31, 2016 is Rs 18,846 lakhs. In the view of the Management, the realizable value of the aforesaid assets will not be less than their carrying values. Our opinion is not qualified in respect of this matter.

#### Other Matter

9. We did not audit the financial statements of nine subsidiaries, and three jointly controlled entities whose financial statements reflect total assets of Rs 125,145 Lakhs and net assets of Rs 71,805 Lakhs as at March 31, 2016, total revenue of Rs 96,908 Lakhs, net profit of Rs 122 Lakhs and net cash flows amounting to Rs 1,782 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and 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-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated 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

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of

the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 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 Holding Company its subsidiary companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group and jointly controlled entities—Refer Note 23(a) to the consolidated financial statements.
  - ii. The Group and its jointly controlled entities had long-term contracts including derivative contracts as at March 31, 2016 for which there were no 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 Holding Company and its subsidiary companies and jointly controlled companies incorporated in India during the year ended 31 March, 2016.

#### For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Pradip Law

Partner

Kolkata

May 25, 2016

Membership Number 51790

#### Annexure A to Independent Auditors' Report

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of Usha Martin Limited on the consolidated financial statements for the year ended March 31, 2016

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

- 1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, 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 jointly controlled companies, which are companies incorporated in India, as of that date.

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

- 2. The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 (ICAI). 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

- 3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5. 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 Company's internal financial controls system over financial reporting.

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

### **Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiary companies and three jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

### **For Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

### **Pradip Law**

Partner

Kolkata

May 25, 2016

Membership Number 51790



## Consolidated Balance Sheet of Usha Martin Limited and its Subsidiaries as at 31st March 2016

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

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	3,054	3,054
Reserves and Surplus	4A	130,532	169,845
Money received against share warrants	4C	2,934	-
		136,520	172,899
<b>Equity Warrant application money pending allotment</b>	4B	-	3,000
<b>Minority Interest</b>		3,431	3,149
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	301,503	271,282
Deferred Tax Liabilities (Net)	6	1,607	8,980
Other Long-term Liabilities	7	13	10,533
Long-term Provisions	8	3,741	3,638
		<b>306,864</b>	<b>294,433</b>
<b>Current Liabilities</b>			
Short-term Borrowings	9	62,562	93,222
Trade Payables	10		
Total outstanding dues of micro enterprises and small enterprises		696	394
Total outstanding dues of creditors other than micro enterprises and small enterprises		180,687	177,101
Other Current Liabilities	11	85,413	84,319
Short-term Provisions	12	2,544	2,029
		<b>331,902</b>	<b>357,065</b>
<b>TOTAL</b>		<b>778,717</b>	<b>830,546</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	13A	525,598	541,811
Intangible Assets	13B	5,838	5,905
Capital Work-in-progress	13C	12,369	12,129
Intangible Assets under development	13D	2,320	1,037
Non-current Investments	14	5	48
Deferred Tax Assets (Net)	15	546	489
Long-term Loans and Advances	16	5,830	3,521
Other Non-current Assets	17	*	49
		<b>552,506</b>	<b>564,989</b>
<b>Current Assets</b>			
Inventories	18	131,284	168,193
Trade Receivables	19	48,028	48,596
Cash and Bank Balances	20	5,626	7,378
Short-term Loans and Advances	21	32,866	33,044
Other Current Assets	22	8,407	8,346
		<b>226,211</b>	<b>265,557</b>
<b>TOTAL</b>		<b>778,717</b>	<b>830,546</b>

\* Amount is below the rounding off norm adopted by the Group  
This is the Consolidated Balance Sheet referred  
to in our report of even date.

The notes are an integral part of the financial statements.

### For Price Waterhouse

Firm Registration Number : 301112E  
Chartered Accountants

**B. K. Jhavar**  
Chairman Emeritus

### Pradip Law

Partner  
Membership No. 51790

**R. Jhavar**  
Managing Director

Place : Kolkata  
Date : 25th May, 2016

**A. K. Somani**  
Chief Financial Officer and Company Secretary

## Consolidated Statement of Profit and Loss of Usha Martin Limited and its Subsidiaries for the year ended 31st March 2016

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

	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Income</b>			
Sale of Products		442,334	478,467
Sale of Services		2,750	4,865
Other Operating Revenue		9,207	11,067
Revenue from Operations (Gross)		454,291	494,399
Less: Excise Duty		39,499	38,289
Revenue from Operations (Net)		414,792	456,110
Other Income	26	3,533	3,699
<b>Total Revenue</b>		<b>418,325</b>	<b>459,809</b>
<b>Expenses</b>			
Cost of Materials Consumed	27	173,182	162,143
Purchases of Stock-in-trade		3,435	7,717
Changes in inventories of Finished Goods, Work-in-progress, Stock-in-trade and Scrap	28	19,975	(6,582)
Employees Benefits Expense	29	37,702	39,342
Finance Costs	30	55,805	52,194
Depreciation and Amortisation Expense	31	31,199	41,842
Other Expenses	32	145,614	183,144
Adjustment for Items Capitalised and Departmental Orders for own consumption		(517)	(1,303)
<b>Total Expenses</b>		<b>466,395</b>	<b>478,497</b>
Profit/(Loss) before Exceptional and Extraordinary items, Tax and Minority Interest		(48,070)	(18,688)
Exceptional items	33	-	(10,016)
Profit/(Loss) before Extraordinary items, Tax and Minority interest		<b>(48,070)</b>	<b>(28,704)</b>
Extraordinary items		-	-
<b>Profit/(Loss) before Tax and Minority interest</b>		<b>(48,070)</b>	<b>(28,704)</b>
Tax Expenses			
Current Tax		751	1,462
Less : MAT Credit Entitlement [including reversal of Rs.Nil (Previous Year: Rs. 5,399)]		-	5,287
Deferred Tax Credit		(7,460)	(10,313)
<b>Profit /(Loss) for the period before Minority Interest</b>		<b>(41,361)</b>	<b>(25,140)</b>
Minority Interest		137	172
<b>Profit /(Loss) for the period</b>		<b>(41,498)</b>	<b>(25,312)</b>
Earning /(Loss) per Equity Share [Nominal Value per Share Re.1/- (31st March 2015 Re.1/-)]	34		
Basic		(13.62)	(8.31)
Diluted		(13.62)	(8.31)

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

The notes are an integral part of the financial statements.

### For Price Waterhouse

Firm Registration Number : 301112E  
Chartered Accountants

**B. K. Jhavar**  
Chairman Emeritus

### Pradip Law

Partner  
Membership No. 51790

**R. Jhavar**  
Managing Director

Place : Kolkata  
Date : 25th May, 2016

**A. K. Somani**  
Chief Financial Officer and Company Secretary

## Consolidated Cash Flow Statements of Usha Martin Limited and its Subsidiaries for the year ended 31st March, 2016

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

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit/(Loss) before taxation</b>	(48,070)	(28,704)
Adjustment for:		
Depreciation and Amortisation Expense	31,199	41,842
Gain on Reversal of Impairment loss	-	(98)
Provision for Diminution in value of Long-term Investments	43	-
Loss on sale of Tangible Assets (Net)	50	2
Interest Income	(533)	(502)
Dividend received from Current Investments	(16)	(95)
Insurance claims received against Tangible Assets	(36)	(146)
Finance Costs	55,805	52,194
Unrealised Foreign Currency (gains)/losses (Net)	1,775	(3,567)
Unrealised Derivative gains (Net)	19	(614)
Effect of change in Foreign Exchange Translation	1,709	(221)
Provision for Doubtful Debts and Advances	338	1,834
Provision for slow moving items and diminution in realisable value	227	-
Provision for Doubtful Debts, Advances and Inventories no longer required written back	(350)	(96)
Liabilities no longer required written back	(1,024)	(468)
Bad Debts/Advances written off	82	19
Tangible Assets/Capital Work-in-Progress written off and Provision for Mines Restoration Cost [includes Rs. Nil (Previous Year Rs. 1,643) shown as exceptional items (Refer Note 33)]	20	3,046
<b>Operating profit before working capital changes</b>	<b>41,238</b>	<b>64,426</b>
<b>Changes in Working Capital:</b>		
Increase in Trade Payable	4,131	14,900
(Decrease)/Increase in Long-term Provisions	(127)	404
Increase in Short-term Provisions	507	560
Increase in Other Current Liabilities	1,819	4,706
(Decrease)/Increase in Other Long-term Liabilities	(77)	56
Decrease in Trade Receivables	671	3,962
Decrease/(Increase) in Inventories	36,712	(15,630)
(Increase) in Long Term Loans and Advances	(87)	(259)
Decrease/(Increase) in Other Non-current Assets	49	(6)
Decrease/(Increase) in Short-term Loans and Advances	(15)	624
(Increase) in Other Bank balances	(176)	(72)
Decrease in Other Current Assets	866	1,737
	44,273	10,982
Cash generated from operations	85,511	75,408
Direct tax paid	(856)	(2,517)
<b>Net cash generated from Operating Activities</b>	<b>84,655</b>	<b>72,891</b>
<b>B. Cash flow from Investing Activities:</b>		
Purchase of Tangible and Intangible Assets [Refer (b) below]	(38,103)	(60,224)
Sale of Tangible Assets	250	545
Grant Received from Government	-	526
Insurance claims received against Tangible Assets	36	146
Interest Income received	499	470
Placement of fund in long-term deposits with bank having maturity of more than 3 months but less than 12 months	(104)	(48)
Realisation of long-term deposits with bank having maturity of more than 3 months but less than 12 months	48	2,264
Dividend received from Current Investments	16	95
<b>Net cash used in Investing Activities</b>	<b>(37,358)</b>	<b>(56,226)</b>

## Consolidated Cash Flow Statements of Usha Martin Limited and its Subsidiaries for the year ended 31st March, 2016

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

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>C. Cash flow from Financing Activities</b>		
Long-term Borrowings - Receipts	95,246	39,120
Long-term Borrowings - Repayments	(59,579)	(24,226)
Short term borrowings - (Repayment)/Receipts	(30,660)	7,936
Proceeds from Convertible Equity Warrants [Net of Expenses Rs.Nil (Previous Year Rs. 5)]	-	3,005
Finance Costs paid	(53,402)	(52,159)
Dividend Transferred to Investor Education and Protection fund	(10)	(9)
Dividend Tax paid	(3)	(18)
Dividend paid by a subsidiary Company to Minority Shareholders	-	(262)
<b>Net Cash used in Financing Activities</b>	<b>(48,408)</b>	<b>(26,613)</b>
<b>Net Decrease in cash and cash equivalents during the year</b>	<b>(1,111)</b>	<b>(9,948)</b>
<b>D. Exchange differences on Translation of Foreign Currency Cash and Cash Equivalent</b>	<b>(873)</b>	<b>(77)</b>
	<b>(1,984)</b>	<b>(10,025)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>6,889</b>	<b>16,914</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>4,905</b>	<b>6,889</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash on hand	38	47
Cheques, Drafts on hand	17	54
Balance with Banks		
In Current accounts	4,810	6,238
In Unclaimed Dividend Accounts [Refer (c) below]	40	50
Demand deposits (less than 3 months maturity)	-	500
	<b>4,905</b>	<b>6,889</b>
(a) The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements notified under Section 211 (3C) [Companies (Accounting Standards) Rules 2006, as amended] and relevant provisions of the Companies Act, 2013.		
(b) Includes interest expense capitalised Rs. 63 (Previous Year : Rs.126).		
(c) Earmarked for payment of unclaimed dividend.		

This is the Cash Flow Statement referred to in our report of even date.

The notes are an integral part of the financial statements.

### For Price Waterhouse

Firm Registration Number : 301112E  
Chartered Accountants

**B. K. Jhawar**  
Chairman Emeritus

### Pradip Law

Partner  
Membership No. 51790

**R. Jhawar**  
Managing Director

Place : Kolkata  
Date : 25th May, 2016

**A. K. Somani**  
Chief Financial Officer and Company Secretary

# Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

## Notes to the financial statements

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

### 1. Summary of significant accounting policies

#### 1.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain tangible assets which are being carried out at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006 as amended] and other relevant provisions of the Act and Accounting Standard 30, Financial Instruments, Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred in Section 211(3C) of the erstwhile Companies Act, 1956.

All assets and liabilities have been classified as current and non-current as per the Group's operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

#### 1.2 Fixed Assets

##### (a) Tangible Assets

Tangible Assets are stated at cost or revalued amount net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises cost of acquisition, construction and subsequent improvements thereto including taxes and duties (net of credits and draw backs), freight and other incidental expenses related to acquisition and installation. Preoperative expenses, where appropriate, are capitalised till the commercial use of the assets.

##### (b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of accumulated amortisation and accumulated impairment losses if any. Cost comprises cost of acquisition and subsequent improvements thereto including taxes and duties (net of credits and drawbacks) and other incidental expenses etc. related to acquisition and installation.

##### (c) Capital Work-in-progress

Capital Work-in-progress are stated at cost and inclusive of preoperative expenses, project development expenses etc.

##### (d) Intangible Assets under Development

Intangible Assets under Development are stated at cost.

##### (e) Assets held for Disposal

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of the net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately.

#### 1.3 Depreciation and Amortisation

(a) Depreciation is provided prorata basis on straight line method at the rates determined based on estimated useful lives of tangible assets where applicable, specified in Schedule II to the Act with the exception of the following items where estimated useful lives have been determined to be longer than the lives specified in Schedule II based on technical evaluation carried out by the Parent Company, one Indian subsidiary and one Indian joint venture company.

- Certain items of plant and equipment - 10 years to 35 years

(b) Leasehold Land is amortised over the tenure of respective leases.

(c) Mining lease and Development is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.

(d) Intangible assets where applicable are amortised on straight line method at the rates determined based on estimated useful lives which vary from 2 to 5 years except in case of trade mark, where the estimated useful life has been considered as 15 years by a foreign subsidiary of the Group after taking into account the long term business potential and other factors relating to the said trade mark.

(e) In case of certain Subsidiaries and a Joint Venture company, depreciation is provided under "Reducing Balance Method" and/or "Straight Line Method" at the following years which are different from those applied by the Parent Company:

Class of Assets	Reducing Balance Method	Straight Line Method
Land and Site Development - Leasehold		30-50 years
Buildings		10-50 years
Plant and Machinery		10-15 years
Furniture and Fitting	10 years	5-10 years
Office Equipment	5 years	5-10 years
Vehicles	8 years	4-10 years
Aircraft	20 years	
Computer	3 years	

(f) In case of revalued tangible assets, where applicable, the amount equivalent to additional depreciation attributable to the amount added on revaluation is transferred from Revaluation Reserve to General Reserve.

#### 1.4 Borrowing Cost

Borrowing Cost attributable to the acquisition and construction of qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.

#### 1.5 Impairment Loss

An impairment loss, if any, is recognised wherever the carrying amount of the fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.

#### 1.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year are classified as current investments and are carried at lower of cost and fair value. All other investments are classified as long term investments and are stated at cost. However diminution in carrying amount, other than temporary, is either written down or provided for and netted off against the cost.

#### 1.7 Inventories

Inventories are valued at lower of cost and estimated net realisable value. Cost is determined on Weighted Average basis other than in case of two foreign subsidiaries which follow specific identification method for determining cost. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

#### 1.8 Transactions in Foreign Currencies

##### Initial Recognition

On initial recognition, all foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction.

##### Subsequent Recognition

At the reporting date, foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate. With respect to long-term foreign currency monetary items, from 1st April, 2011 onwards, the Group has adopted the following policy:

(a) Foreign exchange difference on account of a depreciable asset, is

adjusted in the cost of depreciable asset, which would be depreciated over the balance life of the asset.

- (b) In other cases, the foreign exchange difference is accumulated in a Foreign Currency Monetary Item Translation Difference Account, and amortised over the balance period of such long term asset/liability.

A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability expressed in a foreign currency has a term of 12 months or more at the date of origination of the asset or liability.

Exchange differences on restatement/settlement of all other monetary items are recognised in the Statement of Profit and Loss.

### **1.9 Derivative Instruments and Hedge Accounting**

The Group uses derivative financial instruments such as foreign exchange contracts, currency swaps, option contracts, interest rate swaps etc. to hedge its exposure to movements in foreign exchange rates and interest rates relating to the underlying transactions, highly probable forecast transactions and firm commitments.

Effective 1st April, 2009 the Group adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India (ICAI) to the extent the adoption does not contradict with existing Accounting Standards and other authoritative pronouncements of the Act and other regulatory requirements.

For option contracts and interest rate swaps that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in reserves (under the "Hedging Reserve Account") and are reclassified into the Statement of Profit and Loss upon the occurrence of the hedged transactions.

The Group recognises gains or losses from changes in fair values of option contracts and interest rate swaps that are not designated as effective cash flow hedges in the Statement of Profit and Loss in the period in which they arise. In respect of forward exchange contracts with underlying transactions, the premium or discount arising at the inception of such contract is amortised as expenses or accounted for as income over the life of contracts.

Other Derivative contracts outstanding at the Balance Sheet date are marked to market and resulting net loss, if any, is provided for in the financial statements.

Any profit or loss arising on cancellation of derivative instruments are recognised as income or expenses for the period.

### **1.10 Revenue Recognition**

**Sale of Goods:** Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes but including excise duties.

**Sale of Services:** Sales are recognised upon the rendering of services and are recognised net of service tax.

Other items are recognised on accrual basis.

### **1.11 Other Income**

**Interest:** Interest income is generally recognised on a time proportion basis taking into account the amount outstanding and the rate applicable, when there is reasonable certainty as to realisation.

**Dividend:** Dividend income is recognised when the right to receive dividend is established.

All other items are recognised on accrual basis.

### **1.12 Employees Benefits**

#### **(a) Short -term Employee Benefits :**

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

#### **(b) Post Employment Benefit Plans :**

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method (PUCM), with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets where such plans are funded. Measurement of any assets resulting from this calculation is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the scheme.

#### **(c) Other Long-term Employment Benefits (unfunded)**

The cost of providing long-term employee benefits is determined using PUCM with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

### **1.13 Research and Development expenditure**

Revenue expenditure on Research and Development (R & D) is charged in the year in which it is incurred. Capital Expenditure for R & D are capitalised.

### **1.14 Government Grants**

- (a) Government grants of the nature of promoters' contribution are credited to Capital Reserve.
- (b) Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book values.
- (c) Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with their related costs.

### **1.15 Taxation**

Current Tax in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisation.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets and liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax (MAT) Credit is recognised as an asset only when and to the extent there is convincing evidence that the respective entity of the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the respective entity of the Group will pay normal income tax during the specified period.

### **1.16 Provision and contingent liabilities**

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

#### 1.17 Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a systematic basis over the period of lease.

#### 1.18 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further, inter-segment revenues have been accounted for based on prices normally negotiated between the segments with reference to the costs, market prices and business risks, within an overall optimisation objective for the Group. Revenue and expenses have been identified with segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under "Corporate-Unallocated/Others (Net)".

#### 1.19 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments, if any, with original maturities of three months or less.

#### 1.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit or loss for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### 1.21 Revision in useful lives of Tangible Assets

Pursuant to the requirement under Schedule II to the Companies Act, 2013 vide Notification dated 29th August, 2014, the Parent Company, based on the external technical advice, identified components (significant parts) of the main asset having different useful lives as compared to the main asset and consequently revised the estimated useful lives of certain Plant and Machinery and Electrical Installation with effect from 1st April, 2015. Accordingly, the depreciation expense for the year ended 31st March, 2016 is lower by Rs. 9,664 compared to the corresponding previous year with corresponding impact on the Loss before tax of the Parent Company for the year.

#### 1.22 Consolidation

(i) Consolidated Financial Statements relate to Usha Martin Limited, the Parent Company and its subsidiaries (the Group). The Consolidated

Financial Statements are in conformity with the Accounting Standard (AS) - 21 on Consolidated Financial Statements, prescribed under the Act and are prepared as set out below :

- (a) The financial statements of the Parent Company and its subsidiaries have been combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances and transactions including unrealised profits on inventories etc.
  - (b) The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.
  - (c) The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries is recognised in the financial statements as goodwill.
  - (d) When the cost to the Parent Company of its investment in the subsidiaries is less than the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries, the difference is treated as Capital Reserve in the financial statements.
  - (e) Minority interest in the consolidated financial statements is identified and recognised after taking into consideration :
    - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
    - The minorities' share of movement in equity since the date parent - subsidiary relationship came into existence.
    - Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.
  - (f) The results of operations of subsidiary with which parent-subsidiary relationship ceases to exist are included in the consolidated financial statements until the date of cessation of the relationship.
  - (g) The translation of the functional currencies into Indian Rupees (reporting currency) is performed for assets and liabilities using the closing exchange rates at the balance sheet date, for revenues and costs and expenses using average exchange rates prevailing during the year. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Currency Translation Adjustment Account) by the Parent Company until the disposal of investment.
- (ii) Investments in Joint Ventures ( i.e. jointly controlled entities) are accounted for in accordance with AS-27 on Financial Reporting of Interest in Joint Ventures, prescribed under the Act, using proportionate consolidation principles based on the financial statements of the respective entities.



## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

2. (a) The Consolidated Financial Statements comprise the financial statements of the Parent Company and its subsidiary and joint venture companies as detailed below :

	Name of the Company	Country of Incorporation	Proportionate Ownership Interest	
			As at 31st March, 2016	As at 31st March, 2015
<b>(i) Subsidiary</b>				
	<b>Domestic:</b>			
	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 (GWSCL)	India	100%	100%
	<b>Overseas:</b>			
	Usha Martin International Limited [Refer Note (b) below]	United Kingdom	92%	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	97.98%	97.98%
	Usha Martin Singapore Pte. Limited	Singapore	100%	100%
	Usha Martin Australia Pty Limited @	Australia	100%	100%
	Usha Martin Vietnam Company Limited @	Vietnam	100%	100%
	PT Usha Martin Indonesia @	Indonesia	100%	100%
	Usha Martin China Company Limited @	China	100%	100%
<b>(ii) Joint Venture Company</b>				
	Pengg Usha Martin Wires Private Limited (PUMWPL)	India	40%	40%
	CCL Usha Martin Stressing System Limited (CCLUMSSL)	India	49.99%	49.99%
	Dove Airlines Private Limited (DAPL)	India	50%	50%
	Tesac Usha Wirerope Company Limited (TUWCL) #	Thailand	50%	50%

@ Represents step-down subsidiary.

# Represents a Joint Venture Company formed by two subsidiaries with a third party.

(b) In earlier year, 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. However, such reduction in control has not been considered in then Consolidated Financial Statements in view of restrictions on the said party's right on participation in profit, capital distribution etc. in terms of the related subscription agreement.

<b>3. Share Capital</b>		
	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Authorised:</b>		
50,00,00,000 (31st March, 2015 : 50,00,00,000) Equity Shares of Re 1/- each	5,000	5,000
1,00,00,000 ( 31st March, 2015 : 1,00,00,000 ) Redeemable Cumulative Preference Shares of Rs.50/- each	5,000	5,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued Subscribed and Paid-up:</b>		
30,47,41,780 (31st March, 2015 : 30,47,41,780 ) Equity Shares of Re. 1/- each fully paid up	3,047	3,047
Add: Shares Forfeited	7	7
<b>Total</b>	<b>3,054</b>	<b>3,054</b>

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

4A. Reserves and Surplus	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Reserve</b>		
Balance as at the beginning of the year	3,728	3,721
Addition during the year [ Refer (a) below and Note 4C]	66	7
<b>Balance as at the end of the year</b>	<b>3,794</b>	<b>3,728</b>
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year	5,731	4,931
Addition during the year [ Refer Note (b) below]	1,340	800
<b>Balance as at the end of the year</b>	<b>7,071</b>	<b>5,731</b>
<b>Securities Premium Account</b>		
Balance as at the beginning of the year	85,588	85,593
Less : Expenses related to Issue of Equity Warrants	-	5
<b>Balance as at the end of the year</b>	<b>85,588</b>	<b>85,588</b>
<b>Revaluation Reserve [Refer (c) below]</b>		
Balance as at the beginning of the year	4,022	1,254
Addition during the year [Refer Note 13A (b)]	-	3,264
Less: Transferred during the year [Refer (d) below]	252	496
<b>Balance as at the end of the year</b>	<b>3,770</b>	<b>4,022</b>
<b>Foreign Currency Translation Adjustments Account [Refer Note 1.22 (i) (g)]</b>		
Balance as at the beginning of the year	8,954	10,814
Addition/(Deletion) during the year	2,134	(1,860)
<b>Balance as at the end of the year</b>	<b>11,088</b>	<b>8,954</b>
<b>General Reserve [Refer (e) below]</b>		
Balance as at the beginning of the year	54,183	56,748
Add : Transfer from Revaluation Reserve [Refer Note 1.3 (f) and (d) below]	256	438
Less: Adjustment consequent to revision of useful lives of certain tangible assets [(Net of deferred tax of Rs. NIL : (31st March, 2015 Rs. 1,546 )]	-	3,003
<b>Balance as at the end of the year</b>	<b>54,439</b>	<b>54,183</b>
<b>Legal Reserve</b>	<b>265</b>	<b>265</b>
<b>Hedging Reserve Account (Refer Note 1.9)</b>		
Balance as at the beginning of the year	-	387
Add: Additions during the year	-	268
Less : Transfer during the year	-	655
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	7,374	33,517
Profit / (Loss) for the year	(41,498)	(25,312)
Adjustment during the year [Refer (a) below]	-	10
Less : Appropriations		
Dividend distribution tax on dividend [Refer (f) below]	19	21
Transfer to Capital Redemption Reserve	1,340	800
<b>Balance as at the end of the year</b>	<b>(35,483)</b>	<b>7,374</b>
<b>Total</b>	<b>130,532</b>	<b>169,845</b>

(a) Arising on acquisition of further controlling interest in a Joint Venture Rs Nil (31st March 2015 : Rs 7)

(b) Arising out of redemption of 900,000 ( 31st March, 2015 : 800,000) 8% Redeemable Cumulative Preference Shares of Rs.100 each of a wholly owned subsidiary company and 440,000 ( 31st March, 2015 : Nil) 0.50% Redeemable Cumulative Preference Shares of Rs.100 each of a joint venture company.

(c) Relates to revaluation of certain Tangible Assets as mentioned in Note 41

(d) Comprises withdrawals of Rs. 256 [31st March, 2015 : Rs. 438] on account of depreciation on the amount added on revaluation and Rs. 4 [31st March, 2015 : Rs. 58] on adjustment against Minority Interest.

(e) Represents a free reserve not held for any specific purpose.

(f) Represents the amount of Tax on dividend by a joint venture on its Equity Shares and Preference Shares and by a wholly owned subsidiary on its Preference Shares.

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

#### 4B. Equity Warrant application money pending allotment

During the previous year the Parent Company had issued 34,285,600 Equity Warrants, each convertible into one Equity Share of Re. 1/- each at the option of holders within a period of eighteen months from the date of allotment, at a price ("Consideration") of Rs. 35/- (which includes premium of Rs. 34/- per share), on preferential allotment basis to promoter/promoters' group and their relatives and associates in keeping with related SEBI Regulations. As per the terms of the issue, 25% of the Consideration is payable by the applicants before allotment of Equity Warrants and the balance 75% of consideration will be payable before the conversion of such Warrants into Equity Shares. Further, if the conversion option is not exercised within the stipulated time, the amount paid at the time of application (being 25% of the Consideration) shall be forfeited.

The aforesaid Equity Warrant Issue had been fully subscribed and the Parent Company had received application money of Rs.3,010 on 30th March, 2015 which has been disclosed as follows :

	As at 31st March, 2016	As at 31st March, 2015
Equity Warrant application money pending allotment	-	3,010
Less : Equity Warrant application money received in excess (Refer Note 11)	-	10
	-	<b>3,000</b>
Also refer Note 4C below		

#### 4C. Money received against Equity Warrants

The Parent Company had allotted on 1st April, 2015, 34,285,600 convertible Equity Warrants referred to in Note 4B above on a preferential basis to promoters/ promoters' group and their relatives and associates in lots under different Series namely I, J and K, convertible at the option of the warrant holders within 30th September, 2016, 31st March, 2016 and 30th September, 2016 respectively as per the terms and conditions mentioned in Note 4B above.

The holders of the Series J of the said Equity Warrants did not exercise the option for conversion of entire 7,50,000 Equity Warrants issued under the aforementioned Series within 31st March, 2016 (the latest date for conversion for the said Series) and accordingly the entire Equity Warrants issued under Series J have been cancelled and the amount of Rs.66 received earlier against issue of those warrants have been forfeited by crediting Capital Reserve (Refer Note 4A). The position is summarised below:

	As at 31st March, 2016	As at 31st March, 2015
Money received against Equity Warrants	3,000	-
Less: Equity Warrants forfeited	66	-
	2,934	-

5. Long-term Borrowings	As at 31st March, 2016	As at 31st March, 2015
<b>Secured:</b>	31,000	34,000
Term Loans		
From Financial Institution (Rupee Loans)		
From Banks		
Rupee Loans [Refer item (iii) on Note 37 ]	222,057	162,758
Other than Rupee Loans	46,630	73,185
Finance Lease Obligation	132	214
<b>Unsecured:</b>		
Term Loans		
From Body Corporate (Rupee Loan)	1,229	890
From Body Corporate (Foreign Currency Loan)	437	231
Finance Lease Obligation	18	4
<b>Total</b>	<b>301,503</b>	<b>271,282</b>

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

<b>6. Deferred Tax Liabilities (Net)</b>		<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Deferred Tax Liabilities			
Depreciation as per tax law and books		62,295	55,707
<b>Total</b>	<b>(A)</b>	<b>62,295</b>	<b>55,707</b>
<b>Deferred Tax Assets</b>			
Unabsorbed tax depreciation/loss @		57,509	43,865
Disallowances allowable for tax purpose on payment		2,387	1,854
Provision for doubtful debts and advances		792	1,008
<b>Total</b>	<b>(B)</b>	<b>60,688</b>	<b>46,727</b>
<b>Net Deferred Tax Liabilities</b>	<b>(A) - (B)</b>	<b>1,607</b>	<b>8,980 #</b>
@ Absorption expected based on future Taxable Income.			
# After considering adjustment against General Reserve pursuant to revision of useful lives of certain tangible assets Rs. Nil (Previous Year: Rs. 1,546)			
Deferred Tax credit for the year includes exchange loss of Rs. 27 (31st March, 2015 ; net of exchange gain : Rs. 58) on account of re-instatement of year-end deferred tax assets and liabilities.			

<b>7. Other Long-term Liabilities</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Trade Payables	13	10
Others		
Capital Liabilities (Acceptances)	-	10,443
Foreign Currency Payable Account	-	13
Security Deposits Received	-	67
<b>Total</b>	<b>13</b>	<b>10,533</b>

<b>8. Long-term Provisions</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Provision for Employees Benefits	2,049	2,176
Others Provisions		
Provision for Restoration of Mines Sites [Refer (a) below]	1,692	1,462
<b>Total</b>	<b>3,741</b>	<b>3,638</b>
<b>(a) Movement of Provision for Restoration of Mine Sites</b>		
Balance as at the beginning of the year	1,462	2,162
Additions	230	214
Amounts used/adjusted	-	914
<b>Balance as at the end of the year</b>	<b>1,692</b>	<b>1,462</b>
Provision for Restoration of Mines Sites is held for the purpose of meeting site restoration obligation pursuant to Rule 23 under Mineral Conservation and Development (Amendment Rules, 2003) read with Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957.		

<b>9. Short-term Borrowings</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Secured:</b>		
Loans repayment on demand		
Vehicle Loans from Banks (In the nature of Finance Lease)	75	33
Working Capital Loans from Banks	62,390	93,184
<b>Unsecured:</b>		
Deposits	6	5
Loan from a body corporate	91	-
<b>Total</b>	<b>62,562</b>	<b>93,222</b>

<b>10. Trade Payables</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
(a) Total outstanding dues of micro enterprises and small enterprises	696	394
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances	1,25,190	1,26,342
(ii) Others	55,497	50,759
<b>Total</b>	<b>181,383</b>	<b>177,495</b>

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

<b>11. Other Current Liabilities</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Current maturities of long-term debt	43,948	34,752
Current maturities of finance lease obligations	10	5
Interest accrued but not due on borrowings	2,748	2,282
Interest accrued on Trade payables and others	2,490	570
Unclaimed Dividend	40	50
Equity Warrant application money received in excess [ Refer Note 4B ]	10	10
Advances from Customers	3,811	4,122
Derivative Liabilities	19	10
Capital Liabilities [including Current maturities of long-term acceptances Rs. Nil (31st March, 2015 : Rs. 3,481) and short-term acceptances Rs.2,913 (31st March, 2015 : Rs.12,900)]	12,513	26,736
Security Deposits Received	1,575	215
Employees Benefits payable	3,774	4,001
Statutory dues (including Provident Fund, Tax deducted at Source, etc.)	9,937	9,021
Payable related to Forward Contracts	2,111	289
Payables relating to Coal Mines	1,383	1,383
Other Payables	1,044	873
<b>Total</b>	<b>85,413</b>	<b>84,319</b>

<b>12. Short-term Provisions</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Provision for Employee Benefits	2,375	2,006
Provision for Income Tax	153	-
Provision for Fringe Benefit Tax	*	*
Provision for Wealth Tax	-	20
Provision for Dividend distribution Tax	16	3
<b>Total</b>	<b>2,544</b>	<b>2,029</b>

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

### Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries Notes to the financial statements

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

13A. Tangible Assets	Gross Block at Cost / Valuation				Depreciation/Amortisation				Impairment Loss		Net Block			
	As on 31st March 2015	Additions during the year [Refer (b) below]	Disposal/ Adjustments during the year (c) and (g) below]	Other Adjustments during the year [Refer (d) below]	As on 31st March 2016	For the year	Adjustment consequent upon revision of useful lives	On Disposal/ Adjustments during the year [Refer (e) and (g) below]	Total up to 31st March, 2016	As on 31st March 2015	During the year	On Items Sold/ Adjustments during the year	As on 31st March 2016	As on 31st March 2015
Land and Site Development														
Freehold	15,318	21	55	-	15,284	-	-	-	-	-	-	-	15,284	15,318
Leasehold	2,600	-	-	-	2,600	351	44	-	395	-	-	-	2,205	2,249
Mining Lease and Development [Refer (f) below]	9,855	320	-	-	10,175	5,770	563	-	6,333	-	-	-	3,842	4,085
Buildings [Refer (a) below]														
Own	73,521	1,064	(1,126)	*	75,711	20,655	3,848	-	24,590	-	-	-	51,121	52,866
On Operating Lease	627	-	(38)	-	665	108	23	-	136	-	-	-	529	519
Plant and Equipment														
Own [Refer (a) below]	621,001	5,966	2,203	4,427	629,191	198,088	23,158	-	218,742	-	-	-	410,449	422,913
On Finance Lease [Refer (i) below]	136	178	-	-	314	7	8	-	15	-	-	-	299	129
Aircraft	1,353	68	-	-	1,421	1,007	51	-	1,058	-	-	-	363	346
Railway Sidings	3,531	-	-	-	3,531	1,527	226	-	1,753	-	-	-	1,778	2,004
Electrical Installation	55,127	907	540	36	55,530	16,426	2,537	-	18,450	-	-	-	37,080	38,701
Water Treatment and Supply Plant	1,938	291	-	-	2,229	1,541	17	-	1,559	-	-	-	670	397
Office Equipment	1,628	86	50	-	1,664	1,232	119	-	1,303	-	-	-	361	396
Furniture and Fixtures	2,102	147	(21)	-	2,270	1,364	219	-	1,582	-	-	-	688	738
Vehicles														
Own	2,395	83	61	-	2,417	1,278	276	-	1,518	-	-	-	899	1,117
On Finance Lease [Refer (i) below]	65	-	*	-	65	32	3	-	35	-	-	-	30	33
31st March 2015	791,197	9,131	1,724	4,463	803,067	249,386	31,092	-	277,469	-	-	-	525,598	541,811
	752,180	49,122	14,043	3,938	791,197	207,865	41,734	4,549	249,386	194	-	194	-	541,811
* Amount is below the rounding off norm adopted by the Group.														
(a) Rs Nil (31st March, 2015 : Rs 526) received during the year from United Kingdom Department of Trade and Industry as Grant.														
(b) Additions during the year include amount added on revaluation Rs. Nil (31st March, 2015 : Rs. 3,374) and disposal/adjustments during the year include Rs Nil (31st March, 2015 : Rs. 110) on account of devaluation of freehold land. The net addition of Rs. Nil (31st March, 2015 : Rs 3,264) has been credited to Revaluation Reserve.														
(c) Includes Rs.1,556 (Net) [ 31st March, 2015 : Rs.2,666 (Net)] on account of foreign exchange translation adjustment.														
(d) Other adjustments comprise adjustments on account of Borrowing Costs of Rs. 45 ( 31st March, 2015 : Rs. 692) and Exchange Loss of Rs. 4,418 (31st March, 2015 : Rs. 3,246).														
(e) Net of Rs. 87 (Net) [31st March, 2015 : Rs.598 (Net)] on account of foreign exchange translation adjustment.														
(f) Gross Block includes Rs.1,719 [31st March, 2015 : Rs.1,488] on account of provision for meeting mine sites restoration obligation as referred to in Note 8 (a). The depreciation for the current year includes Rs.175 [31st March, 2015 : Rs.440] on account of amortisation of the same.														
(g) Disposal/Adjustments during the year includes transfer to Assets held for disposal (Refer Note 22) - Gross Block Rs. Nil (Previous Year : Rs. 7,905) and Accumulated Depreciation Rs.Nil (Previous Year : Rs. 2,667)														
(h) The year end gross block includes the following assets which are stated at valuation as indicated in Note 41.														

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

(h) The year end gross block includes the following assets which are stated at valuation as indicated in Note 41.

(h) The year end gross block includes the following assets which are stated at valuation as indicated in Note 41.										
Assets		As on 31st March, 2016					As on 31st March, 2015			
	Rupees	Thai Baht	Rupees	Great Britain Pound	Total Rupees	(h) Rupees	Thai Baht	Rupees	Great Britain Pound	Total Rupees
Land and Site Development	2,319	1,233	-	-	2,319	2,368	1,233	-	-	2,368
Buildings	3,645	1,939	1,054	11	4,699	3,722	1,939	1,021	11	4,743
Plant and Machinery	21,895	11,646	-	-	21,895	22,361	11,646	-	-	22,361
	27,859	14,818	1,054	11	28,913	28,451	14,818	1,021	11	29,472

(i) Obligation under Finance Lease : @

The Group has acquired certain fixed assets under finance lease arrangements. Minimum Lease Payments outstanding as at 31st March, 2016 and other particulars in respect of leased assets are as under:

	31st March, 2016				31st March, 2015			
	Total minimum lease payments out standing	Interest	Present value of minimum lease payments		Total minimum lease payments out standing	Interest	Present value of minimum lease payments	
Within One year	131	11	120		77	8	69	
Later than one year and not later than five years	128	13	115		206	18	188	
<b>Total</b>	<b>259</b>	<b>24</b>	<b>235</b>		<b>283</b>	<b>26</b>	<b>257</b>	

@ Included in Notes 5, 9 and 11

### 13B. Intangible Assets

	Gross Block at Cost /Valuation				Amortisation				Impairment Loss		Net Block	
	As on 31st March 2015	Additions during the year	Disposals/ Adjustments during the year (Refer (a) and (c) below)	Other Adjustments during the year	As on 31st March 2016	For the year	Adjustment consequent upon revision of useful lives	On Disposal /Adjustments during the year (Refer (b) and (c) below)	Total up to 31st March, 2016	As on 31st March 2015	As on 31st March 2016	As on 31st March 2015
Goodwill												
Arising on Consolidation	5,634	-	-	-	<b>5,634</b>	-	-	-	-	103	<b>5,531</b>	5,531
Others	364	-	(8)	-	<b>372</b>	-	-	(8)	372	-	-	-
Computer Softwares (Acquired)	1,284	11	3	-	<b>1,291</b>	1,019	97	27	1,089	-	<b>202</b>	265
Trade Marks	137	-	(9)	-	<b>146</b>	28	10	(3)	41	-	<b>105</b>	109
Technical Know-how	127	-	-	-	<b>127</b>	127	-	-	127	-	-	-
31st March 2015	7,546	11	(14)	-	<b>7,570</b>	1,538	107	16	1,629	103	<b>5,838</b>	5,905
	7,366	132	(48)	-	<b>7,546</b>	1,390	108	58	1,538	103	<b>5,905</b>	
(a) Net of Rs. 17 (Net) [31st March, 2015 : Rs.11 (Net)] on account of foreign exchange translation adjustment.												
(b) Net of Rs. 10 (Net) [31st March, 2015 : Rs. 16 (Net)] on account of foreign exchange translation adjustment.												
(c) Includes Rs Nil [31st March, 2015 : Rs 58] arising on conversion of an erstwhile Joint Venture Company to a wholly owned subsidiary company by way of purchase of shares during the year.												

### 13C. Capital Work-in-progress (Refer Note below)

(a) Capital work-in-progress includes Project Development Expenses Rs. 25 (31st March 2015 : Rs. 31) , Borrowing Costs Rs. 86 (31st March, 2015 : Rs.68) .

(b) During the year Rs. Nil (Previous Year : Rs. 159) has been transferred to Assets held for disposal.

### 13D. Intangible Assets under development #

# Represents Computer Software acquired under development.

		12,369	12,129
		2,320	1,037



## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

14. Non-current Investments	As at 31st March, 2016	As at 31st March, 2015
<b>Long-term - Unquoted (valued at Cost unless stated otherwise)</b>		
<b>Investments in Equity Instruments :</b>		
<b>Companies outside the Group :</b>		
Adityapur Toll Bridge Company Limited		
1,00,000 (31st March, 2015 : 1,00,000) Equity Shares of Rs.10/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 5 (31st March, 2015 : Rs. Nil)]	5	10
Adityapur Auto Cluster		
1,000 (31st March, 2015 : 1,000) Equity Shares of Rs.1000/- each fully paid [Net of provision for other than temporary diminution amounting to Rs. 10 (31st March, 2015 : Rs. Nil)]	*	10
Usha Communications Technology Limited BVI		
1,21,10,242 (31st March, 2015 : 1,21,10,242) Ordinary Shares of USD 0.50 each fully paid [Net of provision for other than temporary diminution amounting to Rs. 28 (31st March, 2015 : Rs. Nil)]	*	28
UMI Special Steel Limited (under liquidation)		
1,80,68,472 (31st March, 2015 : 1,80,68,472) Equity Shares of Rs.10/- each fully paid [At cost less write-down - Rs.327 ( 31st March, 2015 : Rs.327)]	*	*
<b>Total</b>	<b>5</b>	<b>48</b>

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

15. Deferred Tax Assets (Net)		As at 31st March, 2016	As at 31st March, 2015
<b>Deferred Tax Assets</b>			
Provision for doubtful debts, advances and slow moving items and diminution in realisable value		190	144
Cost of goods sold tax adjustment		54	49
Allowance for impairment of fixed assets		(26)	-
Disallowances allowable for tax purpose on payment		159	169
Set off of loss carried forward and adjustment in future period		270	160
<b>Total</b>	<b>(A)</b>	<b>647</b>	<b>522</b>
<b>Deferred Tax Liabilities</b>			
Depreciation as per tax law and books		101	33
<b>Total</b>	<b>(B)</b>	<b>101</b>	<b>33</b>
<b>Net Deferred Tax Assets</b>	<b>(A) - (B)</b>	<b>546</b>	<b>489</b>

Deferred Tax credit for the year includes exchange loss of Rs. 3 (31st March, 2015 ; net of exchange gain : Rs. 18) on account of re-instatement of year-end deferred tax assets and liabilities.

16. Long-term Loans and Advances	As at 31st March, 2016	As at 31st March, 2015
<b>Unsecured Considered Good [ unless otherwise stated ]</b>		
Capital Advances		
Considered good	2,998	700
Considered doubtful	240	37
Less: Provision for Doubtful Capital Advances	(240)	(37)
Security Deposits	2,111	2,137
Loans and Advances to Employees	70	49
Other Loans and Advances		
Prepaid Expenses	11	8
Electricity Duty Receivable - Considered Doubtful	92	92
Less: Provision for Doubtful Electricity Duty Receivable	(92)	(92)
Balances with Government Authorities	577	488
MAT Credit Entitlement	63	139
<b>Total</b>	<b>5,830</b>	<b>3,521</b>

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

<b>17. Other Non-current Assets</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Unsecured Considered Good		
Long term deposits with banks with maturity period more than 12 months	*	21
Unamortised Expenses		
Premium on Forward Contracts	-	10
Derivative Assets	-	18
<b>Total</b>	<b>*</b>	<b>49</b>
* Amount is below the rounding off norm adopted by the Group		

<b>18. Inventories</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>[ Refer Note 1.7 ]</b>		
Raw Materials[including in transit - Rs. 6,268 (31st March, 2015 : Rs. 18,222)]	23,330	39,059
Less: Provision for slow moving items and diminution in realisable value in respect of Raw Materials	(46)	(60)
Work-in-progress	33,456	46,586
Finished Goods [including in transit - Rs.3,531 ( 31st March, 2015 : Rs.4,418)]	67,921	75,523
Less: Provision for slow moving items and diminution in realisable value in respect of Finished Goods	(880)	(626)
Stock-in-trade (in respect of goods acquired for trading)	37	55
Stores and Spares Parts [including in transit : Rs.160 ( 31st March, 2015 : Rs. 121)]	4,812	5,662
Loose Tools	1,463	1,578
Scrap	1,191	416
<b>Total</b>	<b>131,284</b>	<b>168,193</b>

<b>19. Trade Receivables</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they became due for payment:		
Considered Good	1,874	977
Considered Doubtful	299	1,000
Less: Provision for Doubtful Debts	(299)	(1,000)
	<b>1,874</b>	<b>977</b>
<b>Others</b>		
Considered Good	46,154	47,619
Considered Doubtful	167	191
Less: Provision for Doubtful Debts	(167)	(191)
	<b>46,154</b>	<b>47,619</b>
<b>Total</b>	<b>48,028</b>	<b>48,596</b>

<b>20. Cash and Bank Balances</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Cash and Cash Equivalents		
Cash on hand	38	47
Cheques, Drafts on hand	17	54
Bank Balances		
In Current accounts	4,810	6,238
In Unclaimed Dividend Accounts @	40	50
Demand deposits (less than 3 months maturity)	-	500
	<b>4,905</b>	<b>6,889</b>
Other Bank Balances		
Long-term deposits with maturity more than 3 months but less than 12 months	104	48
Margin money deposits	617	441
	<b>721</b>	<b>489</b>
<b>Total</b>	<b>5,626</b>	<b>7,378</b>
@ Earmarked for payment of unclaimed dividend.		

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

<b>21. Short-term Loans and Advances</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Unsecured Considered Good (unless otherwise stated)		
Advance against Land - Coal Mines [Refer Note 25 (a)]	13,981	14,179
Advance Income Tax [Net of Provision for tax Rs. 13,757 ( 31st March, 2015 : Rs.16,665)]	3,433	3,252
Advances against procurement of goods, services etc.		
Considered good	4,622	7,125
Considered doubtful	1,325	1,222
Less: Provision for Doubtful Advances	(1,325)	(1,222)
Other Loans and Advances		
Deposits		
Considered good	2,914	414
Considered doubtful	15	15
Less: Provision for Doubtful Deposits	(15)	(15)
Prepaid Expenses	2,644	2,587
Balance with Government Authorities		
Considered good	4,993	5,152
Considered doubtful	626	748
Less: Provision for Doubtful Advances	(626)	(748)
Other Advances		
Considered Good	279	335
Considered Doubtful	10	10
Less: Provision for Doubtful Other Advances	(10)	(10)
<b>Total</b>	<b>32,866</b>	<b>33,044</b>

<b>22. Other Current Assets</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Unsecured Considered Good (unless otherwise stated)		
Interest accrued on deposits and others	155	121
Export Incentive Receivables	1,346	1,839
Assets held for disposal [Refer Note {25 (a) and 25 (b)}]	5,431	5,397
Claims Receivable	458	597
Derivative Assets	-	89
Other Recoverable	158	118
Unamortised Expenses:		
Premium      Forward Contracts	859	185
<b>Total</b>	<b>8,407</b>	<b>8,346</b>

<b>23. Contingent Liabilities</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
(a) Claims against the Company not acknowledged as debt		
Disputed Tax and Duty for which the Company has preferred appeal before appropriate authorities.		
Demand for Income Tax Matters	1,951	1,940
Demand for Sales Tax and Entry Tax #	7,144	6,063
Demand for Excise Duty and Service Tax #	7,388	7,230
Demand for Customs Duty	1,339	575
Outstanding Labour Disputes	67	59
Disputed Electricity duty rebate matters which is subjudice	552	552
Disputed Demand for Fuel Surcharge matter is pending with appropriate authority	6,579	1,637
Disputed Electricity demand on account of Low Power Factor pending with appropriate authority	4,904	-
Disputed Demand for Mining matter is pending with appropriate authority	7,460	7,033
# Out of the above, stay orders against demand for Sales Tax amounting to Rs. 1,597 (31st March, 2015 : Rs. 237) and demand for Excise Duty and Service Tax amounting to Rs. 7,077 (31st March, 2015 : Rs. 6,498) have been obtained by the Group.		
(b) Bills discounted with Banks including against Letter of Credit	14,169	17,166
(c) In respect of the contingent liabilities mentioned in Note 23(a) above, pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any. In respect of matters mentioned in Note 23 (b) above, the cash outflows, if any, could generally occur during the validity period of the respective guarantees. The Group does not expect any reimbursements in respect of the above contingent liabilities.		

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

24. Commitments	As at 31st March, 2016	As at 31st March, 2015
<b>(a) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,374	5,942
<b>(b) Other Commitments</b>		
The Parent Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill quantified export in the next six years.	334,950	180,076
Outstanding Letter of Credit for materials yet to be received	2,738	1,024

- 25 (a). The Parent Company had been allocated two Coal Blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Supreme Court order dated 24th September, 2014 followed by promulgation of the Coal Mines (Special Provisions) Act, 2015, (CMSP Act) the allocation of all Coal Blocks since 1993, including the aforesaid Coal Blocks allocated to the Parent Company stands cancelled with effect from 24th September, 2014 in case of Lohari Coal Block, which was yet to commence mining operations and with effect from 1st April, 2015 in the case of Kathautia Coal Block, which had been carrying out mining operations.

Therefore, through the process of public auction as envisaged in the CMSP Act the aforesaid Coal Blocks of the Parent Company had been allocated to other successful bidders by the Central Government. Pursuant to conclusion of such auction, the Central Government had also issued vesting orders for Kathautia and Lohari Coal Blocks transferring and vesting all the rights, title and interest of the Parent Company in and over the Land and Mine Infrastructure of the said Coal Blocks to the respective successful bidders.

Upon de-allocation of aforesaid coal blocks, the Parent 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, 2016	As at 31st March, 2015
Assets held for Disposal under Other Current Assets (Refer Note 22 )	4,505	4,471
Advances against Land-Coal Mines under Short- term Loans and Advances (Refer Note 21)	13,981	14,179
<b>Total</b>	<b>18,486</b>	<b>18,650</b>

Under the CMSP Act, the Parent 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 Parent Company for the previous financial year. Under the said Act, a successful bidder or allottee may negotiate with prior allottee, being Parent 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.

The Nominated Authority, Ministry of Coal, Government of India has sanctioned interim claims for the Parent Company's Kathautia and Lohari Coal Blocks against which the Parent Company has filed various representations but so far without any outcome. In the situation based on legal advice, the Parent Company is contemplating to file two separate writ petitions before the Hon'ble Delhi High Court for both the Coal blocks to realise the claimed compensation.

Further, in respect of advance payment made by the Parent Company to the State Government of Jharkhand for acquisition of land for its coal mining project, the Parent Company has also initiated process of recovery from the said State Government and the Parent Company is also in negotiation with successful bidders of Coal Blocks for realization of compensation / investments in mines, which is ongoing.

After taking into consideration the present developments as set out above and the recourses available to the Parent 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.

- 25 (b). The Parent Company had closed down the Construction Steel Division at Agra for subsequent disposal of its Land, Building and Plant and Equipment. The written down value of such assets amounting to Rs.926 (31st March, 2015: Rs.926) has been disclosed under Other Current Assets as "Assets held for disposal".

26. Other Income	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Income	533	502
Income from Current Investments - Dividend	16	95
Non Product Scrap Sales	523	310
Net Gain on Derivative Contracts	-	614
Provision for Doubtful Debts , Advances and Inventories		
no longer required written back	350	96
Liabilities no longer required written back	1,024	468
Profit on sale of Tangible Assets (Net)	8	-
Claims Received	118	146
Gain on Reversal of Impairment Loss	-	98
Miscellaneous Income	961	1,370
<b>Total</b>	<b>3,533</b>	<b>3,699</b>

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### Notes to the financial statements

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

27. Cost of Materials Consumed	Year ended 31st March, 2016	Year ended 31st March, 2015
Opening Stock	39,059	30,931
Add: Purchases	157,453	170,271
	196,512	201,202
Deduct: Closing Stock	23,330	39,059
<b>Total</b>	<b>173,182</b>	<b>162,143</b>

28. Change in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	Year ended 31st March, 2016	Year ended 31st March, 2015
(Increase)/decrease in stocks:		
Finished Goods		
Opening Stock	75,523	66,981
Deduct : Closing Stock	67,921	75,523
	<b>7,602</b>	<b>(8,542)</b>
<b>Work-in-Progress</b>		
Opening Stock	46,586	48,474
Deduct : Closing Stock	33,456	46,586
	<b>13,130</b>	<b>1,888</b>
Stock-in-Trade		
Opening Stock	55	28
Deduct : Closing Stock	37	55
	<b>18</b>	<b>(27)</b>
Scrap		
Opening Stock	416	515
Deduct : Closing Stock	1,191	416
	<b>(775)</b>	<b>99</b>
(Increase) / Decrease in stocks	19,975	(6,582)

29. Employees Benefits Expense	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages and Bonus	32,786	33,921
Contribution to Provident and Other Funds	2,291	2,881
Workmen and Staff Welfare Expenses	2,625	2,540
<b>Total</b>	<b>37,702</b>	<b>39,342</b>

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>(a) Post Employment Defined Contribution Plans</b>		
Amount recognised in the Statement of Profit and Loss		
(i) Provident Fund paid to the authorities @	243	226
(ii) Pension Fund paid to the authorities	847	704
(iii) Superannuation Fund - Contribution payable /paid to a Trust	358	344
	<b>1,448</b>	<b>1,274</b>

@ Contribution towards Provident Fund for certain employees is made to the regulatory authorities. Such Provident Fund benefits are 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 (funded)

The Parent Company provides for gratuity, a defined benefit retirement plan covering its eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LIC) and other insurance companies make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days (ranging from fifteen days to one month) depending upon the tenure of service subject to a maximum limit of twenty months' salary. Vesting occurs upon completion of five years of service.

Further one Indian subsidiary also provides for gratuity, a defined benefit retirement plan covering its eligible employees. As per this scheme, the Gratuity Trust Fund managed by LIC, makes payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's eligible

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

salary and the tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the aforesaid gratuity plans are determined by actuarial valuation as set out in Note 1.12 (b) above, based upon which, the respective entities make contributions to the employees' gratuity funds.

#### II. Gratuity (Unfunded)

An overseas subsidiary 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.

A joint venture company provides for gratuity, a defined benefit retirement plan covering its eligible employees. As per the scheme, gratuity benefit equivalent to eligible salary for specified number of days (ranging from fifteen days to one month) depending upon the tenure of service subject to a maximum limit of twenty months' salary is paid to respective employees upon retirement, death or termination of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the aforesaid unfunded gratuity plans are determined by actuarial valuation as set out in Note 1.12 (b) above.

#### III. Retirement Compensation (Unfunded)

An overseas subsidiary 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. Liability with regard to the aforesaid plan is determined by actuarial valuation as set out in Note 1.12(b) above.

The following Tables set forth the particulars in respect of the aforesaid Defined Benefit plans of the Group (including proportionate amount of a joint venture company).

Description	Period ended					
	31st March, 2016			31st March, 2015		
	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)
(a) Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation						
Present Value of Obligation at the beginning of the year	5,136	165	737	4,497	118	753
Current Service Cost	142	39	9	175	27	53
Interest Cost	380	14	2	334	9	24
Actuarial (Gains)/ Losses	98	24	1	774	13	(4)
Exchange Differences of Foreign Plans	-	9	(16)	-	2	29
Benefits Paid	(742)	(3)	(45)	(644)	(4)	(118)
Present Value of Obligation at the end of the year	5,014	248	688	5,136	165	737
(b) Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets						
Fair Value of Plan Assets at the beginning of the year	3,357	Not applicable	Not applicable	3,369	Not applicable	Not applicable
Expected Return on Plan Assets	269	as the	as the	271	as the	as the
Actuarial Gains/ (Losses)	(8)	Scheme is	Scheme is	18	Scheme is	Scheme is
Contributions	16	unfunded	unfunded	343	unfunded	unfunded
Benefits Paid	(742)			(644)		
Fair Value of Plan Assets at the end of the year	2,892			3,357		
(c) Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets						
Present Value of Obligation at the end of the year	5,014	248	688	5,136	165	737
Fair Value of Plan Assets at the end of the year	2,892	-	-	3,357	-	-
Assets/(Liabilities) recognised in the Balance Sheet	(2,122)	(248)	(688)	(1,779)	(165)	(737)
(d) Expense recognised in the Statement of Profit and Loss						
Current Service Cost	142	39	9	175	27	53
Interest Cost	380	14	2	334	9	24
Expected Return on Plan Assets	(269)	-	-	(271)	-	-
Actuarial (Gains)/ Losses	106	24	1	756	13	(4)
Total Expense recognised	@ 359	# 77	# 12	@ 994	# 48	# 73
@ Recognised under Contribution to Provident and Other Funds						
# Recognised under Salaries, Wages and Bonus						

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### Notes to the financial statements

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

The following Tables set forth the particulars in respect of the aforesaid Defined Benefit plans of the Group (including proportionate amount of a joint venture company).

Description		Year ended					
		31st March, 2016			31st March, 2015		
		Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)
(e)	Category of Plan Assets :		Not	Not		Not	Not
	Fund with LIC	2,860	applicable	applicable	3,331	applicable	applicable
	Fund with SBI Life Insurance	-	as the	as the	-	as the	as the
	Fund with HDFC Standard Life	-	Scheme is	Scheme is	-	Scheme is	Scheme is
	Others ( including bank balances)	32	unfunded	unfunded	26	unfunded	unfunded
	<b>Total</b>	<b>2,892</b>			<b>3,357</b>		
(f)	Actual Return on Plan Assets	261			289		
(g)	Principal Actuarial Assumptions						
	Discount Rate	8%/7.84%	8%/7.88%	1.50%	8%/7.86%	8%/7.91%	2.56%
	Salary Escalation	5% / 6%	10% / 12%	1%	5% / 6%	10% / 12%	2%
	Expected Return on Asset	8%/8%	Not Applicable	Not Applicable	8%/9%	Not Applicable	Not Applicable

(h) Other Disclosure (Amounts recognised in current year and previous four years)	31st March, 2016	31st March, 2015	31st March, 2014	31st March, 2013	31st March, 2012
<b>Gratuity (Funded)</b>					
Present Value of the Plan Obligation as at the end of the year	5,014	5,136	4,497	4,215	3,453
Fair Value of Plan Assets as at the end of the year	2,892	3,357	3,369	3,325	2,937
Surplus/(Deficit) as at the end of the year	(2,122)	(1,779)	(1,128)	(890)	(516)
Experience Adjustments on Plan Obligation [(Gain)/Loss]	98	774	24	467	420
Experience Adjustments on Plan Assets [Gain/(Loss)]	(8)	18	(8)	40	10
<b>Gratuity (Unfunded)</b>					
Present Value of the Plan Obligation as at the end of the year	248	165	118	89	59
Fair Value of Plan Assets as at the end of the year	-	-	-	-	-
Surplus/(Deficit) as at the end of the year	(248)	(165)	(118)	(89)	(59)
Experience Adjustments on Plan Obligation [(Gain)/Loss]	24	13	5	9	4
Experience Adjustments on Plan Assets [Gain/(Loss)]	-	-	-	-	-
<b>Retirement Compensation (Unfunded)</b>					
Present Value of the Plan Obligation as at the end of the year	688	737	753	757	667
Fair Value of Plan Assets as at the end of the year	-	-	-	-	-
Surplus/(Deficit) as at the end of the year	(688)	(737)	(753)	(757)	(667)
Experience Adjustments on Plan Obligation [(Gain)/Loss]	1	(4)	(53)	(41)	(100)
Experience Adjustments on Plan Assets [Gain/(Loss)]	-	-	-	-	-

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

#### IV. Provident Fund

Provident Fund contributions in respect of employees [other than those covered in (a) above] are made to Trusts administered by the Parent 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 Parent 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 Parent Company. In terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, a provident fund set up by the Parent Company is treated as a defined benefit plan in view of the Parent Company's obligation to meet interest shortfall, if any.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using PUCM and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the balance sheet date. Further during the year, the Parent Company's contribution of Rs.484 (Previous year



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### Notes to the financial statements

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

Rs.613) 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	Year ended 31st March, 2016	Year ended 31st March, 2015
Discount Rate	7.82%	8.00%
Expected Return on Exempted Fund	9.00%	8.78%
Declared EPFO Return	8.80%	8.75%

30. Finance Costs	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest Expenses	51,726	50,758
Other Borrowing Cost	4,079	1,436
<b>Total</b>	<b>55,805 @</b>	<b>52,194 @</b>
@ Net of Capitalisation	63	126

31. Depreciation and Amortisation Expense	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation and Amortisation on Tangible assets	31,092	41,734
Amortisation of Intangible assets	107	108
<b>Total</b>	<b>31,199</b>	<b>41,842</b>

32. Other Expenses	Year ended 31st March, 2016	Year ended 31st March, 2015
Consumption of Stores and Spare Parts	23,490	30,555
Power and Fuel	33,307	41,361
Material Handling Charges	19,289	30,607
Repairs to Buildings	1,681	2,122
Repairs to Machinery	16,164	16,328
Royalty	7,040	6,794
Rent	1,258	1,429
Rates and Taxes	879	1,005
Insurance	1,453	1,734
Expenditure towards Corporate Social Responsibility (CSR) activities	558	639
Freight, Transport and Delivery	19,605	20,919
Processing Charges	5,921	9,598
Travelling Expenses	1,314	1,568
Non-executive Directors' Sitting Fees and Remuneration	36	45
Net Loss on Derivative Contracts	19	-
Net loss on foreign currency transaction and translation	4,550	1,754
Provision for diminution in value of Investments	43	-
Provision for Doubtful Debts and Advances	338	1,834
Provision for slow moving items and diminution in realisable value	227	-
Bad Debts and Advances Written off	82	19
Tangible Assets /Capital Work in progress written off	20	1,403
Excise Duty on Stocks, Replacements etc.	(1,256)	1,564
Loss on Sale/Disposal of Tangible Assets (Net)	50	2
Miscellaneous Expenses	9,546	11,864
<b>Total</b>	<b>145,614</b>	<b>183,144</b>

### 33. Exceptional items in the Statement of Profit and Loss comprise the following:

- Pursuant to the Order dated 24th September, 2014 issued by The Hon'ble Supreme Court of India for cancellation of Kathautia and Lohari Coal Blocks of Steel Division, allotted to the Parent Company in earlier years, as well as imposition of additional levy of Rs. 295/- per metric ton of coal extracted from the date of extraction till 31st March 2015, the Parent Company made a provision of Rs. Nil (Previous Year ; Rs. 8,373) on prudent basis and without prejudice to its rights.
- Write down of the carrying amount of certain assets and other adjustments of Rs. Nil (Previous Year ; Rs. 1643) pertaining to the Coal Blocks refer to in (a) above.

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

34. Computation of Earning /(Loss) per Equity Share			
(I) Basic		Year ended 31st March, 2016	Year ended 31st March, 2015
(a)	(i) Number of Equity Shares at the beginning of the year	304,741,780	304,741,780
	(ii) Number of Equity Shares at the end of the year	304,741,780	304,741,780
	(iii) Weighted average number of Equity Shares outstanding during the year	304,741,780	304,741,780
	(iv) Face Value of each Equity Share Re.	1	1
(b)	Profit / (Loss) after tax and minority interest attributable to Equity Shareholders of the Parent Company		
	Profit / (Loss) for the period	(41,498)	(25,312)
(c)	Basic Earning / (Loss) per Share [ (b)/(a)(iii) ] - Rs.	(13.62)	(8.31)
(II) Diluted			
(a)	Dilutive Potential Equity Shares	-	-
(b)	Diluted Earning per Share [ same as I (c) above ]	(13.62)	(8.31)

### 35. Segment Information for the year ended 31st March, 2016

#### A. Primary Segment Reporting (by Business Segments)

##### Composition of Business Segments

Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) prescribed under the Act.

Details of products included in each of the above Segments are given below :

Steel : Steel Wire Rods, Rolled Products, Billets, Pig Iron and allied products.

Wire and Wire Ropes : Steel Wires, Strands, Wire Ropes, Cord, Bright Bar, related accessories

Others : Jelly Filled Telecommunication Cables, Wire Drawing and allied machineries, etc.

##### Segment Revenues, Results and Other Information

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

	Steel	Wire and Wire Ropes	Others	Total of Reportable Segment
External Revenue from Operations @	210,093	190,996	13,703	414,792
	214,232	223,194	18,684	456,110
Inter Segment Revenue from Operations @	65,714	687	530	66,931
	85,437	64	1,363	86,864
Other Income	1,452	1,406	60	2,918
	554	2,502	34	3,090
Segment Revenues	277,259	193,089	14,293	484,641
	300,223	225,760	20,081	546,064
Segment Result	(5,270)	15,897	443	11,070
	[Refer (a) below] 5,103	19,789	1,780	26,672
Segment Assets	560,332	199,643	10,602	770,577
	598,104	208,727	13,787	820,618
Segment Liabilities	179,769	36,024	5,777	221,570
	193,504	39,929	6,641	240,074
Capital Expenditure (Net)	10,098	2,723	1,006	13,827
	14,063	10,130	324	24,517
Depreciation and Amortisation	24,440	6,210	349	30,999
	31,676	9,431	511	41,618
Non cash expenses other than Depreciation and Amortisation	310	339	*	649
	4,832	47	13	4,892

@ Net of excise duty.

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

(a) After considering Exceptional Items (Expenses) as indicated in Note 33 (a) and (b) aggregating Rs. Nil (Previous Year ; Rs. 10,016)

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

### Notes to the financial statements

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

#### Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit	Assets	Liabilities @
Total of Reportable Segments	<b>484,641</b>	<b>11,070</b>	<b>770,577</b>	<b>221,570</b>
	546,064	26,672	820,618	240,074
Corporate - Unallocated / Others (Net)	<b>615</b>	<b>(3,335)</b>	<b>8,140</b>	<b>417,196</b>
	609	(3,182)	9,928	411,424
Inter Segment Sales	<b>(66,931)</b>	-	-	-
	(86,864)	-	-	-
Interest (Net)	-	<b>(55,805)</b>	-	-
	-	(52,194)	-	-
Tax Expenses - Current Tax	-	<b>(751)</b>	-	-
	-	(1,462)	-	-
MAT Credit Entitlement (Net of reversal of Rs. 5399)	-	-	-	-
	-	(5,287)	-	-
Tax Expenses - Deferred Tax Charge/(Credit)	-	<b>(7,460)</b>	-	-
	-	(10,313)	-	-
As per Financial Statements	<b>418,325</b>	<b>(41,361)</b>	<b>778,717</b>	<b>638,766</b>
	459,809	(25,140)	830,546	651,498

@ Excluding Shareholders' Funds and Minority Interest

@@

@@ Profit After Taxation and before Minority Interest.

#### B. Secondary Segment Reporting (by Geographical Segments)

	Within India	Outside India	Total
Segment Revenue from external customers	<b>318,673</b>	<b>99,037</b>	<b>417,710</b>
	321,164	138,036	459,200
Total Assets	<b>665,119</b>	<b>105,458</b>	<b>770,577</b>
	710,290	110,328	820,618
Capital Expenditure	<b>12,312</b>	<b>1,515</b>	<b>13,827</b>
	15,362	9,155	24,517

36. The Group's financial interest in the joint venture companies accounted for using proportionate consolidation principles based on its financial statements are set out below:

ASSETS as at 31st March, 2016	PUMWPL	CCLUMSSL	DAPL	TUWCL
Tangible Assets (Net Block)	<b>1,922</b>	-	<b>366</b>	<b>2,108</b>
	1,399	-	350	2,250
Intangible Assets (Net Block)	<b>3</b>	-	-	<b>*</b>
	1	-	-	*
Capital Work-in-Progress	<b>14</b>	-	-	-
	25	-	-	-
Long-term Loans and Advances	<b>150</b>	-	<b>2</b>	-
	281	-	2	-
Other Non-current Assets	-	-	-	-
	10	-	-	-
Inventories	<b>543</b>	-	-	<b>350</b>
	580	-	-	266
Trade Receivables	<b>1,088</b>	-	<b>39</b>	<b>62</b>
	928	-	34	13
Cash and Bank Balances	<b>6</b>	<b>37</b>	<b>4</b>	<b>32</b>
	9	35	23	9
Short-term Loans and Advances	<b>334</b>	<b>2</b>	<b>32</b>	<b>9</b>
	246	2	86	10
Other Current Assets	<b>36</b>	<b>1</b>	-	<b>14</b>
	17	1	3	20
<b>Total</b>	<b>4,096</b>	<b>40</b>	<b>443</b>	<b>2,575</b>
	3,496	38	498	2,568

Figures in normal type relate to previous year.

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<b>EQUITY and LIABILITIES as at 31st March, 2016</b>	<b>PUMWPL</b>	<b>CCLUMSSL</b>	<b>DAPL</b>	<b>TUWCL</b>
<b>Shareholders' Funds</b>				
Securities Premium Account	-	-	221	-
	-	-	221	-
Surplus in Statement of Profit and Loss	525	(10)	(29)	(517)
	445	(12)	68	(304)
Long-term Borrowings	437	-	-	-
	351	-	-	-
Deferred Tax Liabilities (Net)	175	-	28	-
	-	-	28	-
Other Long-term Liabilities	-	-	5	-
	13	-	5	-
Long-term Provisions	53	-	-	-
	46	-	-	-
Short-term Borrowings	568	-	91	424
	248	-	-	368
Trade Payable	491	*	13	307
	419	*	8	105
Other Current Liabilities	418	*	11	4
	296	*	6	2
Short-term Provisions	354	1	-	-
	160	1	58	-
<b>Total</b>	<b>3,021</b>	<b>(9)</b>	<b>340</b>	<b>218</b>
	1,978	(11)	394	171

	<b>PUMWPL</b>	<b>CLUMSSL</b>	<b>DAPL</b>	<b>TUWCL</b>
<b>INCOME for the year ended 31st March, 2016</b>				
Revenue from operations (Net of Excise Duty)	3,135	-	141	322
	3,186	-	248	222
Other Income	16	3	2	*
	11	3	2	7
<b>Total</b>	<b>3,151</b>	<b>3</b>	<b>143</b>	<b>322</b>
	3,197	3	250	229
<b>EXPENSES for the year ended 31st March, 2016</b>				
Cost of Materials Consumed	1,715	-	-	336
	1,741	-	-	376
Changes in inventories of finished goods, work-in-progress, stock-in-trade and product scrap	(32)	-	-	(55)
	(46)	-	-	(173)
Employees Benefits Expense	121	-	59	55
	121	-	57	71
Finance Costs	55	-	1	20
	74	-	-	3
Depreciation and Amortisation Expense	175	-	52	105
	193	-	57	105
Other Expenses	572	*	129	74
	588	*	168	88
<b>Total</b>	<b>2,606</b>	<b>-</b>	<b>240</b>	<b>535</b>
	2,671	-	282	470
<b>RESULTS</b>	<b>PUMWPL</b>	<b>CLUMSSL</b>	<b>DAPL</b>	<b>TUWCL</b>
Profit/(Loss) before Tax	545	3	(97)	(213)
	526	3	(32)	(241)
Tax expenses - Current Tax	192	*	-	-
	112	*	-	-
Less: MAT Credit Entitlement	-	-	-	-
	(112)	-	-	-
Tax expenses - Deferred Tax Charge/(Credit)	175	-	-	-
	-	-	-	-
<b>Profit/(Loss) after Tax</b>	<b>178</b>	<b>2</b>	<b>(97)</b>	<b>(213)</b>
	526	2	(32)	(241)
Share of estimated outstanding Capital Commitments	3	-	-	-
	342	-	-	-

Figures in normal type relate to previous year.

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

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

### 37. Related party disclosures pursuant to Accounting Standard 18 prescribed under the Act.

#### ( i ) Related Parties

Name	Relationship
Mr. Rajeev Jhavar, Managing Director	Key Management Personnel
Dr. Vijay Sharma, Joint Managing Director (Steel Business)(up to 24th May,2014)	-do-
Mr. P.K.Jain, Joint Managing Director (Wire & Wire Rope Business)	-do-
Mr. A. K. Somani, Chief Financial Officer and Company Secretary	-do-
Mr. Brij K Jhavar	Relative of a Key Management Personnel
Mrs. Shanti Devi Jhavar	-do-
Mrs. Susmita Jhavar	-do-
Mrs. Vineeta Ruia	-do-
Ms. Stuti Jhavar	-do-
Ms. Shreya Jhavar	-do-
Ms. Amisha Jhavar	-do-
Ambe International Pte Limited	Enterprise over which Key Managerial Personnel is able to exercise significant influence

#### ( ii ) Particulars of Transactions during the year ended 31st March, 2016

Name and Relationship	Transactions during the year					Balance outstanding at the year end	
	Sale of Products and Services	Purchase of Goods	Reimburse-ment/ (Recovery) of Expenses (Net)	Dividend Paid	KMP- Remuneration	Trade Payable/ Other Current Liabilities	Guarantee Given
<b>Key Management Personnel and Relatives</b>							
Mr. Rajeev Jhavar	-	-	-	-	161	*	136,050
	-	-	-	-	172	*	[Refer item (iii) below] 55,000
Dr. Vijay Sharma	-	-	-	-	-	-	-
	-	-	-	-	73	-	-
Mr. P. K. Jain	-	-	-	-	202	-	-
	-	-	-	-	219	15	-
Mr. Brij K Jhavar	-	-	-	-	3	-	-
	-	-	-	-	3	-	-
Mrs. Shanti Devi Jhavar	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Mrs. Susmita Jhavar	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Mrs. Vineeta Ruia	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Ms. Stuti Jhavar	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Ms. Shreya Jhavar	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Ms. Amisha Jhavar	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Mr. A. K. Somani	-	-	-	-	159	-	-
	-	-	-	-	129	18	-
<b>Total</b>	-	-	-	-	<b>525</b>	-	<b>136,050</b>
					596	33	55,000
Enterprise over which Key Managerial Personnel are able to exercise significant influence							
Ambe International Pte. Limited	-	-	(26)	-	-	-	-
	1,707	4,027	66	-	-	-	-
* Amount is below the rounding off norm adopted by the Group.							
(iii) Represents guarantee provided by Mr. Rajeev Jhavar in respect of Rupee Term Loan from a Bank [Refer Note 5].							
(iv) Figures in normal type relate to previous year.							

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

Notes to the financial statements

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

### 38. Derivative Instruments and Unhedged Foreign Currency Exposure

<b>(a) Derivative Instrument outstanding as at the reporting date</b>							
Particulars	Purpose	As at 31 st March, 2016			As at 31 st March, 2015		
		Currency	Amount in Foreign Currency	Amount	Currency	Amount in Foreign Currency	Amount
Forward Contracts	Hedge of Foreign Currency Payables	USD	82,144,474	54,425	USD	34,829,681	21,769
	Hedge of Foreign Currency Payables	EURO	1,755,377	1,323	EURO	528,815	355
	Hedge of Foreign Currency Payables	GBP	107,123	102	GBP	40,200	37
	Hedge of Foreign Currency Payables	CHF	83,000	57	CHF	-	-
	Hedge of Foreign Currency Receivable	USD	4,948,589	3,279	USD	5,343,009	3,339
	Hedge of Foreign Currency Receivable	EURO	901,647	680	EURO	1,397,997	939
	Hedge of Foreign Currency Receivable	ZAR	27,185,960	1,223	ZAR	2,269,504	116
	Hedge of Foreign Currency Receivable	AUD	550,532	281	AUD	2,331,291	1,108
	Hedge of Foreign Currency Loan	USD	27,784,037	18,408	USD	2,420,917	1,513
Principal Only Swaps	Hedge of Foreign Currency Loan	EURO	850,000	641	EURO	1,200,000	806
Call Spread Option	Hedge of Foreign Currency Payables	USD	-	-	USD	11,280,000	7,050

### (b) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	As at 31 st March, 2016			As at 31 st March, 2015		
	Currency	Amount in Foreign Currency	Amount	Currency	Amount in Foreign Currency	Amount
Loans Payable	USD	78,305,245	51,881	USD	128,962,907	80,602
Loans Payable	GBP	26,638	25	GBP	37,398	35
Loans Payable	EURO	-	-	EURO	133,111	89
Loans Payable	SGD	171,150	84	SGD	374,135	170
Loan Receivable	THB	0	-	THB	0	-
Payable	USD	19,620,888	13,000	USD	78,722,619	49,202
Payables	EURO	4,521,521	3,409	EURO	6,057,733	4,070
Payables	GBP	88,000	84	GBP	88,072	81
Payables	JPY	-	-	JPY	1,363,360	711
Payables	SEK	1,462,713	120	SEK	321	*
Payables	SGD	-	-	SGD	100,577	46
Payables	VND	-	-	VND	75,000,000	2
Payables	NOK	283,448	23	NOK	11,056	1
Payables	IDR	80,846,592	404	IDR	-	-
Receivables	IDR	6,078,193,696	30,391	IDR	235,505,066	1,125
Receivables	NOK	97,489	8	NOK	188,932	15
Receivables	CAD	288,314	148	CAD	322,241	158
Receivables	USD	13,215,589	8,756	USD	23,373,952	14,609
Receivables	EURO	5,178,873	3,905	EURO	4,646,605	3,122
Receivables	CHF	-	-	CHF	2,371	2
Receivables	SGD	462,094	228	SGD	277,596	126
Receivables	GBP	213,316	204	GBP	204,366	189
Receivables	JPY	999	1	JPY	999	1
Receivables	ZAR	2,553,327	(115)	ZAR	179,730	9
Receivables	AUD	399,547	157	AUD	257,024	122

	2015-2016	2014-2015
<b>(c) Mark-to-Market losses provided for</b>	20	5

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

## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

Notes to the financial statements

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

39. Following items, to the extent indicated, have been measured and recognised on the basis of different accounting policies applied by certain Subsidiary Companies and a Joint Venture Company, as compared to those applied by the Parent Company. It is not practicable to use uniform accounting policies in preparing the Consolidated Financial Statements. Had the accounting policies of the Parent Company been applied, the impact thereof in the expenditure for the year and year-end carrying amounts of assets is not ascertainable at this stage.

	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation	1.3(e)	3,417	3,031
		As at 31st March, 2016	As at 31st March, 2015
Accumulated Depreciation	1.3(e)	36,146	32,725
Inventory of Finished Goods	1.7	12,726	13,751

### 40. Operating Lease Commitments

- (a) The Group has entered into various non-cancellable operating lease agreements in connection with certain Property and Plant and Equipment in earlier years. The Future minimum lease commitments of the Group are as follows :

	As at 31st March, 2016		As at 31st March, 2015	
	Lease Rent	Operation and Maintenance Charges	Lease Rent	Operation and Maintenance Charges
Up to one year	1,404	296	1,495	296
More than one year and up to five years	3,880	1,069	4,248	1,111
More than five years.	11,952	2,001	5,591	2,255

In the current financial year the Group has charged the following items in the Statement of Profit and Loss on account of the aforesaid operating lease.

	Year ended 31st March, 2016	Year ended 31st March, 2015
Lease Rent	1,636	1,885
Operation and Maintenance Charges	343	349
Escalation Charges and Taxes	110	151
<b>Total</b>	<b>2,089</b>	<b>2,385</b>

- (b) The Group has entered into cancellable operating leases and transactions for taking on lease gaseous oxygen plant, computer hardware, accommodation for office spaces and employees' residential accommodations etc. Tenure of leases generally vary between 1 and 10 years. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs. 680 (31st March, 2015: Rs.678) have been debited to the Statement of Profit and Loss for the year.
- (c) The Group has given a certain portion of a building under cancellable operating lease for 2 years (Refer Note 13A) 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. 395 [United States Dollar 6 lakhs] [Previous Year : Rs. 237 (United States Dollar 4 lakhs)] has been recognized in the Statement of Profit and Loss for the year.

41. (a) Land of a subsidiary company was appraised in 1992-93 and was reappraised in 2005-06 by an independent appraiser on the basis of Market Approach. The resultant increase (at the current exchange rate) of Rs. 2,108 [Thai Baht 1,122 lakhs] [31st March, 2015 : Rs.2,153 (Thai Baht 1,122 lakhs)] was added to the carrying amount of the Land and the corresponding amount was recognised as Fixed Assets Revaluation Reserve.
- (b) Building and Plant and Machinery of three subsidiary companies were appraised by independent appraisers on an open Market Approach basis / the basis of fair values in 2005-06. The resultant increases of Rs. 3,060 (Thai Baht 1,627 lakhs) [31st March, 2015 : Rs.3,125 (Thai Baht 1,627 lakhs)] and Rs. 327 [Great Britain Pound 3 lakhs] [31st March, 2015: Rs. 317 (Great Britain Pound 3 lakhs)] at the current exchange rate, have been added to the carrying amount of respective assets and the corresponding amounts were credited to the Fixed Assets Revaluation Reserve.
- (c) Buildings of a subsidiary company have been appraised in 2006-07 by independent appraisers on an open market basis. The resultant increase (at the current exchange rates) of Rs. 615 [Great Britain Pound 6 lakhs] [31st March, 2015 : Rs.596 (Great Britain Pound 6 lakhs)] has been added to the carrying amount of said asset and credited to Fixed Assets Revaluation Reserve.
- (d) Land, Building and Machinery of a subsidiary company were appraised in 2008-09 by an independent appraiser using Market Approach basis. The resultant increases (at the current exchange rate), of Rs. 166 (Thai Baht 88 lakhs), [31st March, 2015 : Rs.170 (Thai Baht 88 lakhs)] have been added to the carrying amount of respective assets and credited to the Fixed Assets Revaluation Reserve.
- (e) Land, Building and Machinery of a subsidiary company were appraised in 2009-10 by an independent appraiser using Market Approach basis. The resultant increases (at the current exchange rate), of Rs. 151 [Thai Baht 1,072 lakhs] [31st March, 2015 : Rs.2,057 (Thai Baht 1,072 lakhs)] have been added to the carrying amount of respective assets and credited to the Fixed Assets Revaluation Reserve.
- (f) Land and Building of a subsidiary company were appraised in 2014-15 by an independent appraiser using Market Approach basis and Machinery using Cost Approach. The resultant increases (at the current exchange rate), of Rs. 3,253 [Thai Baht 1,731 lakhs] [31st March, 2015 : Rs. 3,323 (Thai Baht ; 1,731 lakhs)] have been added to the carrying amount of respective assets and credited to the Fixed Assets Revaluation Reserve.



## Consolidated Financial Statements of Usha Martin Limited and its Subsidiaries

Notes to the financial statements

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

42. Pursuant to the requirement of Schedule III to the Act, additional information of the group considered in preparation of consolidated Financial Statements are set out below:

Name of the entity in the	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>				
Usha Martin Limited (Standalone)	49.92	68,146	(98.87)	(41,031)
	55.41	97,467	(124.39)	(31,486)
<b>Subsidiaries</b>				
<b>Indian</b>				
UM Cables Limited	2.59	3,537	0.90	374
	5.54	9,747	5.17	1,309
Usha Martin Power and Resources Limited	0.00	3	-	*
	0.00	3	-	*
Bharat Minex Private Limited	0.02	33	(0.07)	(31)
	0.02	42	(0.19)	(48)
Gustav Wolf Speciality Cords Limited	(0.03)	(37)	0.02	10
	0.08	148	0.07	17
<b>Foreign</b>				
Usha Martin International Limited \$	23.01	31,418	2.30	955
	17.42	30,634	1.51	383
Usha Martin Singapore Pte Limited \$	7.91	10,801	(3.07)	(1,272)
	6.70	11,777	28.94	7,325
Usha Siam Steel Industries Public Company Limited \$	10.00	13,646	(1.29)	(535)
	9.35	16,451	(35.50)	(8,985)
Usha Martin Americas Inc	2.58	3,523	(0.63)	(262)
	2.35	4,140	9.57	2,423
Brunton Wolf Wire Ropes FZCO	4.87	6,655	0.85	354
	3.49	6,132	12.21	3,090
<b>Minority Interest in all subsidiaries</b>	(2.51)	(3,431)	(0.33)	(137)
	(1.79)	(3,149)	0.68	172
<b>Joint Ventures ( as per proportionate consolidation)</b>				
<b>Indian</b>				
Pengg Usha Martin Wires Pvt Ltd	1.38	1,891	0.42	174
	1.19	2,099	2.04	517
CCL Usha Martin Stressing Systems Limited	0.03	37	0.00	2
	0.02	35	0.01	2
Dove Airlines Private Limited	0.22	298	(0.24)	(98)
	0.21	373	(0.13)	(32)
<b>Total</b>	100	136,520	(100)	(41,498)
	100	175,899	(100)	(25,313)
		##		##

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

\$ Financial information is inclusive of its subsidiaries / joint venture company, as applicable.

# # The above amounts represent the figures after adjustment of inter company balances and transactions and elimination of unrealised profit / (loss) ,as considered for the preparation of these financial statements.

Figures in normal type relate to previous year.

43. The previous year figures have been reclassified where considered necessary to conform to this year's classification.

**Signature to Note '1' to '43'.**

**For PRICE WATERHOUSE**

Firm Registration Number : 301112E  
Chartered Accountants

**B. K. Jhavar**  
Chairman Emeritus

**Pradip Law**

Partner  
Membership No. 51790

**R. Jhavar**  
Managing Director

Place : Kolkata  
Date : 25th May, 2016

**A. K. Somani**  
Chief Financial Officer & Company Secretary

## Annexure to Directors Report Cont...

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and other details:

i	CIN	L31400WB1986PLC091621
ii	Registration Date	22/05/1986
iii	Name of the Company	Usha Martin Limited
iv	Category / Sub-Category of the Company	Public Limited Company
v	Address of the Registered office and contact details	2A, Shakespeare Sarani, Kolkata – 700071; Phone : (033) 39800300; Fax : (033) 39800415
vi	Whether listed company (Yes / No)	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata- 700026 Phone : (033) 4072 4051/52/53; Fax : (033)4072 4054; 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	32.28
2	Wire Ropes, Strands including Locked Coil Wire Ropes	3310	21.75
3	Wire Rods	3302	14.13
4	Wires	3310	10.01

\* 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	Dove Airlines Private Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U35301WB2006PTC107699	Associate	50%	2(6)
8	Usha Martin International Limited, Sandy Lane, Workshop, Nottinghamshire, S80 3Es, UK	Company incorporated outside India	Subsidiary	92%	2(87)
9	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)
10	Usha Martin Americas Inc., 701, Plastic Avenue, Houston, Texas 770 020, USA.	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)
11	Usha Siam Steel Industries Public Company Limited, 209/1 K Tower Building B, Unit 3/1, 22th Floor, Sukhumvit, 21 (Asoke) Road, Bangkok 10110, Thailand	Company incorporated outside India	Subsidiary	97.98%	2(87)
12	Usha Martin Singapore Pte. Limited No. 91 Tuas Bay Drive, Singapore 637307	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)

#### IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shereholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	5,977,267	-	5,977,267	1.96	5,812,267	-	5,812,267	1.91	(0.05)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	86,611,935	-	86,611,935	28.42	86,611,935	-	86,611,935	28.42	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>92,589,202</b>	<b>-</b>	<b>92,589,202</b>	<b>30.38</b>	<b>92,424,202</b>	<b>-</b>	<b>92,424,202</b>	<b>30.33</b>	<b>(0.05)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	2,422,983	-	2,422,983	0.80	2,492,983	-	2,492,983	0.82	0.02
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	33,336,135	-	33,336,135	10.94	33,336,135	-	33,336,135	10.94	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>35,759,118</b>	<b>-</b>	<b>35,759,118</b>	<b>11.74</b>	<b>35,829,118</b>	<b>-</b>	<b>35,829,118</b>	<b>11.76</b>	<b>0.02</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>128,348,320</b>	<b>-</b>	<b>128,348,320</b>	<b>42.12</b>	<b>128,253,320</b>	<b>-</b>	<b>128,253,320</b>	<b>42.09</b>	<b>(0.03)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	36,583,778	8,165	36,591,943	12.01	1,2401,811	8,165	12,409,976	4.07	(7.94)
b) Banks / FI	48,920	7,880	56,800	0.02	16,300	7,880	24,180	0.01	(0.01)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	9,897,981	-	9,897,981	3.25	8,406,416	-	8,406,416	2.76	(0.49)
g) FIIs/ Foreign Portfolio Investors	31,893,751	1,495	31,895,246	10.46	22,716,805	1,495	22,718,300	7.46	(3.00)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>78,424,430</b>	<b>17,540</b>	<b>78,441,970</b>	<b>25.74</b>	<b>43,541,332</b>	<b>17,540</b>	<b>43,558,872</b>	<b>14.29</b>	<b>(11.45)</b>
<b>2.Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	18,755,898	30,675	18,786,573	6.16	26,713,424	30,655	26,744,079	8.78	2.62
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	22,359,237	2,381,848	24,741,085	8.12	35,942,482	2,324,968	3,82,67,450	12.56	4.44
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	18,590,282	-	18,590,282	6.10	32,084,509	-	32,084,509	10.53	4.43
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	<b>59,705,417</b>	<b>2,412,523</b>	<b>62,117,940</b>	<b>20.38</b>	<b>94,740,415</b>	<b>2,355,623</b>	<b>97,096,038</b>	<b>31.86</b>	<b>11.48</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>138,129,847</b>	<b>2,430,063</b>	<b>140,559,910</b>	<b>46.12</b>	<b>138,281,747</b>	<b>2,373,163</b>	<b>140,654,910</b>	<b>46.15</b>	<b>0.03</b>
C. Shares held by Custodian for GDRs & ADRs @	35,833,550	-	35,833,550	11.76	35,833,550	-	35,833,550	11.76	-
<b>Grand Total (A+B+C)</b>	<b>302,311,717</b>	<b>2,430,063</b>	<b>304,741,780</b>	<b>100</b>	<b>302,368,617</b>	<b>2,373,163</b>	<b>304,741,780</b>	<b>100</b>	

@ Promoter and Promoter Group are holding 4,748,716 GDRs (representing 23,743,580 Equity Shares) outstanding at the beginning and end of the year.

**ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	518,500	0.17	-	518,500	0.17	-	-
3	Anupama Jhawar	36,950	0.01	-	36,950	0.01	-	-
4	Anupama Jhawar – Trustee of Anupriya Welfare Trust	620,359	0.20	-	550,359	0.18	-	(0.02)
5	Apurv Jhawar	395,245	0.13	-	395,245	0.13	-	-
6	Basant Kumar Jhawar	82,310	0.03	-	82,310	0.03	-	-
7	Brij Investments Private Limited	5,111,823	1.68	-	5,111,823	1.68	0.53	-
8	Brij Kishore Jhawar	945,865	0.31	-	945,865	0.31	-	-
9	Jhawar Venture Management Private Limited	859,825	0.28	-	859,825	0.28	-	-
10	Kenwyn Overseas Limited #	14,364,680	4.71	-	14,364,680	4.71	-	-
11	Madhushree Goenka	49,460	0.02	-	49,460	0.02	-	-
12	Madhushree Goenka – Trustee of Nidhi Family Trust	10,000	0.00	-	10,000	0.00	-	-
13	Nidhi Rajgarhia	321,139	0.11	-	321,139	0.11	-	-
14	Peterhouse Investments India Limited	20,767,330	6.82	-	20,767,330	6.82	-	-
15	Peterhouse Investment Limited ##	18,971,455	6.23	-	18,971,455	6.23	-	-
16	Prajeev Investments Limited	357,000	0.12	-	357,000	0.12	-	-
17	Prashant Jhawar	1,990,788	0.66	-	2,060,788	0.68	-	0.02
18	Rajeev Jhawar	1,561,741	0.51	-	1,561,741	0.51	-	-
19	Shanti Devi Jhawar	279,243	0.09	-	279,243	0.09	-	-
20	Shreya Jhawar	213,500	0.07	-	213,500	0.07	-	-
21	Stuti Jhawar	558,330	0.18	-	558,330	0.18	-	-
22	Susmita Jhawar	438,195	0.14	-	438,195	0.14	-	-
23	Uma Devi Jhawar	246,415	0.08	-	246,415	0.08	-	-
24	UMIL Share & Stock Broking Services Limited	38,888,369	12.76	-	38,888,369	12.76	12.47	-
25	Usha Martin Ventures Limited	20,627,588	6.77	-	20,627,588	6.77	-	-
26	Vineeta Ruia	95,000	0.03	-	-	-	-	(0.03)
	<b>Total</b>	<b>128,348,320</b>	<b>42.12</b>	<b>-</b>	<b>128,253,320</b>	<b>42.09</b>	<b>13.00</b>	<b>(0.03)</b>

# Kenwyn Overseas Limited is holding 1,963,025 GDRs (representing 9,815,125 Equity Shares) outstanding at the beginning and end of the year.

## Peterhouse Investment Limited is holding 2,785,691 GDRs (representing 13,928,455 Equity Shares) outstanding at the beginning and end of the year.

iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	Vineeta Ruia – 95,000 Equity Shares	0.03	-	-
	Anupama Jhavar– Trustee of Anupriya Welfare Trust - 620,359 Equity Shares	0.20	-	-
	Prashant Jhavar - 1,990,788 Equity Shares	0.66	-	-
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Vineeta Ruia – 95,000 Equity Shares – Market Sale on 4th September, 2015	(0.03)	Vineeta Ruia – NIL Equity Shares	-
	Anupama Jhavar– Trustee of Anupriya Welfare Trust –70,000 Equity Shares – Market Sale on 8th December, 2015	(0.02)	Anupama Jhavar – Trustee of Anupriya Welfare Trust – 550,359 Equity Shares	0.18
	Prashant Jhavar–70,000 Equity Shares- Market Purchase on 8th December, 2015	0.02	Prashant Jhavar – 2,060,788 Equity Shares	0.68
At the end of the year	Vineeta Ruia – NIL Equity Shares	-	-	-
	Anupama Jhavar – Trustee of Anupriya Welfare Trust – 550,359 Equity Shares	0.18		
	Prashant Jhavar – 2,060,788 Equity Shares	0.68		

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholding at the beginning of the year			Shareholding at the end of the year		
	Top Ten Shareholders *	No. of shares	% of total shares of the Company	Top Ten Shareholders **	No. of shares	% of total shares of the Company
1	ICICI Prudential Mutual Fund Under Its Various Schemes	26,871,838	8.82	ICICI Prudential Mutual Fund Under Its Various Schemes	12,397,329	4.07
2	Resonance Opportunities Fund	11,463,625	3.76	Resonance Opportunities Fund	11,463,625	3.76
3	Sundaram Mutual Fund Under Its Various Schemes	9,624,997	3.16	Bridge India Fund	8,840,100	2.90
4	Bridge India Fund	7,311,500	2.40	Akash Bhanshali	4,686,800	1.54
5	Quant Foreign Value Small Cap Fund	7,077,298	2.32	Life Insurance Corporation of India	4,333,005	1.42
6	Akash Bhanshali	4,686,800	1.54	General Insurance Corporation of India	3,916,560	1.29
7	Life Insurance Corporation of India	4,333,005	1.42	Vallabh Roopchand Bhanshali	3,206,400	1.05
8	General Insurance Corporation of India	3,916,560	1.29	Payal Bhanshali	2,800,000	0.92
9	Vallabh Roopchand Bhanshali	2,893,200	0.95	Pratiksha Satishchandra Doshi	2,354,633	0.77
10	Payal Bhanshali	2,800,000	0.92	L.R. Ferro Alloys Pvt. Ltd.	2,345,000	0.77
* Regrouped on the basis of PAN.						
** Considered on the basis of PAN.						

v) Shareholding of Directors and Key Managerial Personnel:

(Rs. In Lakhs)

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director/KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Basant Kumar Jhavar	82,310	0.03	82,310	0.03
2	Mr. Prashant Jhavar	1,990,788	0.66	2,060,788	0.68
3	Mr. Brij Kishore Jhavar	945,865	0.31	945,865	0.31
4	Mr. Rajeev Jhavar	1,561,741	0.51	1,561,741	0.51
5	Mr. Ghyanendra Nath Bajpai	20,000	0.01	20,000	0.01
6	Mr. Salil Singhal	-	-	-	-
7	Mr. Partha Sarathi Bhattacharyya	-	-	-	-
8	Mr. Jitender Balakrishnan	-	-	-	-
9	Mr. Venkatachalam Ramakrishna Iyer	-	-	-	-
10	Mr. Pravin Kumar Jain	10,000	0.00	10,000	0.00
11	Mr. Ashok Kumar Somani	11,000	0.00	9,000	0.00

## V. Indebtedness

### Indebtedness of the Company including interest outstanding/accrued but not due for payments

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	382,406.17	-	-	382,406.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,704.50	-	-	2,704.50
<b>Total (i+ii+iii)</b>	<b>385,110.67</b>	<b>-</b>	<b>-</b>	<b>385,110.67</b>
Change in Indebtedness during the financial year				
• Addition	91,869.38	-	-	91,869.38
• Reduction	100,748.71	-	-	100,748.71
<b>Net Change</b>	<b>(8,879.33)</b>	<b>-</b>	<b>-</b>	<b>(8,879.33)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	373,585.68	-	-	373,585.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,645.66	-	-	2,645.66
<b>Total (i+ii+iii)</b>	<b>376,231.34</b>	<b>-</b>	<b>-</b>	<b>376,231.34</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakhs)

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	179.10	293.10
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	26.49	11.64	38.13
	(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.)	20.92	11.76	32.68
	<b>Total (A)</b>	<b>161.41</b>	<b>202.50</b>	<b>363.91</b>
Ceiling as per the Act		Not Applicable, 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.188.30 Lakhs p.a. (excluding the contribution to provident fund, gratuity, etc).	Not Applicable, 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 Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Jitender Balakrishnan	Mr. Salil Singhal	Mrs. Ramni Nirula	Mr. Ghyanendra Nath Bajpai	Mr. P S Bhattacharyya	
1	Fee for attending Board / Committee Meetings	7.00	5.00	4.00	7.00	4.00	27.00
2	Commission	-	-	-	-	-	-
3	Others	-	-	-	-	-	-
4	Total(1)	7.00	5.00	4.00	7.00	4.00	27.00

**II. Other Non-Executive Directors**

(Rs. In Lakhs)

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	3.00	2.50	1.50	9.00
2	Commission	-	-	-	-	-
3	Others	-	-	-	-	-
4	Total(2)	2.00	3.00	2.50	1.50	9.00
	<b>Total(B)=(1+2)</b>					<b>36.00</b>
Total Managerial Remuneration						<b>399.91</b>
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 Lakhs)

Sl. No.	Particulars of Remuneration	Mr. A K Somani, Chief Financial Officer & Company Secretary	Total
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	148.73	148.73
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	2.27	2.27
	(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.)	8.11	8.11
	<b>Total (A)</b>	<b>159.11</b>	<b>159.11</b>
	Ceiling as per the Act	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					



# CORPORATE SOCIAL RESPONSIBILITY

## Total Village Management (TVM), For Integrated & Sustainable Development of Rural Jharkhand

(Supported by CSR of Usha Martin Limited)



Planting of Rice -SRI method

### FIELDS OF DREAMS

KGVK and the rural communities of Jharkhand: Reaping the harvest of progress, together.

In a country where development is more than just a catchphrase, it is critical that no section of the populace is left behind. KGVK has been working tirelessly with the rural communities in Jharkhand to ensure that their lives become a part of the story of India's progress.

### AN INTEGRATED VALUE-CREATION

KGVK has employed a 360-degree approach to rural development. Integrating various aspects to a system that take into account key considerations and invites participation from local communities, KGVK has been able to sustain development initiatives in the region

Implementing the ground-breaking Total Village Management program for sustainable development, KGVK has managed to empower people with skills and knowledge. It's on these pillars that communities are building better lives for themselves and their future generations.

The following account is an inspiring tale of how communities have managed to improve every aspect of their lives, using modern techniques and tools. And a little bit of help from KGVK.

### NATURAL RESOURCE MANAGEMENT INTERVENTIONS

Rural communities in India largely depend on natural resources to make ends meet. KGVK has integrated Natural Resource Management into its TVM model to ensure that people are able to make informed and optimum use of all that is at their disposal. Partnering with Government agencies and NGOs in the area, KGVK's interventions are directed at the five key areas: Jal (water), Jameen (Land), Jangal (Forest), Janwar (animal), Jan (human). Over the past 3 years, tremendous gains have been made in the promotion of safe drinking water, efficient soil practices among others.



Gully Plugging - Water Conservation

Sl. No.	Structures	Number
<b>Water Conservation</b>		
1	Pond New / Renovation	76
2	Dova (New /Renovation )	40
3	Irrigation Well	17
4	Check Dam (Earthen )	4
5	Other	17
<b>Soil &amp; Mositure Conservation</b>		
1	Field /Farm Bunding (Ha )	285.95
2	Land levelling	6.45
3	Water Absorbtion Trench (Ha)	120
4	Boulder Check	1
<b>Productivity Enhancement</b>		
1	Paddy Cultivation through SRI	6755
2	Rabi Crop (Ha)	13.5

### HEALTH INTERVENTIONS

When the mind is willing, the body usually follows. But what if the body's not up to it? KGVK has made health one of the key pillars under TVM precisely for this reason. From women, to children, to able-bodied men, old and young, everyone

needs a robust system of healthcare. KGVK has strived to provide all sections of the community with more than just basic healthcare services. This has resulted in marked improvement in areas such as disease-control, vaccination, lowering of maternal and infant mortality rates and malnutrition among others.

Intervention	Unit	Total Number of Intervention	Beneficiaries
Health Camp	No.	42	1122
Celebrate Breast feeding week through home visit of lactating mothers	No.	33 HHs	33 HHs
Filaria Tablet disbursement	No.	2750 HHs	2750 HHs
MTC referral	No.	18	18
Counseling of 3rd Grade children	No.	39	39
Well Chlorination through bleaching powder	No.	814 HHs	4070 Approx.
Counseling of Pregnant lady, Lactating mothers and parents of Malnutrition child and other health issues on health issues during Home visit	No.	6419 times	3000 Approx.
School Health session	No.	155	6192
VHSNC meeting	No.	236	1500 Approx.
VHND session	No.	781	10440 Approx.
Adolescent meeting on Anaemia, Sanitation and personal hygiene	No.	294	2176



Mobile Van Health Check-up



School Health Camp



Installation of Transparent Sheets to make optimum use of sunlight

### RENEWABLE ENERGY INTERVENTIONS

Energy conservation is key to sustaining future generations. Rural communities with the help of KGVK are taking a lead in promoting the use of renewable sources of energy in day-to-day lives. Jharkhand receives plenty of sunlight through the year. Hence solar power has become a key source to meet the electricity demands of households in the area. Initiatives such as smokeless chulhas and transparent sheets have also been embraced wholeheartedly by the people. Families are now experiencing the benefits of these measures, and their impact on health and overall well-being.

#### Renewable Energy

Name of Activity	Activity on ground	Total beneficiary
Solar Micro Grid Power Plant	16 villages electrified with 16 SMGPP	640 Nos. HH benefited which directly affected 3200 rural folks
Solar Lantern	6 Nos. SLS distribution	6 Nos.
Solar Street Light	5 Nos. SSL	
Service	8 Nos. Solar Micro grid Power Plant, 5 Nos. of Solar Street lights and 6 Nos. Lanterns	320 family re-access the electricity which directly affected 1600 rural folks
Training and workshop	3 Training activity done Technician Training for SMGPP Training on Smokeless chulha ToT on Solar energy "Suryamitra" program 15 Nos. in house training with 32 different villages	Total 90 participant are participating from different organization ~1000 villagers were train/aware on solar energy products and its use.
Smokeless Chulha	87 numbers constructed	25 family benefited
Transparent sheet	80 Nos. distributed	80 family benefited

### KGVK EDUCATION INTERVENTIONS

In societies everywhere, education has been a key driver of growth and progress. It's no different in Jharkhand. KGVK has championed the cause of education, for children and adults, since the time TVM has been implemented. Improving



the quality of teaching in government run schools, developing unique testing methods, conducting specialised adult education sessions, imparting vocational training to all sections of the community – these are some of the many ways in which KGVK is working with the community to empower people with knowledge.

No of Villages covered	27
No of Blocks	5
Classes	I to VIII
No of RSP/Para teachers associated	77
No of children covered through Learning Enhancement classes	Approx. 3500 children are covered
No of Learning schools	19
No of Government schools	19
No of Adult Education Centers	6 Covering around 180 adult women
KGVK Gurukul School	292 Students



Personal hygiene training in school

### LIVELIHOOD INTERVENTIONS

Futures are built over time. At KGVK, we have always focussed on developing solutions that bring sustainable results. Nowhere is this more apparent than our efforts under the Livelihood pillar of TVM. Almost 30,000 farmers have now adopted the SRI method of cultivation. They are enjoying larger harvests and a significant improvement in their earnings. Rearing of animals, and vegetable growing have also provided people in the region with an alternative means of livelihood. Supported by latest advancements in these fields, people now have all the means to generate stable and sustainable income for their families.

Summary of Estimated Revenue through different livelihood interventions		
Interventions	Estimated Revenue (in Crore)	Remarks
SRI	5	
Vegetable Cultivation	23.69	Khariff, Summer & Winter veg
Pig Rearing	0.235	
Duck rearing	2.75	
Goat Management	1.37	
Mushroom	0.212	
Lac cultivation	7.05	
<b>Total</b>	<b>40.307 Crore</b>	



Lac Cultivation



Mushroom Cultivation



Duck Rearing



Vegetable Cultivation



#### Activities undertaken in the villages around factory/mines

Sl. No.	TVM Pillar	Ranchi	Saranda
Following are the intervention which ensure the environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water as prescribed under schedule VII of Companies Act 2013			
<b>Natural Resource Management</b>			
1	SRI Paddy Cultivation	2148	251
2	Weeder Distribution	125	20
3	NADEP /vermin compost /Compost pit	116	
4	Azola pit	109	
5	Agri. Fish Tonic	16	
6	Soil Test	6	
7	Seed distribution (Onion, Tomato, Peas)	80	34
8	Forestry plant distribution	1512	2810
<b>Renewable Energy</b>			
9	Transparent Sheet		100
<b>Safe Drinking Water</b>			
10	Handpump Repair	42	30
Following are the intervention conducted by us during 2015-16, as prescribed under the Schedule VII of Companies Act 2013 which eradicate the hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water			
<b>Health Activities</b>			
11	General Health Camp	231	250
12	Dental Camp	25	
13	VHC meeting	21	151
14	Adolescent Girls Group meeting	60	41
15	Home Visit	176	256
16	Sash Bahu Pati Sammelan		15
17	Child admitted to MTC		17
18	Kitchen Garden	361	276
19	School Health session	18	16
20	Animal Health camp	11	12

Sl. No.	TVM Pillar	Ranchi	Saranda
Following are the interventions which are being conducted by us during the year as prescribed under the schedule VII of Companies Act 2013 which promote education, including special education and employment enhancing vocation skill especially among children, women, elderly and differently abled and livelihood enhancement project.			
<b>Livelihood Activities</b>			
21	Mushroom cultivation	343	0
22	Duckery Distribution	890	97
23	Poultry unit set up	12	
24	Fishery Distribution	34	10
25	Grocery/Bangle/cycle Shop		3
26	Lac Cultivation		157
27	Leaf Plate making		1 (12)
28	Cash crop cultivation - Ginger, Turmeric & Kachhu	550	173
29	Collective Marketing (Mahua / Lac)		16
30	Artificial Insemination	33	
<b>Educational Activities</b>			
31	Adult education	9	5
32	Remedial Class	4	6
33	Resource Center	10	
34	Edutainment class	3	
35	VEC Meeting	28	42
<b>Training &amp; Capacity Building</b>			
36	RSP training on SRI	40	16
37	Computer & english spoken training	44	
38	Training on SHG strengthening		28
39	Refresher trg of Sahiya/ Health Worker		73
40	Para Veterinary		31
41	Training on leaf plate making		12
45	Sanitation awareness training	11	15
46	Imitation Jewelry making	18	
47	Training on Pest Mgt, Improved cropping practice, Organic manure	178	78



## Financial Summary

Standalone	(Rs/crs except mentioned)									
	31-03-07	31-03-08	31-03-09	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15	31-03-16
Gross Turnover	1573.74	1852.77	2307.21	1960.03	2742.24	3080.76	3346.98	3584.93	4113.59	3830.48
Net Turnover	1408.60	1655.90	2127.23	1850.39	2526.70	2836.89	3044.53	3287.12	3746.05	3447.47
PBIDT	285.98	357.01	422.43	359.49	496.02	408.80	572.33	692.82	646.38	335.57
Profit Before Tax	138.40	200.71	214.04	139.21	145.30	-43.81	10.32	-36.86	-244.01	-480.05
Profit After Tax	101.48	144.83	146.56	92.21	99.52	-32.77	7.05	-25.68	-292.41	-404.43
EPS - Diluted - ( Rs.) #	22.54	5.76	5.86	3.53	3.23	-1.08	0.23	-0.84	-9.60	-13.27
Rate of Dividend - (%)	75%	100%	100%	100%	100%	-	15%	-	-	-
Net Fixed Assets	1097.07	1449.08	2331.07	2857.54	3130.00	3671.38	4460.83	5256.95	4932.57	4780.46
Investment	160.08	165.80	186.35	186.95	186.95	186.95	182.78	174.78	167.74	153.91
Net Current Assets	353.62	372.47	681.46	185.21	463.78	665.19	597.09	72.85	25.80	-376.50
Including Cash & Bank Balances	37.08	46.36	76.47	10.30	113.01	253.18	123.11	154.95	39.33	3.99
Debt*	749.37	943.20	2061.23	1560.91	2008.80	2788.14	3487.80	3785.07	3824.05	3735.86
Net Worth	717.96	897.38	1015.55	1499.69	1557.06	1531.54	1544.92	1522.71	1226.44	822.01
Debt Equity Ratio (X)	1.04	1.05	2.03	1.04	1.29	1.82	2.26	2.49	3.12	4.54

Consolidated	(Rs/crs except mentioned)									
	31-03-07	31-03-08	31-03-09	31-03-10	31-03-11	31-03-12	31-03-13	31-03-14	31-03-15	31-03-16
Gross Turnover	2148.42	2527.66	3146.79	2630.33	3266.42	3614.74	3935.27	4388.32	4943.99	4542.91
Net Turnover	1964.71	2308.77	2949.85	2514.41	3044.59	3360.82	3621.83	4073.83	4561.10	4147.92
PBDIT	367.96	444.94	531.36	495.01	595.03	497.76	705.03	799.43	753.48	389.34
Profit Before Tax	182.92	246.84	280.59	240.04	204.07	11.40	103.50	26.67	(287.04)	(480.70)
Profit After Tax	137.44	175.38	185.33	168.62	137.03	3.61	78.84	10.70	(253.12)	(414.98)
EPS - Diluted - ( Rs.) #	30.52	6.97	7.41	6.46	4.50	0.12	2.59	0.35	-8.31	-13.62
Net Fixed assets	1377.89	1740.97	2623.22	3177.69	3440.37	3988.73	4935.26	5873.13	5608.82	5461.25
Investments	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.48	0.48	0.05
Net Current Assets	519.26	528.91	924.84	420.67	740.32	1006.57	926.52	435.28	390.06	28.95
Including Cash & Bank Balances	49.04	72.12	108.80	47.62	147.82	362.24	183.70	195.47	73.78	56.26
Debt*	963.03	1137.47	2266.37	1716.58	2155.47	2931.62	3688.50	4071.18	4131.79	4080.13
Net Worth	773.41	967.39	1135.50	1687.52	1784.34	1830.28	1935.28	2002.84	1758.99	1365.20
Debt Equity Ratio (X)	1.25	1.18	2.00	1.02	1.21	1.60	1.91	2.03	2.35	2.99

# Face value of share Rs.5/- upto FY 07 and Re. 1/- thereafter

\* Including capex L/Cs

**USHA MARTIN LIMITED**

2A, Shakespeare Sarani, Kolkata – 700 071, India

CIN : L31400WB1986PLC091621

Phone : 033 – 39800300; Fax : 033 – 39800415

Email : [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in), Website : [www.ushamartin.com](http://www.ushamartin.com)



## Usha Martin Limited

CIN: L31400WB1986PLC091621

Registered Office: 2A, Shakespeare Sarani, Kolkata – 700 071, India

Phone: 033- 39800300, Fax : 033-39800415

Email: investor@ushamartin.co.in, Website: www.ushamartin.com

### NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the THIRTEETH ANNUAL GENERAL MEETING of the members and shareholders of USHA MARTIN LIMITED will be held at "Kala-Mandir", 48, Shakespeare Sarani, Kolkata - 700017 on Tuesday, the 9th day of August, 2016 at 11.00 a.m., to transact following businesses:

#### As Ordinary Business:

1. To receive and adopt the financial statements of the Company (both standalone and consolidated basis) for the year ended 31st March, 2016 together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. P. Jhavar (DIN: 00353020), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, pass the following as Ordinary Resolution:  
"RESOLVED THAT pursuant to Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, S.R. Batliboi & Co. LLP Chartered Accountants, (Firm Registration No. 301003E), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty – fifth AGM (subject to ratification of their appointment by shareholders at every AGM held during the said period) at such remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors."

#### As Special Business:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

#### 4. As Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of 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. 175,000 (plus service tax as applicable and reimbursement of actual out of pocket expenses) payable to Messrs Guha, Ghosh, Kar & Associates, the Cost Auditors for conducting the audit of cost records of the Company's units as may be required under the Act and Rules made thereunder for the Financial Year ending 31st March, 2017 be and is hereby ratified and confirmed."

#### 5. As Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule V and such other applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re – enactment thereof) and in partial modification of the relevant Resolution passed at the Annual General Meeting of the Company held on 30th July, 2013, subject to such approvals if any, as may be necessary, including that of Central Government, consent of the Company be and is hereby accorded for payment of an amount not exceeding Rs. 1.84 crores per annum calculated in accordance with Section II, Part II of Schedule V of the Act to Mr. Rajeev Jhavar, Managing Director (DIN: 00086164) of the Company for the period commencing from 19th May, 2016 to 18th May, 2018.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to alter or vary the scope of remuneration of Mr. Rajeev Jhavar, 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 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."

#### 6. As Special Resolution

"RESOLVED THAT in supersession of the Special Resolution passed at the Annual General Meeting of the Company held on 27th July, 2004 and pursuant to the provisions of Section 94 and other applicable provisions, if

any, of the Companies Act, 2013 ("the Act"), and Rules made thereunder, the Company hereby approves that the Register of Members, Index of Members, Register of Renewed and Duplicate Shares/ Securities Certificates etc. and copies of all Annual Returns prepared, together with the copies of certificates and documents required to be maintained under Sections 88 and 92 of the Act and other related books be kept at the Registered Office of the Company's new Registrar and Share Transfer Agent viz. MCS Share Transfer Agent Limited situated at 12/1/5, Manoharpukur Road, Kolkata 700 026.

"RESOLVED FURTHER that the Board of Directors of 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."

By Order of the Board

P K Jain

Jt. Managing Director

[Wire and Wire Ropes Business]

DIN : 02589519

Place : Kolkata

Dated: 1st July, 2016

### NOTES:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. A Member holding more than ten percent (10%) of the total Share Capital of the Company may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder. Proxies, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, at least 48 hours before commencement of the Meeting. A proxy form is sent herewith.
- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out details relating to Items of Special Business is annexed hereto.
- 3) The Registers of Members and the Share Transfer Books of the Company shall remain closed from 2nd August, 2016 to 9th August, 2016 (both days inclusive).
- 4) 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 not 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, 2008 have been transferred to the Fund. The unclaimed/unpaid dividend declared for the financial year ended 31st March, 2009 shall be deposited in the Fund on or before 28th August, 2016.
- 5) 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.
- 6) Members holding shares in more than one folio are requested to write to the Company's R & T Agent, namely, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata 700 026 for consolidation of holding into one folio and also send the relevant Share Certificates for this purpose.
- 7) As per RBI notification, with effect from 1st October, 2009, the remittance of the money through ECS was replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS Platform. Shareholders holding shares in electronic form are requested to furnish the new Bank Account Number as allotted to you by the Bank after implementation of its Core Banking Solutions alongwith a photocopy of a cheque pertaining to the concerned account to your Depository Participant.
- 8) The Equity Shares of the Company are tradable in dematerialised form with effect from 21st March, 2000. In view of the same and to avail of

the in-built advantages of the ECS payment, nomination facility and other advantages, the shareholders are requested to dematerialise their shares. The ISIN of the Company is INE228A01035.

- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent of the Company.
- 10) Electronic copy of the Annual Report for 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose 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 2015-16 are being sent by the permitted mode.
- 11) Electronic copy of the Notice of the 30th 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 30th 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 30th Annual General Meeting and the Annual Report for 2015-16 will be available on the Company's website [www.ushamartin.com](http://www.ushamartin.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, shareholders may send emails to : [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in).
- 13) As per the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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 30th Annual General Meeting.  
The Company has engaged the services of National Securities 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. 2nd August, 2016** 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 6th August, 2016** and ends at **5.00 P.M. on 8th August, 2016**. During this period, Members of the Company, holding Shares either in physical form or in dematerialised form, as on the **cut-off date ("record date") i.e. 2nd August, 2016**, 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 have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting through Ballot Paper.

**A. In case a Member receives an email from NSDL:**

- (i) Open email and open PDF file viz; "UML e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following **URL: <https://www.evoting.nsdl.com>**.
- (iii) Click on **Shareholder – Login**.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. **Click Login**.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select **"EVEN"** of **"Usha Martin Limited"**.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on **"Submit"** and also **"Confirm"** when prompted.
- (x) Upon confirmation, the message **"Vote cast successfully"** will be displayed.
- (xi) Once you have voted on a Resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutiniser through email to [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. In case a Member receives physical copy of the Notice of AGM :**

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM :  
**EVEN (E-voting Event Number) USER ID PASSWORD**
- (ii) Please follow all steps from Serial No 15A (ii) to (xii) above, to cast vote.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting user manual for Members available at the "downloads" section of **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)** or call on toll free No.: 1800-222-990. 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: [cosec@ushamartin.co.in](mailto:cosec@ushamartin.co.in).

- 16) Any person who acquires shares and becomes a member of the Company after despatch of Notice for the AGM and is holding shares as on the cut-off date i.e. 2nd August, 2016 may obtain the login ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in)
- 17) The Board of Directors of the Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary (FCS-4848/CP-3238) of M/s A K Labh & Co., Company Secretaries, Kolkata as Scrutiniser 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 Scrutiniser, after scrutinising the votes cast at the Meeting and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman or the Joint Managing Director. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company [www.ushamartin.com](http://www.ushamartin.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The results shall simultaneously be communicated to the Stock Exchanges and displayed on the Notice Board of the Company at the Registered Office at 2A, Shakespeare Sarani, Kolkata – 700 071.
- 21) On receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
- 22) The landmark and route map of the venue of the Annual General Meeting are given on the reverse of the Attendance Slip cum Proxy Form with the Annual Report for Financial Year 2015-16.
- 23) Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information about the Director proposed to be re-appointed is given below:

Name of the Director	Prashant Jhawar	
Director Identification Number	00353020	
Date of joining the Board	24th June, 1992	
Profile of Director / Brief resume of the directors (including nature of his expertise)	Mr. P. Jhawar, aged about 53 years is a commerce graduate and has studied Management Development at Wharton Business School. He has been closely associated with the Company since its inception. After his appointment on the Board on 24th June, 1992, he was appointed as the Vice-Chairman and was appointed as Chairman with effect from 10th May, 2010. Mr. Jhawar has experience of more than 26 years and under his leadership, Usha Martin Group has successfully diversified its business activities.	
Disclosure of relationships between directors inter – se	Mr. P. Jhawar is son of Mr. Basant Kumar Jhawar Chairman Emeritus of the Company.	
No. of shares held in the Company as on 31.03.2016	20,60,788	
Directorship (Indian Private/ Public Companies) and Committee membership (Audit/ Investors Grievance) in other companies.	<b>Directorship in other Companies</b>	<b>Committee Position Held</b>
	Usha Martin Education & Solutions Limited	-
	Jay Shree Tea & Industries Limited	-
	Usha Breco Limited	-
	Usha Breco Education Infrastructure Limited	-
	KGVK Social Enterprise Limited	-
	Jhawar Venture Management Private Limited	-
	PARS Consultancy & Services Private Limited	-
	Peterhouse Investment India Limited	-
	Usha Martin Ventures Limited	-
	Redtech Network India Private Limited	-
	KGVK Agro Limited	-
Remuneration	Presently Mr. Jhawar is not drawing any remuneration, except the sitting fees for attending Meeting of the Board and its' Committees in which he is a Member.	

#### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 Item No. 4

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/- (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 Companies Act, 2013 ("the Act") and Rules made thereunder for the Financial Year ending March 31, 2017.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratifying the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2017.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice. The passing of this Resolution does not and will not relate to or affect any other Company. The Board recommends the Ordinary Resolution as set out at Item No. 4 for approval of members.

#### Item No. 5

The shareholders of the Company at the 27th Annual General Meeting held on 30th July, 2013 approved the reappointment of Mr. Rajeev Jhawar as Managing Director of the Company as well as his remuneration payable for a period of 5 years with effect from 18th May, 2013. Since the Company was not having adequate profits, the Company applied to the Central Government seeking approval for the re-appointment and payment of minimum remuneration as per the remuneration structure approved by the shareholders. The Central Government, however, while giving its approval specified a consolidated limit of Rs.1.88 crores p.a. as remuneration calculated and payable in the manner as set out in Part II of Section II of Schedule V of the Act for the period commencing from 19th May, 2013 to 18th May, 2016.

As the period mentioned in aforementioned approval of the Central Government has expired and the Company continues not having profits, approval of the shareholders is being sought to pay Rs. 1.84 crores per annum (computed with reference to the 'effective capital' of the Company as on 31st March, 2016 and as provided under Part II of Section II of Schedule V of the Act) as minimum remuneration to Mr. Rajeev Jhawar for the period commencing from 19th May, 2016 to 18th May, 2018.

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. 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. The Board recommends the Special Resolution set out at Item No. 5 for approval of members.

#### Information required to be disclosed under the Second Proviso to Section-II(B), Part-II of Schedule V of the Act is as follows :

- the proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee and the Board ;
- 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, 2016;
- a Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding three years.

#### A statement containing further information is set out hereunder :

##### I. General Information:

##### i. Nature of industry :

The Company is in the business of manufacturing of 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 Lakhs)*

Particulars	31.03.2016	31.03.2015	31.03.2014
Gross Revenue from operations	383,048	411,359	358,493
Net Revenue from operations	344,747	374,605	328,712
Profit / (Loss) before Exceptional and Extraordinary items and tax	(48,005)	(24,401)	(3,686)
Exceptional items	-	(10,016)	-
Profit/(Loss) before Tax	(48,005)	(34,417)	(3,686)
Tax Expenses	(7,562)	(5,176)	(1,118)
Profit/(Loss) for the Year	(40,443)	(29,241)	(2,568)
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 London Business School.

**ii. Past remuneration (excluding retiral benefits):** Mr. Jhawar was paid the following remuneration during each of the preceding three financial years:

*(Rs. In Lakhs)*

	FY ended 31st March, 2016	FY ended 31st March, 2015	FY ended 31st March, 2014
Salary	72.00	72.00	67.26
Allowances	42.00	42.00	39.23
Perquisites	26.49	26.58	41.22
Total	140.49	140.58	147.71

**iii. Recognition or awards :**

Due to his able guidance, the Company has earned recognition for its products and initiatives in Corporate Social Responsibilities.

**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. 5 of the Notice for the 30th 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, 2016) Equity Shares of the Company amounting to 0.50% of the Paid Up Share Capital of the Company. Mr. Jhawar is the son of Mr. Brij K Jhawar Promoter 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. Margins remained under pressure due to rising cost of inputs, interest cost and un-favourable movement in foreign exchange rate. The lower growth in the economy and depressed productivity

indices, when combined with the Company's investment in strengthening the vertical integration and transition is taking its toll on the Company's performance.

**(2) Steps taken or proposed to be taken for improvement:**

The Company has already taken steps to strengthen its cost base, the Company has continued to invest as part of its long term cost optimization plans in equipment, plant, infrastructure facilities and strengthening the teams & processes. During the last financial year cost optimization projects like Coke Oven Plant, Ore Beneficiation, Pellet Plant, DRI IV and 35 MW Captive Power Plant have been commissioned.

**(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:**

- The remuneration package of the managerial personnel is for the period 19th May, 2016 till 18th May, 2018.
- 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, 2016.
  - All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc of the directors.
  - Details of the fixed components and performance linked incentive alongwith performance criteria.
  - Service contracts, notice period, severance fees.
  - 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.
- 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 before the date of re-consideration of remuneration payable to Mr. Rajeev Jhawar.

**Item No. 6**

As per the Act certain documents such as the Register of Members and Index of Members, Register of Renewed and Duplicate Share/ Securities Certificates etc. and copies of all Annual Returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 88 and 92 of the Act and other related books, are required to be maintained at the Registered Office of the Company unless a Special Resolution is passed in a General Meeting authorizing the keeping of the Registers at any other place within the city, town or village in which the Registered Office is situated or any other place in India in which more than one-tenth of the total Members entered in the Register of Members reside.

The Members at the Annual General Meeting of the Company held on 27th July, 2004 had passed a Special Resolution under Section 163 of the erstwhile Companies Act, 1956 approving the keeping of the aforesaid Registers at the office of MCS Limited who acted as Registrar and Share Transfer Agent ("R & TA") of the Company. MCS Share Transfer Agent Limited has registered themselves as new entity with Securities and Exchange Board of India ("SEBI") under the provisions of SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 for providing extensive services to the shareholders / investors of their client companies as R & TA with the same infrastructure of MCS Limited but with upgraded technology. In view of the enabling provisions of the Act and to avail uninterrupted extensive services as explained above, the Company proposed to keep the aforementioned Registers and Documents at the premises of MCS Share Transfer Agent Limited as stated in the Resolution set out under Item No. 6 of the Notice convening the Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice. The passing of this Resolution does not and will not relate to or affect any other Company. The Board recommends the Special Resolution as set out at Item No. 6 for approval of members.

**By Order of the Board****P K Jain****Jt. Managing Director****[Wire and Wire Ropes Business]****DIN : 02589519****Place : Kolkata****Dated: 1st July, 2016**

**Usha Martin Limited**

CIN: L31400WB1986PLC091621  
Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071 India  
Ph.: 033-39800300, Fax : 033-39800415  
e-mail: investor@ushamartin.co.in. Website: www.ushamartin.com

**ATTENDANCE SLIP****30<sup>th</sup> Annual General Meeting on Tuesday, 9<sup>th</sup> August, 2016 at 11.00 A.M.**

Name and Registered Address of the :  
sole/ first named Member

Name of the joint holders if any :

Registered Folio / DP ID & Client ID :

No. of Equity Share(s) held :

I/We, hereby record my/our presence at the 30<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 9<sup>th</sup> day of August, 2016 at 11:00 A. M. at "Kala- Mandir", 48, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof.

Name of the Member/ Proxy (IN BLOCK LETTERS)

Signature of the Member/ Proxy

Note: Please fill and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

**ELECTRONIC VOTING PARTICULARS**

EVEN (E-Voting Event Number)	User ID	Password

Note: This forms an integral part of the Notice dated 1<sup>st</sup> July, 2016 for the 30<sup>th</sup> Annual General Meeting scheduled to be held on 9<sup>th</sup> August, 2016, which is being sent to you along with the Annual Report for the Financial Year 2015-16 of the Company. Please read the instructions printed under Note No. 15 to the Notice of 30<sup>th</sup> Annual General Meeting for exercising the vote. The e-Voting period starts from 9:00 A.M. on 6<sup>th</sup> August, 2016 and ends at 5:00 P.M. on 8<sup>th</sup> August, 2016. At the end of the e-Voting period, the portal where the votes are cast shall forthwith be blocked by NSDL

..... Please cut here and bring the above attendance slip to the Meeting Hall .....

**Usha Martin Limited**

CIN: L31400WB1986PLC091621  
Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071 India, Ph.: 033-39800300, Fax : 033-39800415  
e-mail: investor@ushamartin.co.in. Website: www.ushamartin.com

**PROXY FORM Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**30<sup>th</sup> Annual General Meeting on Tuesday, 9<sup>th</sup> August, 2016 at 11.00 A.M.**

Name of the Member(s) :  
Registered Address :

E-mail ID :

Registered Folio/  
DP & Client ID :  
No. of Share(s) held :

I/We, being the member(s) of

Shares of Usha Martin Limited, hereby appoint :

- Name : .....  
Address : .....  
Email : ..... Signature : ..... or failing him / her
- Name : .....  
Address : .....  
Email : ..... Signature : ..... or failing him / her
- Name : .....  
Address : .....  
Email : ..... Signature : .....

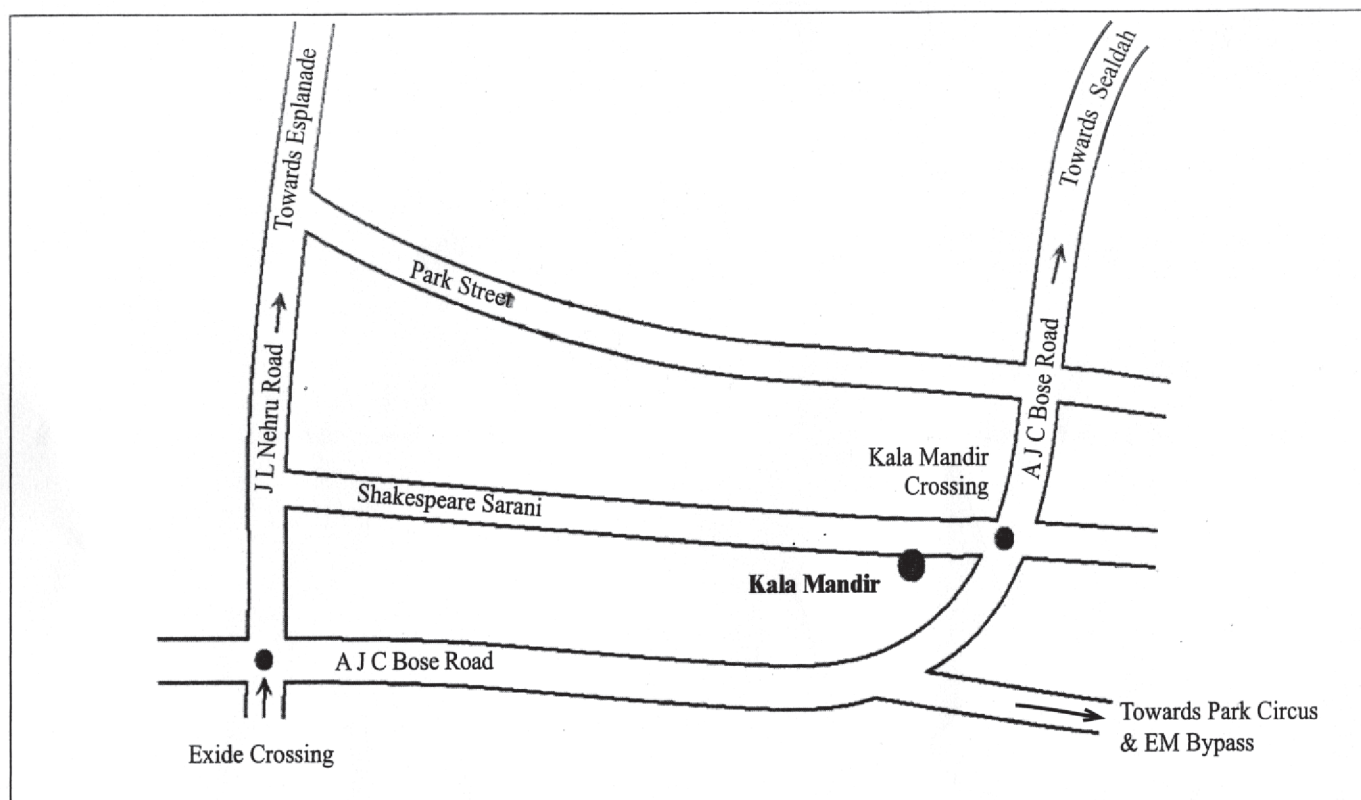
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 9<sup>th</sup> day of August, 2016 at 11:00 A.M at "Kala- Mandir", 48, Shakespeare Sarani, Kolkata 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:



06/16

## Route Map of AGM Venue

‘Kala-Mandir’, 48, Shakespeare Sarani, Kolkata - 700 017



Resolution No.	Resolutions Proposed
1	Adoption of the financial statements of the Company (both standalone and consolidated basis) for the year ended 31 <sup>st</sup> March, 2016 together with the Directors' and Auditors'Reports thereon.
2	Appointment of a Director in place of Mr. P. Jhavar (DIN: 00353020), who retires by rotation and being eligible, offers himself for re-appointment.
3	Appointment of Auditors & fixing their remuneration.
4	Ratification of remuneration payable to the Cost Auditors for Financial Year ending 31 <sup>st</sup> March, 2017.
5	Approval of remuneration payable to Mr. Rajeev Jhavar, Managing Director (DIN: 00086164).
6	Approval for keeping of Registers, Returns, etc under Section 88 and 92 of the Companies Act, 2013 at a place other than Registered Office.

Signed this ..... day of ..... 2016

Signature of Shareholder

Signature of Proxy holder(s)

Affix Re. 1  
Revenue  
Stamp

### Note :

- This form of proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the text of the Resolutions, Statement & Notes, please refer to the Notice dated 1<sup>st</sup> July, 2016 convening the Annual General Meeting.
- A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total Paid up Share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the Paid up Share Capital of the Company, then such proxy shall not act as a proxy for any other person or Member.
- The Proxy shall prove his/her identity at the time of attending the Meeting.