



**Usha Martin Limited**

2A, Shakespeare Sarani, Kolkata (formerly Calcutta) - 700 071, India  
Phone : (00 91 33) 71006300/599, Fax : (00 91 33) 2282 9029, 71006400/500  
CIN : L31400WB1986PLC091621  
Website : www.ushamartin.com

UML/SECT/

February 6, 2020

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

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

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

Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held today have approved and taken on record un-audited financial results along with segment reporting on consolidated and standalone basis for the quarter and nine months ended 31<sup>st</sup> December, 2019.

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

The Board Meeting commenced at 2 P.M. and concluded at 03:30 P.M. (IST).

Thanking you,

Yours faithfully,  
For Usha Martin Limited

  
**Rajeev Jhavar**  
Managing Director

Encl: as above

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

**Review Report to**

**The Board of Directors**

**Usha Martin Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Usha Martin Limited (the "Company") for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

## **5. Emphasis of Matter**

a) We draw attention to Note 5 regarding recoverability of book values of INR 5,705 lakhs (net of discounting impact of INR 1,233 lakhs and impairment of INR 810 lakhs) of moveable and immoveable assets including land and advances for land pertaining to Kathautia and Lohari coal blocks that were deallocated during an earlier year. We have been informed that various measures have been initiated by the management for timely realisation of the aforesaid amounts net of deposits already recovered. Pending outcome of such measures, no adjustments to the financial results in this regard have been considered necessary by the management.

Our conclusion is not modified in respect of this matter.

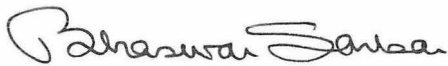
b) We draw attention to Note 7 regarding attachment of certain parcels of land at Ranchi used by the Company's wire rope business under Prevention of Money Laundering Act, 2002 (PMLA) in connection with export and domestic sale of iron ore fines in prior years aggregating INR 19,037 lakhs allegedly in contravention of terms of the lease granted to the Company for the iron ore mines. Pending final outcome of the appeal filed by the Company before the Appellate Tribunal, PMLA, no adjustment to these financial results in this regard have been considered necessary by the management.

Our conclusion is not modified in respect of this matter.

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

Chartered Accountants

**ICAI Firm registration number: 301003E/E300005**



**per Bhaswar Sarkar**

Partner

Membership No.: 055596

UDIN: 20055596AAAAAN1812

Place: Kolkata

Date: February 6, 2020



| Particulars   | Quarter ended<br>31st December,<br>2019 | Quarter ended<br>30th September,<br>2019 | Quarter ended<br>31st December,<br>2018 | Nine months<br>ended<br>31st December,<br>2019 | Nine months<br>ended<br>31st December,<br>2018 | Year ended<br>31st March,<br>2019 |
|---|---|--|---|--|--|-----------------------------------|
|   | Unaudited                               | Unaudited                                | Unaudited                               | Unaudited                                      | Unaudited                                      | Audited                           |
| <b>Continuing Operations</b>  |   |  |   |  |  |                                   |
| <b>Revenue</b>  |   |  |   |  |  |                                   |
| Revenue from operations   | 36,075                                  | 36,462                                   | 43,119                                  | 1,08,618                                       | 1,27,403                                       | 1,70,803                          |
| Other income  | 792                                     | 742                                      | 495                                     | 2,178  | 2,202  | 2,965                             |
| <b>Total income</b>   | <b>36,867</b>                           | <b>37,204</b>                            | <b>43,614</b>                           | <b>1,10,796</b>                                | <b>1,29,605</b>                                | <b>1,73,768</b>                   |
| <b>Expenses</b>   |   |  |   |  |  |                                   |
| Cost of materials consumed  | 19,643                                  | 21,087                                   | 27,526                                  | 54,655   | 87,795   | 1,15,529                          |
| Purchases of stock-in-trade   | 563                                     | 1,175                                    | 114                                     | 1,882  | 363  | 519                               |
| (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade | 1,228                                   | 601                                      | 552                                     | 9,773  | (6,467)  | (6,743)                           |
| Employee benefits expense   | 3,161                                   | 3,370                                    | 3,333                                   | 9,871  | 9,397  | 11,387                            |
| Finance costs   | 1,250                                   | 1,306                                    | 2,074                                   | 4,537  | 6,296  | 9,022                             |
| Depreciation and amortisation expense   | 690                                     | 688                                      | 708                                     | 2,058  | 2,116  | 2,810                             |
| Other expenses  | 6,709                                   | 6,264                                    | 6,448                                   | 19,140   | 17,925   | 24,844                            |
| <b>Total expenses</b>   | <b>33,244</b>                           | <b>34,491</b>                            | <b>40,755</b>                           | <b>1,01,916</b>                                | <b>1,17,425</b>                                | <b>1,57,368</b>                   |
| <b>Profit before tax for the period from continuing operations</b>                        | <b>3,623</b>                            | <b>2,713</b>                             | <b>2,859</b>                            | <b>8,880</b>                                   | <b>12,180</b>                                  | <b>16,400</b>                     |
| Tax expense   |   |  |   |  |  |                                   |
| Current tax / Minimum Alternate Tax (MAT)   | 377                                     | (792)                                    | -                                       | 5,712  | -  | 65                                |
| MAT credit entitlement  | -                                       | 792                                      | -                                       | (5,335)  | -  | -                                 |
| Adjustment of tax relating to earlier periods   | -                                       | -  | -                                       | -  | -  | 227                               |
| Deferred tax charge/(credit) (Refer note 6 and 8)   | 1,724                                   | 1,267                                    | -                                       | 18,859   | -  | (23,760)                          |
| <b>Tax (income)/expense of continuing operations</b>                                      | <b>2,101</b>                            | <b>1,267</b>                             | <b>-</b>                                | <b>19,236</b>                                  | <b>-</b>                                       | <b>(23,468)</b>                   |
| <b>Profit/(loss) for the period from continuing operations (a)</b>                        | <b>1,522</b>                            | <b>1,446</b>                             | <b>2,859</b>                            | <b>(10,356)</b>                                | <b>12,180</b>                                  | <b>39,868</b>                     |
| <b>Discontinued operations (Refer note 4 )</b>  |   |  |   |  |  |                                   |
| <b>Profit / (loss) for the period from discontinued operations before tax</b>             | <b>(483)</b>                            | <b>211</b>                               | <b>(7,451)</b>                          | <b>50,164</b>                                  | <b>(11,953)</b>                                | <b>(33,968)</b>                   |
| Tax income/(expense) of discontinued operations   | -                                       | -  | -                                       | -  | -  | -                                 |
| <b>Profit / (loss) for the period from discontinued operations after tax (b)</b>          | <b>(483)</b>                            | <b>211</b>                               | <b>(7,451)</b>                          | <b>50,164</b>                                  | <b>(11,953)</b>                                | <b>(33,968)</b>                   |
| <b>Profit/(loss) for the period [(c) = (a) + (b)]</b>                                     | <b>1,039</b>                            | <b>1,657</b>                             | <b>(4,592)</b>                          | <b>39,808</b>                                  | <b>227</b>                                     | <b>5,900</b>                      |
| <b>Other comprehensive income</b>   |   |  |   |  |  |                                   |
| (a) Items that will not be reclassified to profit or (loss)                               | (517)                                   | (715)                                    | (697)                                   | (1,177)  | (325)  | (74)                              |
| (b) Tax benefit / (expense) on items that will not be classified to profit or (loss)      | 65                                      | 201                                      | -                                       | 296  | -  | (86)                              |
| <b>Total other comprehensive income for the period, net of tax (d)</b>                    | <b>(452)</b>                            | <b>(514)</b>                             | <b>(697)</b>                            | <b>(881)</b>                                   | <b>(325)</b>                                   | <b>(160)</b>                      |
| <b>Total comprehensive income for the period [(c) + (d)]</b>                              | <b>587</b>                              | <b>1,143</b>                             | <b>(5,289)</b>                          | <b>38,927</b>                                  | <b>(98)</b>                                    | <b>5,740</b>                      |
| <b>Paid-up equity share capital (face value of Re 1/- each)</b>                           | <b>3,054</b>                            | <b>3,054</b>                             | <b>3,054</b>                            | <b>3,054</b>                                   | <b>3,054</b>                                   | <b>3,054</b>                      |
| <b>Other equity as per balance sheet</b>  |   |  |   |  |  | <b>20,039</b>                     |
| <b>Earnings per share (Rs.) (*not annualised) (Refer note 4 and 6)</b>                    |   |  |   |  |  |                                   |
| <b>Earnings per equity share (for continuing operations)</b>                              |   |  |   |  |  |                                   |
| Basic and Diluted   | 0.50 *                                  | 0.47 *                                   | 0.94 *                                  | (3.40) *                                       | 4.00 *   | 13.08                             |
| <b>Earnings per equity share (for discontinued operations)</b>                            |   |  |   |  |  |                                   |
| Basic and Diluted   | (0.16) *                                | 0.07 *                                   | (2.45) *                                | 16.46 *  | (3.92) *                                       | (11.15)                           |
| <b>Earnings per equity share (for continuing and discontinued operations)</b>             |   |  |   |  |  |                                   |
| Basic and Diluted   | 0.34 *                                  | 0.54 *                                   | (1.51) *                                | 13.06 *  | 0.08 *   | 1.93                              |



(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars   | Quarter ended<br>31st December,<br>2019 | Quarter ended<br>30th September,<br>2019 | Quarter ended<br>31st December,<br>2018 | Nine months<br>ended<br>31st December,<br>2019 | Nine months<br>ended<br>31st December,<br>2018 | Year ended<br>31st March,<br>2019 |
|---|---|--|---|--|--|-----------------------------------|
|   | Unaudited                               | Unaudited                                | Unaudited                               | Unaudited                                      | Unaudited                                      | Audited                           |
| <b>Continuing Operations</b>  |   |  |   |  |  |                                   |
| <b>Segment Revenue</b>  |   |  |   |  |  |                                   |
| Wire and Wire Ropes   | 35,949                                  | 36,442                                   | 43,101                                  | 1,08,436                                       | 1,27,289                                       | 1,70,505                          |
| Others  | 126                                     | 20                                       | 18                                      | 182  | 114  | 298                               |
| <b>Revenue from Continuing operations</b>   | <b>36,075</b>                           | <b>36,462</b>                            | <b>43,119</b>                           | <b>1,08,618</b>                                | <b>1,27,403</b>                                | <b>1,70,803</b>                   |
| <b>Revenue from Discontinued operations<br/>(Refer note 4)</b>  | <b>-</b>                                | <b>-</b>                                 | <b>1,02,343</b>                         | <b>6,523</b>                                   | <b>3,13,843</b>                                | <b>3,94,200</b>                   |
| Less : Inter segment revenue from<br>discontinued operations to continuing<br>operations              | -                                       | -  | 23,307                                  | 2,306  | 72,348   | 96,448                            |
| <b>Revenue from Discontinued operations to<br/>external customers</b>                                 | <b>-</b>                                | <b>-</b>                                 | <b>79,036</b>                           | <b>4,217</b>                                   | <b>2,41,495</b>                                | <b>2,97,752</b>                   |
| <b>Total Revenue from Continuing and<br/>Discontinued operations</b>                                  | <b>36,075</b>                           | <b>36,462</b>                            | <b>1,22,155</b>                         | <b>1,12,835</b>                                | <b>3,68,898</b>                                | <b>4,68,555</b>                   |
| <b>Segment Results</b>  |   |  |   |  |  |                                   |
| <b>Profit/ (loss) for the period before tax and<br/>finance costs from Continuing operations</b>      |   |  |   |  |  |                                   |
| Wire and Wire Ropes   | 5,388                                   | 4,777                                    | 5,615                                   | 15,343   | 18,851   | 25,115                            |
| Others  | 67                                      | (136)                                    | (109)                                   | (189)  | 207  | 128                               |
| <b>Total</b>  | <b>5,455</b>                            | <b>4,641</b>                             | <b>5,506</b>                            | <b>15,154</b>                                  | <b>19,058</b>                                  | <b>25,243</b>                     |
| Less:   |   |  |   |  |  |                                   |
| Finance costs   | 1,250                                   | 1,306                                    | 2,074                                   | 4,537  | 6,296  | 9,022                             |
| Other Unallocable Expenditure/<br>(Income)  | 582                                     | 622                                      | 573                                     | 1,737  | 582  | (179)                             |
| <b>Profit before tax for the period from<br/>continuing operations</b>                                | <b>3,623</b>                            | <b>2,713</b>                             | <b>2,859</b>                            | <b>8,880</b>                                   | <b>12,180</b>                                  | <b>16,400</b>                     |
| <b>Discontinued operations (Refer note 4)</b>   |   |  |   |  |  |                                   |
| <b>Profit/(loss) for the period from<br/>Discontinued operations before tax and<br/>finance costs</b> | <b>(234)</b>                            | <b>820</b>                               | <b>5,135</b>                            | <b>(4,471)</b>                                 | <b>24,877</b>                                  | <b>15,047</b>                     |
| Less:   |   |  |   |  |  |                                   |
| Finance costs   | 249                                     | 609                                      | 12,586                                  | 1,985  | 36,830   | 49,015                            |
| <b>Profit/(loss) for the period before tax from<br/>Discontinued operations</b>                       | <b>(483)</b>                            | <b>211</b>                               | <b>(7,451)</b>                          | <b>(6,456)</b>                                 | <b>(11,953)</b>                                | <b>(33,968)</b>                   |
| <b>Profit on disposal of SBB business<br/>(discontinued operation)</b>                                | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                | <b>56,620</b>                                  | <b>-</b>                                       | <b>-</b>                          |
| <b>Total Profit / (loss) before tax from<br/>discontinued operations</b>                              | <b>(483)</b>                            | <b>211</b>                               | <b>(7,451)</b>                          | <b>50,164</b>                                  | <b>(11,953)</b>                                | <b>(33,968)</b>                   |
| <b>Total Profit / (loss) before tax</b>   | <b>3,140</b>                            | <b>2,924</b>                             | <b>(4,592)</b>                          | <b>59,044</b>                                  | <b>227</b>                                     | <b>(17,568)</b>                   |
| <b>Segments Assets</b>  |   |  |   |  |  |                                   |
| Steel - Discontinued business<br>(Refer note 4)   | -                                       | -  | 4,67,330                                | -  | 4,67,330                                       | 4,28,796                          |
| Wire and Wire Ropes   | 1,03,074                                | 1,02,345                                 | 1,10,981                                | 1,03,074                                       | 1,10,981                                       | 1,07,452                          |
| Others  | 46,996                                  | 61,149                                   | 30,924                                  | 46,996   | 30,924   | 65,023                            |
| <b>Total Assets</b>   | <b>1,50,070</b>                         | <b>1,63,494</b>                          | <b>6,09,235</b>                         | <b>1,50,070</b>                                | <b>6,09,235</b>                                | <b>6,01,271</b>                   |
| <b>Segments Liabilities</b>   |   |  |   |  |  |                                   |
| Steel - Discontinued business<br>(Refer note 4)   | -                                       | -  | 2,26,555                                | -  | 2,26,555                                       | 1,96,690                          |
| Wire and Wire Ropes   | 27,581                                  | 27,080                                   | 26,404                                  | 27,581   | 26,404   | 26,878                            |
| Others  | 60,468                                  | 74,980                                   | 3,39,018                                | 60,468   | 3,39,018                                       | 3,54,610                          |
| <b>Total Liabilities</b>  | <b>88,049</b>                           | <b>1,02,060</b>                          | <b>5,91,977</b>                         | <b>88,049</b>                                  | <b>5,91,977</b>                                | <b>5,78,178</b>                   |

**Note:**

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

- Wire and Wire Ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, related accessories, etc.
- Others segment includes manufacturing and selling of wire drawing & allied machines and corporate office.
- The Company was also into Steel segment, which manufactured and sold steel wire rods, bars, blooms, bright bar, billets, pig iron and allied products, which has been disposed off with effect from April 9, 2019 (Refer note 4).
- Segment assets and liabilities of discontinued business has been arrived as per Business Transfer Agreement as fully explained in Note 4.



**Notes to Financial Results (contd ...):**

- The above results of Usha Martin Limited ("the Company") for the quarter and nine months period ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 6, 2020.
- The standalone unaudited financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
- Pursuant to the Business Transfer Agreement dated September 22, 2018 (Novation agreement on October 24, 2018) and Supplemental Business Transfer Agreement dated April 7, 2019 and July 3, 2019 respectively with Tata Steel Long Products Limited (TSLPL) (formerly known as Tata Sponge Iron Limited), the Company had transferred its Steel and Bright Bar Business (SBB Business) as a going concern on slump sale basis during the quarter ended June 30, 2019 in accordance with the terms and conditions set out in those agreements at a consideration of Rs. 452,500 lakhs subject to net working capital adjustments. Out of the aforesaid consideration, an amount of Rs. 16,000 lakhs is receivable as at the quarter end that include Rs. 15,000 lakhs in respect of certain parcels of land for which perpetual lease and license agreements have been executed by the Company in favour of TSLPL pending completion of on going formalities for registration in the name of TSLPL. The Company and TSLPL is in the process of final settlement and reconciliation of net working capital and therefore adjustment, if any, arising on such reconciliation shall be done at the time of release of above hold back amount towards land. Consequent to the above, resultant profit of Rs. 56,620 lakhs (net of expenses pertaining to disposal of the business of Rs. 16,135 lakhs) on sale of the SBB Business was recognised under profit for the period from discontinued operations during quarter ended June 30, 2019. Earnings per share from discontinued operations as disclosed in these results have been determined taking into consideration the aforesaid profit from sale of SBB Business.

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

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars   | Nine months period ended 31st December, 2019 |
|---|--|
| Consideration from TSLPL (net of acceptances Rs. 98,013 lakhs paid by TSLPL directly) [A] | 3,08,286                                     |
| Book value of fixed assets sold [B]   | 3,71,461                                     |
| Net book value of non-current liabilities (net of other non-current assets) sold [C]      | 1,534  |
| Net book value of current liabilities (net of current assets) sold [D]                    | 1,34,396                                     |
| Expenses pertaining to the disposal of the business [E]                                   | 16,135                                       |
| <b>Profit on disposal of SBB Business (discontinued operation) [F]=[A-B+C+D-E]</b>        | <b>56,620</b>                                |

The details of discontinued operations are as follows:

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars  | Quarter ended 31st December, 2019 | Quarter ended 30th September, 2019 | Quarter ended 31st December, 2018 | Nine months ended 31st December, 2019 | Nine months ended 31st December, 2018 | Year ended 31st March, 2019 |
|--|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|-----------------------------|
|  | Unaudited                         | Unaudited                          | Unaudited                         | Unaudited                             | Unaudited                             | Audited                     |
| <b>Total income</b>  | 791                               | 387                                | 1,02,764                          | 8,564                                 | 3,15,262                              | 4,00,911                    |
| <b>Total expenses</b>  | 1,274                             | 176                                | 1,10,215                          | 15,020                                | 3,27,215                              | 4,34,879                    |
| <b>Profit/(loss) before tax for the period from discontinued operation</b>             | <b>(483)</b>                      | <b>211</b>                         | <b>(7,451)</b>                    | <b>(6,456)</b>                        | <b>(11,953)</b>                       | <b>(33,968)</b>             |
| <b>Profit on disposal of SBB Business (discontinued operation) (refer above table)</b> | -                                 | -                                  | -                                 | 56,620                                | -                                     | -                           |
| <b>Total profit/ (loss) for the period from discontinued operations before tax</b>     | <b>(483)</b>                      | <b>211</b>                         | <b>(7,451)</b>                    | <b>50,164</b>                         | <b>(11,953)</b>                       | <b>(33,968)</b>             |

- Pursuant to the Hon'ble Supreme Court order dated September 24, 2014 followed by promulgation of the Coal Mines (Special Provision) Act, 2015 (CMSP Act), the allocation of Lohari and Kathautia coal blocks was cancelled with effect from September 24, 2014 and April 1, 2015 respectively. Consequently, the Company is carrying an amount of Rs. 5,705 lakhs (net of discounting impact of Rs. 1,233 lakhs, impairment charge of Rs. 810 lakhs and Rs 7,576 lakhs already received) as Assets held for sale/ Advance against land, which consists of assets in the form of land, movable and immovable properties, advances etc. During the previous year, the Company had filed an application before Hon'ble Delhi High Court for refund of Rs. 10,532 lakhs deposited with Government of Jharkhand (GoJ) towards acquisition of land which was subsequently de-notified. During the quarter under review, the Company has received Rs. 7,576 lakhs out of above deposit. Based on regular follow-up with the concerned Government authorities, negotiations with the Company to whom the aforesaid Coal Block was subsequently allotted, related judicial ruling, other recourses available to the Company and the advice of the Company's Legal Counsel, management expects to realize at least the carrying values of the aforesaid assets in the near future. The Statutory auditors of the Company have drawn an Emphasis of Matter in their review report in this regard.



**Notes to Financial Results (contd ...):**

6. During the quarter ended March 31, 2019, the Company had recognised net deferred tax assets (DTA) of Rest. 23,846 Lakhs as part of continuing business arising from unabsorbed depreciation and brought forward business losses that would be available to the continuing business for set off against long-term capital gain (LTCG) that would arise from sale of SBB Business and against future taxable income of the continuing business. Pursuant to sale of SBB business during the quarter ended June 30, 2019, the Company has utilised such deferred tax assets against LTCG arising from sale of SBB Business. Management believes that balance DTA of Rest 5,284 Lakhs will be recovered against future taxable income arising from the continuing business. The earnings per share of continuing operations for the quarter and nine months period ended December 31, 2019 are hence not comparable with the earnings per share of the previous periods reported.
7. The Directorate of Enforcement, Patna ("ED") had issued an order dated August 9, 2019 under the provisions of Prevention of Money Laundering Act, 2002 (PMLA) to provisionally attach certain parcels of land at Ranchi used by the Company's wire rope business in the State of Jharkhand for a period of 180 days in connection with export and domestic sale of iron ore fines in prior years aggregating Rest 19,037 lakhs allegedly in contravention of terms of the lease granted to the Company for the iron ore mines situated at Ghatkuri, Jharkhand. The Hon'ble High Court of Jharkhand at Ranchi had, vide order dated February 14, 2012, held that the Company had the right to sell the iron ore including fines as per the terms of the mining lease which was in place at that point in time. The Company had paid applicable royalty and had made necessary disclosures in its returns and reports submitted to mining authorities. The Company had submitted its reply before the Adjudicating Authority (AA). Subsequently, AA had issued an order by way of which the provisional attachment has been confirmed under Section 8(3) of PMLA. Thereafter, the Company filed an appeal before the Appellate Tribunal, New Delhi and successfully obtained a status quo order from the Tribunal on the confirmed attachment order. The ongoing operations of the Company have not been affected. Supported by a legal opinion obtained, management believes that the Company has a strong case on merit. The Statutory Auditors of the Company have drawn an Emphasis of Matter in their review report in this regard.
8. During the quarter ended December 31, 2019, the Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the deferred tax assets (net) as at March 31, 2019 and the estimate of tax expense for the year ending March 31, 2020 have been re-measured. The resultant impact is being recognised proportionately over the current quarter and remaining quarter of the financial year.
9. Previous period figures have been regrouped / rearranged wherever necessary, to conform to current period presentation.

Place : Kolkata  
Dated : February 6, 2020



Rajeev Jhavar  
Managing Director



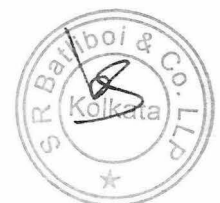
**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to**

**The Board of Directors**

**Usha Martin Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Usha Martin Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures for the quarter ended December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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

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

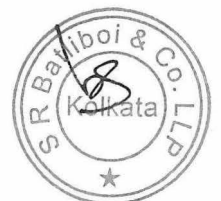
## **6. Emphasis of Matter**

- a) We draw attention to Note 5 regarding recoverability of book values of INR 5,705 lakhs (net of discounting impact of INR 1,233 lakhs and impairment of INR 810 lakhs) of moveable and immoveable assets including land and advances for land pertaining to Kathautia and Lohari coal blocks that were deallocated during an earlier year. We have been informed that various measures have been initiated by the management for timely realisation of the aforesaid amounts net of deposits already recovered. Pending outcome of such measures, no adjustments to the financial results in this regard have been considered necessary by the management.

Our conclusion is not modified in respect of this matter.

- b) We draw attention to Note 7 regarding attachment of certain parcels of land at Ranchi used by the Holding Company's wire rope business under Prevention of Money Laundering Act, 2002 (PMLA) in connection with export and domestic sale of iron ore fines in prior years aggregating INR 19,037 lakhs allegedly in contravention of terms of the lease granted to the Holding Company for the iron ore mines. Pending final outcome of the appeal filed by the Holding Company before the Appellate Tribunal, PMLA, no adjustment to these financial results in this regard have been considered necessary by the management.

Our conclusion is not modified in respect of this matter.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

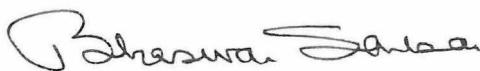
7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information of nineteen subsidiaries (including ten step down subsidiaries), whose interim financial results reflect Group's share of total assets of INR 137,541 lakhs as at December 31, 2019, and Group's share of total revenues of INR 29,249 lakhs and INR 90,939 lakhs, Group's share of total net profit after tax of INR 1,792 lakhs and INR 3,861 lakhs, Group's share of total comprehensive income of INR 1,796 lakhs and INR 3,850 lakhs, for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, as considered in the Statement, which have been reviewed by their respective independent auditors. The Statement also includes the Group's share of net profit after tax of INR 11 lakhs for the quarter ended December 31, 2019 and Group's share of profit after tax of INR 82 lakhs for the period from April 1, 2019 to December 31, 2019, respectively, as considered in the Statement, in respect of three joint ventures, whose interim financial results have been reviewed by their respective independent auditors. The independent auditor's reports on interim financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint ventures, is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

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

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

Chartered Accountants

**ICAI Firm registration number: 301003E/E300005**



**per Bhaswar Sarkar**

Partner

Membership No.: 055596

UDIN: 20055596AAAAAO6341

Place: Kolkata

Date: February 6, 2020



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

## Annexure I

### List of subsidiaries/joint ventures

#### Subsidiaries

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

@ Represents step-down subsidiaries

#### Joint ventures

| S. No. | Name                                      |
|--------|---|
| 1      | Pengg Usha Martin Wires Private Limited   |
| 2      | CCL Usha Martin Stressing Systems Limited |
| 3      | Tesac Usha Wire rope Company Limited*     |

\* Represents step-down joint venture



**Usha Martin Limited**
**Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended 31st December, 2019**

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars   | Quarter ended<br>31st December,<br>2019 | Quarter ended<br>30th<br>September,<br>2019 | Quarter ended<br>31st December,<br>2018 | Nine months<br>ended<br>31st December,<br>2019 | Nine months<br>ended<br>31st December,<br>2018 | Year ended 31st<br>March, 2019 |
|---|---|---|---|--|--|--------------------------------|
|   | Unaudited                               | Unaudited                                   | Unaudited                               | Unaudited                                      | Unaudited                                      | Audited                        |
| <b>Continuing Operations</b>  |   |   |   |  |  |                                |
| <b>Revenue</b>  |   |   |   |  |  |                                |
| Revenue from operations   | 53,687                                  | 53,817                                      | 61,979                                  | 1,63,910                                       | 1,85,582                                       | 2,48,825                       |
| Other income  | 681                                     | 1,068                                       | 1,109                                   | 3,668  | 2,120  | 2,103                          |
| <b>Total income</b>   | <b>54,368</b>                           | <b>54,885</b>                               | <b>63,088</b>                           | <b>1,67,578</b>                                | <b>1,87,702</b>                                | <b>2,50,928</b>                |
| <b>Expenses</b>   |   |   |   |  |  |                                |
| Cost of materials consumed  | 30,450                                  | 31,346                                      | 37,113                                  | 84,672   | 1,20,690                                       | 1,58,627                       |
| Purchases of stock-in-trade   | 137                                     | 275   | 184                                     | 672  | 528  | 698                            |
| (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade     | (554)                                   | (1,101)                                     | 280                                     | 8,006  | (7,756)  | (8,095)                        |
| Employee benefits expense   | 7,484                                   | 7,720                                       | 7,416                                   | 23,116   | 21,727   | 27,891                         |
| Finance costs   | 1,673                                   | 1,658                                       | 2,927                                   | 5,735  | 8,084  | 11,353                         |
| Depreciation and amortisation expense   | 1,643                                   | 1,557                                       | 1,525                                   | 4,717  | 4,580  | 6,086                          |
| Other expenses  | 9,795                                   | 9,671                                       | 10,090                                  | 29,405   | 27,894   | 38,197                         |
| <b>Total expenses</b>   | <b>50,628</b>                           | <b>51,126</b>                               | <b>59,535</b>                           | <b>1,56,323</b>                                | <b>1,75,747</b>                                | <b>2,34,757</b>                |
| <b>Profit before tax for the period from continuing operations</b>                            | <b>3,740</b>                            | <b>3,759</b>                                | <b>3,553</b>                            | <b>11,255</b>                                  | <b>11,955</b>                                  | <b>16,171</b>                  |
| <b>Tax expense:</b>   |   |   |   |  |  |                                |
| Current tax   | 668                                     | (661)                                       | 99                                      | 6,283  | 425  | 767                            |
| MAT credit entitlement  | -                                       | 792   | -                                       | (5,335)  | -  | -                              |
| Adjustment of tax relating to earlier periods   | -                                       | -   | -                                       | -  | -  | 227                            |
| Deferred tax charge/(credit) [Refer note 6 and 8 ]  | 1,841                                   | 964   | 225                                     | 18,713   | 12   | (23,740)                       |
| <b>Tax (income) / expense of continuing operations</b>  | <b>2,509</b>                            | <b>1,095</b>                                | <b>324</b>                              | <b>19,661</b>                                  | <b>437</b>                                     | <b>(22,746)</b>                |
| <b>Profit/(loss) before share of profit of joint ventures from continuing operations</b>      | <b>1,231</b>                            | <b>2,664</b>                                | <b>3,229</b>                            | <b>(8,406)</b>                                 | <b>11,518</b>                                  | <b>38,917</b>                  |
| Share of profit /(loss) of joint ventures   | 11                                      | (71)  | 80                                      | 82   | 155  | 284                            |
| <b>Profit / (loss) after share of profit of joint ventures from continuing operations (a)</b> | <b>1,242</b>                            | <b>2,593</b>                                | <b>3,309</b>                            | <b>(8,324)</b>                                 | <b>11,673</b>                                  | <b>39,201</b>                  |
| <b>Discontinued operations (Refer note 4)</b>   |   |   |   |  |  |                                |
| Profit / (loss) for the period from discontinued operations before tax                        | (483)                                   | 389   | (6,855)                                 | 50,342   | (11,550)                                       | (34,271)                       |
| <b>Tax income/(expense) from discontinued operation</b>                                       | <b>-</b>                                | <b>-</b>                                    | <b>-</b>                                | <b>-</b>                                       | <b>-</b>                                       | <b>-</b>                       |
| <b>Profit/(loss) for the period from discontinued operations after tax (b)</b>                | <b>(483)</b>                            | <b>389</b>                                  | <b>(6,855)</b>                          | <b>50,342</b>                                  | <b>(11,550)</b>                                | <b>(34,271)</b>                |
| <b>Profit/(loss) for the period [(c) = (a) + (b)]</b>   | <b>759</b>                              | <b>2,982</b>                                | <b>(3,546)</b>                          | <b>42,018</b>                                  | <b>123</b>                                     | <b>4,930</b>                   |
| <b>Other comprehensive income</b>   |   |   |   |  |  |                                |
| <b>Items that will not be reclassified to profit or (loss), net of tax</b>                    |   |   |   |  |  |                                |
| Re-measurements loss on defined benefit plans   | (218)                                   | (742)                                       | (695)                                   | (893)  | (307)  | (124)                          |
| <b>Items that will be reclassified to profit or (loss), net of tax</b>                        |   |   |   |  |  |                                |
| Exchange difference on translation of financial statements of foreign operations              | 2,978                                   | 768   | (3,125)                                 | 3,386  | 591  | 821                            |
| <b>Total other comprehensive income for the period, net of tax (d)</b>                        | <b>2,760</b>                            | <b>26</b>                                   | <b>(3,820)</b>                          | <b>2,493</b>                                   | <b>284</b>                                     | <b>697</b>                     |
| <b>Total comprehensive income for the period [(c) + (d)]</b>                                  | <b>3,519</b>                            | <b>3,008</b>                                | <b>(7,366)</b>                          | <b>44,511</b>                                  | <b>407</b>                                     | <b>5,627</b>                   |
| <b>Profit / (loss) for the period attributable to :</b>                                       |   |   |   |  |  |                                |
| Equity shareholders of the Company  | 661                                     | 2,918                                       | (3,743)                                 | 41,845   | 9  | 4,798                          |
| Non controlling Interest  | 98                                      | 64  | 197                                     | 173  | 114  | 132                            |
| <b>Other comprehensive income attributable to :</b>   |   |   |   |  |  |                                |
| Equity shareholders of the Company  | 2,759                                   | 24  | (3,821)                                 | 2,489  | 282  | 692                            |
| Non controlling Interest  | 1                                       | 2   | 1                                       | 4  | 2  | 5                              |
| <b>Total comprehensive income for the period attributable to :</b>                            |   |   |   |  |  |                                |
| Equity shareholders of the Company  | 3,420                                   | 2,942                                       | (7,564)                                 | 44,334   | 291  | 5,490                          |
| Non controlling Interest  | 99                                      | 66  | 198                                     | 177  | 116  | 137                            |
| <b>Paid-up equity share capital (face value of Re 1/- each)</b>                               | <b>3,054</b>                            | <b>3,054</b>                                | <b>3,054</b>                            | <b>3,054</b>                                   | <b>3,054</b>                                   | <b>3,054</b>                   |
| <b>Other equity as per balance sheet</b>  |   |   |   |  |  | <b>75,147</b>                  |
| <b>Earnings per share (Rs.) (*not annualised) (Refer note 4 and 6)</b>                        |   |   |   |  |  |                                |
| <b>Earnings per equity share (for continuing operations)</b>                                  |   |   |   |  |  |                                |
| Basic and Diluted   | 0.38                                    | 0.83  | 1.02                                    | (2.79)   | 3.793  | 12.82                          |
| <b>Earnings per equity share (for discontinued operations)</b>                                |   |   |   |  |  |                                |
| Basic and Diluted   | (0.16)                                  | 0.13  | (2.25)                                  | 16.52  | (3.790)  | (11.25)                        |
| <b>Earnings per equity share (for continuing and discontinued operations)</b>                 |   |   |   |  |  |                                |
| Basic and Diluted   | 0.22                                    | 0.96  | (1.23)                                  | 13.73  | 0.003  | 1.57                           |





Usha Martin Limited

1. Consolidated segment information

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars   | Quarter ended<br>31st December,<br>2019 | Quarter ended<br>30th September,<br>2019 | Quarter ended<br>31st December,<br>2018 | Nine months<br>ended<br>31st December,<br>2019 | Nine months<br>ended<br>31st December,<br>2018 | Year ended 31st<br>March, 2019 |
|---|---|--|---|--|--|--------------------------------|
|   | Unaudited                               | Unaudited                                | Unaudited                               | Unaudited                                      | Unaudited                                      | Audited                        |
| <b>Segment Revenue</b>  |   |  |   |  |  |                                |
| Wire and Wire Ropes   | 51,723                                  | 52,439                                   | 59,072                                  | 1,57,943                                       | 1,77,450                                       | 2,38,345                       |
| Others  | 1,964                                   | 1,378                                    | 2,907                                   | 5,967  | 8,132  | 10,480                         |
| <b>Revenue from Continuing operations</b>   | <b>53,687</b>                           | <b>53,817</b>                            | <b>61,979</b>                           | <b>1,63,910</b>                                | <b>1,85,582</b>                                | <b>2,48,825</b>                |
| <b>Revenue from Discontinued operations (Refer note 4)</b>                                    | <b>-</b>                                | <b>-</b>                                 | <b>1,02,341</b>                         | <b>6,523</b>                                   | <b>3,13,841</b>                                | <b>3,94,200</b>                |
| Less : Inter segment revenue from discontinued operations to continuing operations            | -                                       | -  | 24,886                                  | 2,306  | 78,295   | 1,04,899                       |
| <b>Revenue from Discontinued operations to external customers</b>                             | <b>-</b>                                | <b>-</b>                                 | <b>77,455</b>                           | <b>4,217</b>                                   | <b>2,35,546</b>                                | <b>2,89,301</b>                |
| <b>Total Revenue from Continuing and Discontinued operations</b>                              | <b>53,687</b>                           | <b>53,817</b>                            | <b>1,39,434</b>                         | <b>1,68,127</b>                                | <b>4,21,128</b>                                | <b>5,38,126</b>                |
| <b>Segment Results</b>  |   |  |   |  |  |                                |
| <b>Profit/(loss) for the period before tax and finance costs from Continuing operations</b>   |   |  |   |  |  |                                |
| Wire and Wire Ropes   | 6,148                                   | 6,003                                    | 7,380                                   | 19,683   | 20,392   | 28,120                         |
| Others  | (34)                                    | (57)                                     | (170)                                   | (871)  | 365  | (438)                          |
| <b>Total</b>  | <b>6,114</b>                            | <b>5,946</b>                             | <b>7,210</b>                            | <b>18,812</b>                                  | <b>20,757</b>                                  | <b>27,682</b>                  |
| Less:   |   |  |   |  |  |                                |
| Finance costs   | 1,673                                   | 1,658                                    | 2,927                                   | 5,735  | 8,084  | 11,353                         |
| Other Unallocable Expenditure   | 701                                     | 529                                      | 730                                     | 1,822  | 718  | 158                            |
| <b>Profit before tax for the period from continuing operations</b>                            | <b>3,740</b>                            | <b>3,759</b>                             | <b>3,553</b>                            | <b>11,255</b>                                  | <b>11,955</b>                                  | <b>16,171</b>                  |
| <b>Discontinued operations (Refer note 4)</b>   |   |  |   |  |  |                                |
| <b>Profit/(loss) for the period from Discontinued operations before tax and finance costs</b> | <b>(235)</b>                            | <b>820</b>                               | <b>5,731</b>                            | <b>(4,472)</b>                                 | <b>25,280</b>                                  | <b>14,744</b>                  |
| Less:   |   |  |   |  |  |                                |
| Finance costs   | 248                                     | 431                                      | 12,586                                  | 1,806  | 36,830   | 49,015                         |
| <b>Profit/(loss) for the period before tax from Discontinued operations</b>                   | <b>(483)</b>                            | <b>389</b>                               | <b>(6,855)</b>                          | <b>(6,278)</b>                                 | <b>(11,550)</b>                                | <b>(34,271)</b>                |
| <b>Profit on disposal of SBB business (discontinued operation)</b>                            | <b>-</b>                                | <b>-</b>                                 | <b>-</b>                                | <b>56,620</b>                                  | <b>-</b>                                       | <b>-</b>                       |
| <b>Total Profit/(loss) from discontinued operations before tax</b>                            | <b>(483)</b>                            | <b>389</b>                               | <b>(6,855)</b>                          | <b>50,342</b>                                  | <b>(11,550)</b>                                | <b>(34,271)</b>                |
| <b>Total Profit/(loss) before tax and share of Joint Venture</b>                              | <b>3,257</b>                            | <b>4,148</b>                             | <b>(3,302)</b>                          | <b>61,597</b>                                  | <b>405</b>                                     | <b>(18,100)</b>                |
| <b>Segments Assets</b>  |   |  |   |  |  |                                |
| Steel - Discontinued business (Refer note 4)  | -                                       | -  | 4,67,898                                | -  | 4,67,898                                       | 4,28,418                       |
| Wire and Wire Ropes   | 2,06,266                                | 2,02,153                                 | 1,98,861                                | 2,06,266                                       | 1,98,861                                       | 1,99,220                       |
| Others  | 52,870                                  | 65,772                                   | 47,800                                  | 52,870   | 47,800   | 73,481                         |
| <b>Total Assets</b>   | <b>2,59,136</b>                         | <b>2,67,925</b>                          | <b>7,14,559</b>                         | <b>2,59,136</b>                                | <b>7,14,559</b>                                | <b>7,01,119</b>                |
| <b>Segments Liabilities</b>   |   |  |   |  |  |                                |
| Steel - Discontinued business (Refer note 4)  | -                                       | -  | 2,26,555                                | -  | 2,26,555                                       | 1,96,690                       |
| Wire and Wire Ropes   | 66,444                                  | 63,983                                   | 34,921                                  | 66,444   | 34,921   | 35,964                         |
| Others  | 66,603                                  | 81,407                                   | 3,76,836                                | 66,603   | 3,76,836                                       | 3,87,022                       |
| <b>Total Liabilities</b>  | <b>1,33,047</b>                         | <b>1,45,390</b>                          | <b>6,38,312</b>                         | <b>1,33,047</b>                                | <b>6,38,312</b>                                | <b>6,19,676</b>                |

Note:

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

- Wire and Wire Ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, related accessories, etc.
- Others segment includes manufacturing and selling of wire drawing & allied machines, investment in Jelly Filled Telecommunication Cables and corporate office.
- The Company was also into Steel segment, which manufactures and sells steel wire rods, bars, blooms, bright bar, billets, pig iron and allied products, which has been disposed off with effect from April 9, 2019 (Refer note 4)
- Segment assets and liabilities of discontinued business has been arrived as per Business Transfer Agreement as fully explained in Note 4.



**Notes to Financial Results (contd ...):**

- The above consolidated results of Usha Martin Limited ("the Company") and its nineteen subsidiaries (including ten step-down subsidiaries) (together referred as 'the Group') and three joint ventures (including one step-down joint venture) for the quarter and nine months period ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 6, 2020.
- The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
- Pursuant to the Business Transfer Agreement dated September 22, 2018 (Novation agreement on October 24, 2018) and Supplemental Business Transfer Agreement dated April 7, 2019 and July 3, 2019 respectively with Tata Steel Long Products Limited (TSLPL) (formerly known as Tata Sponge Iron Limited), the Company had transferred its Steel and Bright Bar Business (SBB Business) as a going concern on slump sale basis during the quarter ended June 30, 2019 in accordance with the terms and conditions set out in those agreements at a consideration of Rs. 452,500 lakhs subject to net working capital adjustments. Out of the aforesaid consideration, an amount of Rs. 16,000 lakhs is receivable as at the quarter end that include Rs. 15,000 lakhs in respect of certain parcels of land for which perpetual lease and license agreements have been executed by the Company in favour of TSLPL pending completion of on going formalities for registration in the name of TSLPL. The Company and TSLPL is in the process of final settlement and reconciliation of net working capital and therefore adjustment, if any, arising on such reconciliation shall be done at the time of release of above hold back amount towards land. Consequent to the above, resultant profit of Rs. 56,620 lakhs (net of expenses pertaining to disposal of the business of Rs. 16,135 lakhs) on sale of the SBB Business was recognised under profit for the period from discontinued operations during quarter ended June 30, 2019. Earnings per share from discontinued operations as disclosed in these results have been determined taking into consideration the aforesaid profit from sale of SBB Business.

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

(Amounts in Rs. Lakhs unless otherwise stated)

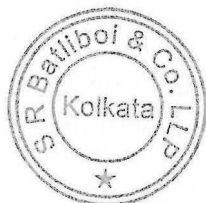
| Particulars   | Nine months period ended 31st December, 2019 |
|---|--|
| Consideration from TSLPL (net of acceptances Rs. 98,013 lakhs paid by TSLPL directly) [A] | 3,08,286                                     |
| Book value of fixed assets sold [B]   | 3,71,461                                     |
| Net book value of non-current liabilities (net of other non-current assets) sold [C]      | 1,534  |
| Net book value of current liabilities (net of current assets) sold [D]                    | 1,34,396                                     |
| Expenses pertaining to the disposal of the business [E]                                   | 16,135                                       |
| <b>Profit on disposal of SBB Business (discontinued operation) [F]=[A-B+C+D-E]</b>        | <b>56,620</b>                                |

The details of discontinued operations are as follows:

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars  | Quarter ended 31st December, 2019 | Quarter ended 30th September, 2019 | Quarter ended 31st December, 2018 | Nine months ended 31st December, 2019 | Nine months ended 31st December, 2018 | Year ended 31st March, 2019 |
|--|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|-----------------------------|
|  | Unaudited                         | Unaudited                          | Unaudited                         | Unaudited                             | Unaudited                             | Audited                     |
| <b>Total income</b>  | 789                               | 389                                | 1,02,764                          | 8,564                                 | 3,15,262                              | 4,00,911                    |
| <b>Total expenses</b>  | 1,272                             | -                                  | 1,09,619                          | 14,842                                | 3,26,812                              | 4,35,182                    |
| <b>Profit/(loss) before tax for the period from discontinued operation</b>             | <b>(483)</b>                      | <b>389</b>                         | <b>(6,855)</b>                    | <b>(6,278)</b>                        | <b>(11,550)</b>                       | <b>(34,271)</b>             |
| <b>Profit on disposal of SBB Business (discontinued operation) (refer above table)</b> | -                                 | -                                  | -                                 | 56,620                                | -                                     | -                           |
| <b>Total profit/ (loss) for the period from discontinued operations before tax</b>     | <b>(483)</b>                      | <b>389</b>                         | <b>(6,855)</b>                    | <b>50,342</b>                         | <b>(11,550)</b>                       | <b>(34,271)</b>             |

- Pursuant to the Hon'ble Supreme Court order dated September 24, 2014 followed by promulgation of the Coal Mines (Special Provision) Act, 2015 (CMSP Act), the allocation of Lohari and Kathautia coal blocks was cancelled with effect from September 24, 2014 and April 1, 2015 respectively. Consequently, the Company is carrying an amount of Rs. 5,705 lakhs (net of discounting impact of Rs. 1,233 lakhs, impairment charge of Rs. 810 lakhs and Rs 7,576 lakhs already received) as Assets held for sale/ Advance against land, which consists of assets in the form of land, movable and immovable properties, advances etc. During the previous year, the Company had filed an application before Hon'ble Delhi High Court for refund of Rs. 10,532 lakhs deposited with Government of Jharkhand (GoJ) towards acquisition of land which was subsequently de-notified. During the quarter under review, the Company has received Rs. 7,576 lakhs out of above deposit. Based on regular follow-up with the concerned Government authorities, negotiations with the Company to whom the aforesaid Coal Block was subsequently allotted, related judicial ruling, other recourses available to the Company and the advice of the Company's Legal Counsel, management expects to realize at least the carrying values of the aforesaid assets in the near future. The Statutory auditors of the Company have drawn an Emphasis of Matter in their review report in this regard.



**Notes to Financial Results (contd ...):**

6. During the quarter ended March 31, 2019, the Company had recognised net deferred tax assets (DTA) of Rs. 23,846 Lakhs as part of continuing business arising from unabsorbed depreciation and brought forward business losses that would be available to the continuing business for set off against long-term capital gain (LTCG) that would arise from sale of SBB Business and against future taxable income of the continuing business. Pursuant to sale of SBB business during the quarter ended June 30, 2019, the Company has utilised such deferred tax assets against LTCG arising from sale of SBB Business. Management believes that balance DTA of Rs 5,284 Lakhs will be recovered against future taxable income arising from the continuing business.  
The earnings per share of continuing operations for the quarter and nine months period ended December 31, 2019 are hence not comparable with the earnings per share of the previous periods reported.
7. The Directorate of Enforcement, Patna ("ED") had issued an order dated August 9, 2019 under the provisions of Prevention of Money Laundering Act, 2002 (PMLA) to provisionally attach certain parcels of land at Ranchi used by the Company's wire rope business in the State of Jharkhand for a period of 180 days in connection with export and domestic sale of iron ore fines in prior years aggregating Rs 19,037 lakhs allegedly in contravention of terms of the lease granted to the Company for the iron ore mines situated at Ghatkuri, Jharkhand. The Hon'ble High Court of Jharkhand at Ranchi had, vide order dated February 14, 2012, held that the Company had the right to sell the iron ore including fines as per the terms of the mining lease which was in place at that point in time. The Company had paid applicable royalty and had made necessary disclosures in its returns and reports submitted to mining authorities. The Company had submitted its reply before the Adjudicating Authority (AA). Subsequently, AA had issued an order by way of which the provisional attachment has been confirmed under Section 8(3) of PMLA. Thereafter, the Company filed an appeal before the Appellate Tribunal, New Delhi and successfully obtained a status quo order from the Tribunal on the confirmed attachment order. The ongoing operations of the Company have not been affected. Supported by a legal opinion obtained, management believes that the Company has a strong case on merit. The Statutory Auditors of the Company have drawn an Emphasis of Matter in their review report in this regard.
8. During the quarter ended December 31, 2019, the Company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the deferred tax assets (net) as at March 31, 2019 and the estimate of tax expense for the year ending March 31, 2020 have been re-measured. The resultant impact is being recognised proportionately over the current quarter and remaining quarter of the financial year.
9. Previous period figures have been regrouped / rearranged wherever necessary, to conform to current period presentation.

Place : Kolkata  
Dated : February 6, 2020



  
Rajeev Jhavar  
Managing Director

