



# usha martin®

## Usha Martin Limited

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Website:www.ushamartin.com

UML/SECT/

2<sup>nd</sup> July 2022

The Secretary  
National Stock Exchange of India Ltd  
Exchange Plaza,  
Plot No.C/1, G Block,  
BKC, Bandra (E) Mumbai – 400 051  
[Scrip Code : USHAMART]

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]

Central Depository Services (India) Limited  
Marathon Futurex, A-Wing  
25th Floor, N M Joshi Marg, Lower Parel  
Mumbai – 400 013

National Securities Depository Ltd  
Trade World, A Wing, 4th Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013

Dear Sir / Madam,

**Sub : Annual Report for the Financial Year 2021-22**

We hereby inform you that the 36<sup>th</sup> Annual General Meeting ('AGM') of Usha Martin Limited ('the Company') will be held through video conferencing/other audio-visual means (VC/OAVM) on Friday, 29<sup>th</sup> July 2022 at 11:30 A.M. (IST) in compliance with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) and Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the copy of Annual Report of the Company along with the Notice of the AGM for the Financial Year 2021-22 which is being sent through electronic mode to the members whose e-mail addresses are registered with the Company / Registrar and Transfer Agent / Depository Participants. The copy of Annual Report 2021-22 along with the Notice of AGM is also available on Company's website www.ushamartin.com.

Further, the Dividend on equity shares as recommended by the Board of Directors for the Financial Year 2021-22, if approved at the AGM, will be payable to those Members of the Company who hold shares as on the Record Date i.e., 21<sup>st</sup> July 2022 on or after Wednesday, 3<sup>rd</sup> August 2022.

The schedule of events is as below :

Event	Date	Time (IST)
Cut-off date for e-voting/Record Date	21 <sup>st</sup> July 2022	NA
Book Closure dates for AGM	22 <sup>nd</sup> July 2022 to 29 <sup>th</sup> July 2022 (both days inclusive)	NA
Commencement of e-voting	26 <sup>th</sup> July 2022	9:00 AM
End of e-voting	28 <sup>th</sup> July 2022	5:00 PM
AGM	29 <sup>th</sup> July 2022	11:30 AM

This is for your information and records.

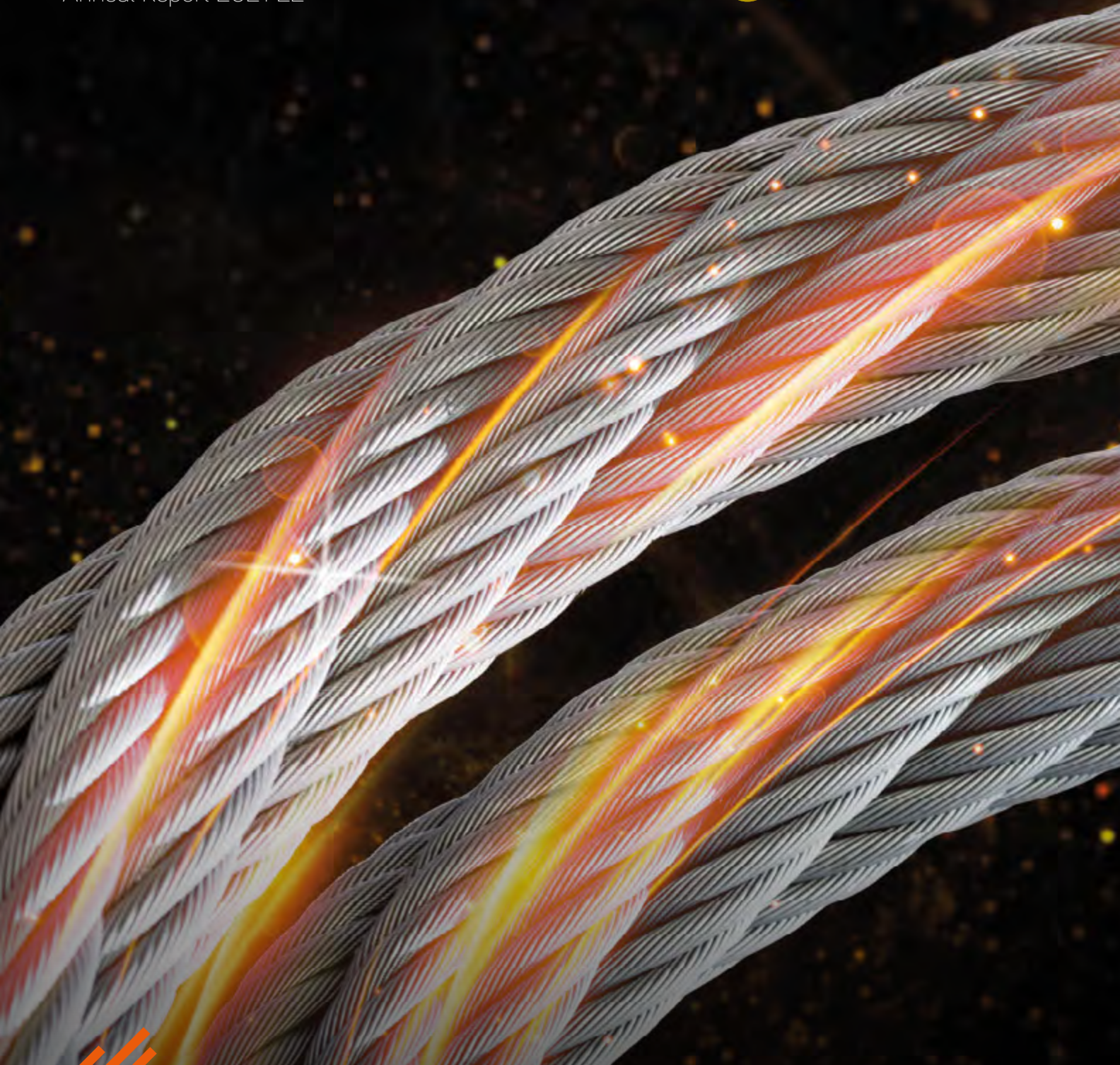
Thanking you,

Yours faithfully,  
For **Usha Martin Limited**

  
**Shampa Ghosh Ray**  
Company Secretary

Encl : as above

Copy to : Registrar & Transfer Agent: Mr. Shankar Ghosh-Head-Eastern Region,  
MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata - 700045.



A new growth paradigm  
**Resilient. Profitable. Sustainable.**



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### Key highlights of FY 2021-22

#### Revenue (Rs. in Crore)

1810.05

Standalone

2688.07

Consolidated

#### EBITDA (Rs. in Crore)

316.00

Standalone

450.09

Consolidated

#### PAT (Rs. in Crore)

211.31

Standalone

291.43

Consolidated

## From the Managing Director's Desk

# Building pathways to sustainable growth

Dear shareholders,

We have had a pivotal year at Usha Martin, as we moved into a phase of growth after significantly deleveraging our balance sheet over the past three years. We are now poised for expansion – enhancing our product mix, focusing on building share in international markets and investing in capacity increase.

The second and third waves of the pandemic during the year under review continued to pose a serious challenge to our daily lives. As a responsible organization, Usha Martin continued to prioritize the health and safety of its employees and their families, other stakeholders and the community at large.

COVID-19 created significant supply chain disruptions resulting in high cost of logistics. Prices of many of our key raw materials were also at record highs. We, as an organisation, were quick to anticipate these challenges and undertook several mitigation measures to ensure our businesses remained resilient. We were successful in maintaining our margins and profitability by enriching our product mix to high-value products, and also by increasing our penetration in newer geographies like Australia and South Africa.

Therefore, despite all the challenges, on consolidated basis, our revenue increased from Rs.2097.28 Crore to Rs.2688.07 Crore, an increase of 28.17% over the previous year. Our EBITDA and PAT stood at Rs. 450.09 Crore and Rs.291.43 Crore during the year under review, compared to Rs.312.56 Crore and Rs.151.50 Crore, respectively, for the previous year. Our focus on increasing exports by increasing market penetration

in newer geographies bore dividends, as our revenue from exports on consolidated basis grew from Rs.1034.26 Crore in the previous year, to Rs.1366.24 Crore during the year under review, an increase of 32.10%.

Our strategic move of selling off our steel business to Tata Steel had enabled us to significantly deleverage our Balance Sheet and focus on our core competencies. This has already started yielding results and has placed us in a position of strength.

We are in the process of expanding our capacities for rope production, focusing on high-end ropes, specialised wires and also LRPC. We have capital expenditure planned to the tune of approximately Rs.285 Crore and expect to complete our expansion programme over the next 12-15 months.

More importantly, we will continue to focus on our biggest asset: our people. We will continue to recognise and groom

in-house talent and create a leadership pool that would eventually benefit the organisation in the long run. We will also continue to focus in the areas of health and sanitation, conservation of natural resources, education and sustainable livelihoods to ensure we are able to bring about change for the society at large.

We believe that we are at an inflection point. Having been able to stabilise our business, we are truly on our way to strengthen our operations and push the boundaries. We would like to thank every stakeholder associated with the Company for their unwavering support. We, as a company, are ready for this new growth paradigm.

Warm Regards



**Rajeev Jhavar**  
Managing Director



## Corporate snapshot

# Welcome to our world

Over the last 60 years, we have been able to establish ourselves as one of the world's leading manufacturers of wire rope. Our multi-units and diversified portfolio of products, coupled with our superior quality products and services have enabled us to emerge as a globally trusted brand.

### MANUFACTURING CAPABILITIES

Our manufacturing units situated at Ranchi, Hoshiarpur, Silvassa, Dubai, Bangkok and the United Kingdom produce wide range of wire ropes.

### RESEARCH AND DEVELOPMENT FOCUS

We have two comprehensive R&D centres: one in Concesio, Italy and the other in Ranchi, Jharkhand, India. We are backed by an excellent team of R&D professionals, who are continuously engaged in new product innovation and improvement of our existing products and processes. We are actively engaged in designing wire ropes through our internally developed software and process optimization, ensuring our products at par with global benchmarks.

### MARKET PRESENCE

We have been able to establish ourselves as a global player and currently have presence in more than 50 countries. We possess strong capabilities worldwide, which enables us to cater to the needs of our international customers. Our focus on exports is validated by the fact that our international sales account for ~51% of our revenues.

### CUSTOMER-FIRST

We have always believed that the success of our Company has been built around our ability to serve customers. The phrase 'Globally Local' is what we live by. In order to ensure continuous supply of our products and services, we have set up worldwide network of 34 distribution centres.

## VISION

**"TO BE THE GLOBAL LEADER OF THE WIRE ROPE INDUSTRY BY DELIVERING CUSTOMER DELIGHT, ADOPTING MODERN TECHNOLOGY AND ENSURING SUSTAINABLE, INCLUSIVE GROWTH FOR ALL OF ITS STAKEHOLDERS."**



## Key facts

Industry experience

60

Manufacturing units

6

Continents where our products are sold

6

Total distribution centres

34

R&D centres

2

## Our products



Anchor Mooring Rope



Crane Rope



Mooring Rope



Locked Coil Rope



LRPC



Wire



Cables



Jelly Filled Telephone Copper Cables



Welding Wire



Fishing Rope

## Global presence

# Becoming a locally global organisation

We are driven by the aspiration to consistently grow our global scale and scope. Our focus and proactive investments and measures have enabled us to emerge as one of the most trusted companies in our space.



- |                         |                                |
|-------------------------|--------------------------------|
| 1. Aberdeen, UK         | 11. Johannesburg, South Africa |
| 2. Almaty, Kazakhstan   | 12. Moscow, Russia             |
| 3. Bangkok, Thailand    | 13. Netherlands                |
| 4. Casablanca, Morocco  | 14. Nottinghamshire, UK        |
| 5. Concesio City, Italy | 15. Perth, Australia           |
| 6. Dubai, UAE           | 16. Santiago, Chile            |
| 7. Ho Chi Min, Vietnam  | 17. Sao Paulo, Brazil          |
| 8. Houston, USA         | 18. Singapore                  |
| 9. India                | 19. Sydney, Australia          |
| 10. Jakarta, Indonesia  | 20. Constanta, Romania         |

**Share of revenue from international sales**

51%

**Global Distribution centres including Channel Partners**

15

## Our subsidiaries



Usha Martin International Limited (UMIL) – View of the plant situated at Worksop, Nottinghamshire, United Kingdom



Brunton Wire Ropes FZCo (BWR) – View of plant situated at Jebel Ali Free Zone, Dubai



Usha Martin Singapore Pte Limited [UMSPL] – Inside view of the premises situated at Singapore



Usha Siam Steel Industries Public Company Limited [USSIL] – View of the plant situated at Pathumthani, Thailand

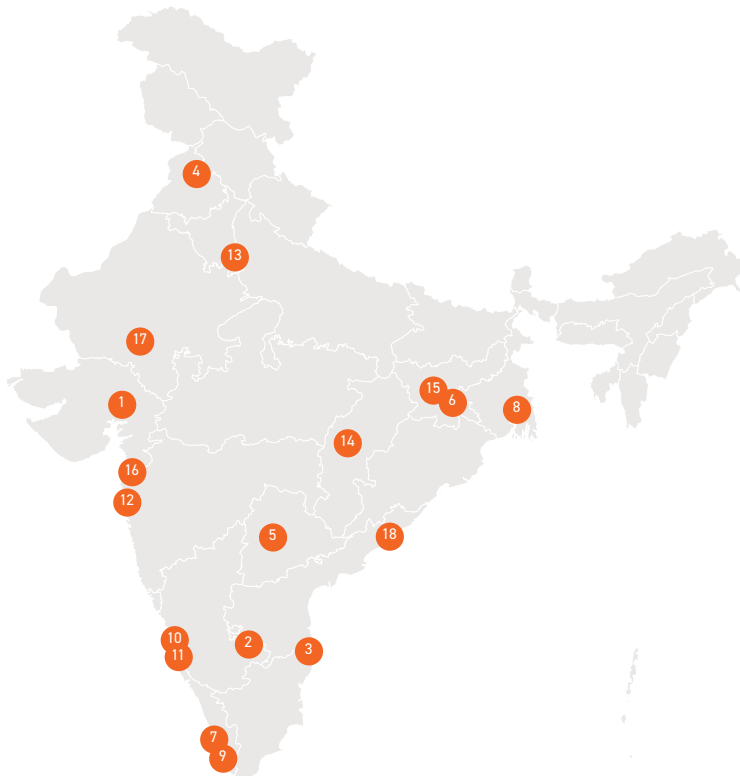


Usha Martin Americas Inc [UMAI] – View of the premises at Houston, Texas, USA



U M Cables Limited [UMCL] – View of the plant situated at Silvassa, Dadra and Nagar Haveli

## Pan India Network



- |               |               |
|---------------|---------------|
| 1. Ahmedabad  | 10. Malpe     |
| 2. Bengaluru  | 11. Mangalore |
| 3. Chennai    | 12. Mumbai    |
| 4. Hoshiarpur | 13. New Delhi |
| 5. Hyderabad  | 14. Raipur    |
| 6. Jamshedpur | 15. Ranchi    |
| 7. Kochi      | 16. Silvassa  |
| 8. Kolkata    | 17. Udaipur   |
| 9. Kollam     | 18. Vizag     |

Share of revenue from Domestic Sales

49%

Distribution centres including Channel Partners

19





## Key performance indicators

# A sustainable value-accretive business

### Standalone

#### Revenue (Rs. in Crore)

FY 2021-22	1810.05
FY 2020-21	1345.60
FY 2019-20	1392.62

#### EBITDA (Continuing Business) (Rs. in Crore)

FY 2021-22	316.00
FY 2020-21	205.52
FY 2019-20	200.55

#### Profit Before Tax (Continuing + Discontinued Business) (Rs. in Crore)

FY 2021-22	253.44
FY 2020-21	125.92
FY 2019-20	596.15 <sup>#</sup>

#### Profit After Tax (Continuing + Discontinued Business) (Rs. in Crore)

FY 2021-22	211.31
FY 2020-21	100.52
FY 2019-20	395.40 <sup>#</sup>

#### Fixed Assets – Gross Block (Rs. in Crore)

FY 2021-22	586.77
FY 2020-21	603.87
FY 2019-20	587.79

#### Net Debt (Rs. in Crore)

FY 2021-22	62.83
FY 2020-21	282.97
FY 2019-20	341.63

#### Debt Equity (X)

FY 2021-22	0.18
FY 2020-21	0.41
FY 2019-20	0.57

#### RoCE (%)

FY 2021-22	26.15
FY 2020-21	17.00
FY 2019-20	11.46

<sup>#</sup> Includes Rs 556.52 Crore from profit on sale of discontinued business

## Consolidated

### Revenue (Rs. in Crore)

FY 2021-22	<b>2688.07</b>
FY 2020-21	2097.28
FY 2019-20	2153.82

### EBITDA (Continuing Business) (Rs. in Crore)

FY 2021-22	<b>450.09</b>
FY 2020-21	312.56
FY 2019-20	284.96

### Profit Before Tax (Continuing + Discontinued Business) (Rs. in Crore)

FY 2021-22	<b>337.88</b>
FY 2020-21	187.79
FY 2019-20	630.81 <sup>#</sup>

### Profit After Tax (Continuing + Discontinued Business) (Rs. in Crore)

FY 2021-22	<b>291.43</b>
FY 2020-21	151.50
FY 2019-20	421.08 <sup>#</sup>

### Fixed Assets – Gross Block (Rs. in Crore)

FY 2021-22	<b>1195.85</b>
FY 2020-21	1302.41
FY 2019-20	1246.35

### Net Debt (Rs. in Crore)

FY 2021-22	<b>201.78</b>
FY 2020-21	367.74
FY 2019-20	466.70

### Debt Equity (X)

FY 2021-22	<b>0.22</b>
FY 2020-21	0.35
FY 2019-20	0.47

### RoCE (%)

FY 2021-22	<b>19.38</b>
FY 2020-21	13.36
FY 2019-20	8.37

<sup>#</sup> Includes Rs 556.52 Crore from profit on sale of discontinued business



## People culture

# Fostering a positive work environment

We have always been of the belief that our people are our biggest asset. As a result, we have always placed great emphasis on overall development and safety of our employees in order to achieve our goals. We have been able to foster a culture founded on values of trust, mutual respect and conversation.

**Total employees**

**2,180**





### TALENT ACQUISITION

Talent acquisition is perhaps one of most crucial pillars of our organisation. We use a variety of methods including job portals, employee-oriented online platforms, employee referrals, external consultants, group transfers and campus recruitment, among others.



### REWARDS AND RECOGNITION

We have a well-established rewards and recognition framework in place. High performers are given the opportunity to work on cross-functional projects and are exposed to training from reputable management institutes such as XLRI (Jamshedpur) in order to improve their skills. Besides this, we have been able to create an environment where employees are duly recognised and rewarded accordingly for their contributions to the organisation.



### BUILDING A TALENT POOL

We work extensively towards the upskilling and development of our employees. Our goal has always been to ensure that we possess a talent pool of capable individuals who would be able to take on greater responsibilities and serve the organisation over the foreseeable future. We hire fresh graduates from reputable institutions and provide them on-the-job and off-the-job organised training sessions to ensure they can start working in manufacturing plants at entry-level technical roles. We have a hostel within our production facility premises, that provides lodging for entry-level engineers as well as recreational opportunities for their overall growth.



### EMPLOYEE ENGAGEMENT

We constantly engage with our employees and organise multiple group projects to ensure that they are motivated. We have a dedicated HR programme 'HR aapke dwaar par', through which the HR department directly engages with employees to get a first-hand picture of their mental state and grievances and work proactively towards mitigating these.



### COVID-RESPONSE

The year under review was rattled with second and third waves of the pandemic and employee safety continued to be our number one priority. To start off, we provided our employees with the option of working-from-home. We organised regular awareness programmes to educate the employees about preventive measures. We also provided oxygen cylinders and critical medicines to our on-site health centre in case of any emergency. In addition to this, all our employees and their family members were provided free vaccinations.

**IF ANY EMPLOYEE LOST HIS/HER LIFE DUE TO COVID, HIS/HER FAMILY WOULD CONTINUE TO RECEIVE 50% OF MONTHLY SALARY TILL SUPERANNUATION AGE OR UPTO 20 YEARS, WHICHEVER IS EARLIER AND HIS/HER CHILD'S EDUCATION WOULD BE TAKEN CARE OF TILL GRADUATION. WE ALSO PROVIDED MEDICAL INSURANCE COVER TO FAMILY MEMBERS OF THE DECEASED.**

## Corporate social responsibility

# Creating value for the community

We have always been of the view that our community should grow with us. As a responsible corporate citizen, our focus has always been on community prosperity by empowering local residents, collaborating with them as partners, skill development and utilisation of local resources. All our CSR initiatives are carried out under the aegis of Usha Martin Foundation.



### NATURAL RESOURCE MANAGEMENT

We encourage farmers in and around the areas of our manufacturing facilities to follow healthy and environmental-friendly farming methods. We provide the farmers with seeds such as paddy, arhar, pea, wheat and mustard, among others. We also encourage the villagers to use compost to boost plant health, which in turn, would lead to increased savings, decreased use of chemical fertilisers and conservation of nature.

### EDUCATION

We operate a school named Gurukul School in Tatisilwai, Ranchi, for the under-privileged and marginalised children in the society. Besides this, we have renovated two middle-level schools in nearby villages and organised interactive literacy programmes to discuss and address issues pertaining to women and young children in their daily lives.

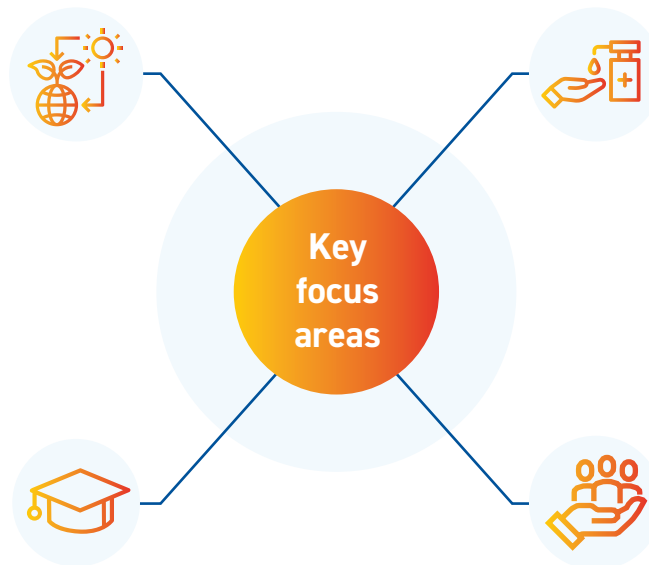


### HEALTH AND SANITATION

We organised several women and children health awareness camps in the areas of personal hygiene and general immunity. We educated women and children about the prevalence of infection-led diseases and how they could be safe against these. In addition to this, we have also assisted in the development of self-help organisations that raise awareness about various women health issues.

### SUSTAINABLE LIVELIHOOD

We encourage farmers to practise systematic rice intensification and we go the extra mile to arrange for soil and crop insurance for them. Besides this, we also educate villagers about the benefits of participating in off-farm income avenues such as fishery, duckery, poultry and piggery, while encouraging farmers to adopt a second crop in their farming fields.



## Awards and accolades

# Our recognition over the years

### Awards received in the recent past

Asian Leadership Award – 2021 as winner of the “Best-In-Class Award for Excellence in Product Quality & Services in Steel Wire Rope Industry” from World Federation of Marketing & World Quality Congress.



BIZZ Award 2021 for 'Business Excellency' from the World Confederation of Businesses - WORLDCOB, USA.



CSR Excellence Award – 2020 'Gold Category' for outstanding performance in 'Community Development Program' from Apex India Foundation.



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# Report of the Board of Directors

Dear Shareholders,

The Board of Directors of Usha Martin Limited (“the Company”) present the 36<sup>th</sup> Annual Report and Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2022.

## FINANCIAL SUMMARY / HIGHLIGHTS

(Rs. in Crore)

	Standalone		Consolidated	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Net Turnover	1,810.05	1,345.60	2,688.07	2,097.28
Earnings before Interest, Tax, Depreciation and Amortizations	316.00	205.52	450.09	312.56
Depreciation	31.40	30.64	69.75	67.87
Finance costs	31.16	44.52	42.46	56.90
Profit before tax from continuing operations	253.44	130.36	337.88	187.79
Tax expenses	42.13	25.40	54.85	36.44
Profit after tax from continuing operations	211.31	104.96	283.03	151.35
Share of Profit of Joint Venture	-	-	8.40	4.59
Profit after tax from discontinuing operations	-	(4.44)	-	(4.44)
Profit after tax	211.31	100.52	291.43	151.50
Other comprehensive income / (loss)	1.85	(1.57)	(1.10)	18.90
<b>Total comprehensive income / (loss)</b>	<b>213.16</b>	<b>98.95</b>	<b>290.33</b>	<b>170.40</b>

### Review of Operations

The turnover for the year was Rs. 2,688.07 Crore on consolidated basis and Rs. 1,810.05 Crore on standalone basis as compared to Rs. 2,097.28 Crore and Rs. 1,345.60 Crore respectively in the previous year. The Earnings before Interest, Depreciation and Tax was Rs. 450.09 Crore on consolidated basis as compared to Rs. 312.56 Crore in previous year and on standalone basis was Rs. 316.00 Crore as compared to Rs. 205.52 Crore in previous year.

A detailed discussion on review of operations of the Company has been included in Management Discussion and Analysis which forms part of this Report.

### Dividend & Reserves

The Board of Directors at their meeting held on 30<sup>th</sup> April 2022, has recommended payment of Rs.2 only (Rupees Two only) (200%) per equity share of the face value of Re.1 (Rupee One only) each as final dividend for the financial year ended 31<sup>st</sup> March 2022. The payment of final dividend is subject to the approval of shareholders at the ensuing Annual General Meeting (“AGM”) of the Company.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) is available under the Investor Relations section on the Company’s website: <https://www.ushamartin.com>.

Your Directors do not propose to carry any amount to reserves for the year under review.

### Outlook and Business

The next fiscal will continue to experience challenges in the nature of slowdown of economic growth, slag in demand, high input commodity prices, disruption in supply chain, increased freight cost and escalation of Russia – Ukraine conflict. Amidst all the uncertainties thrown up by the ongoing geographical tensions, a few upsides could include an increase in activities in oil & gas as well as energy segments, especially in non-affected countries. The Company, post divestment of its Steel Business Undertaking, has improved with renewed vigor with its focus on capability building, debottlenecking of constraints and increase in productivity of key products to remain agile and competitive. In order to continue to be sustainable, resilient and future ready, the Company is preparing for plans for augmenting capacity and capability building. There is focused effort for planned capability building by adding new machines for producing high end ropes and value-added products. Further, the plans for addition of capacity would focus mainly upon debottlenecking constraint areas and increase productivity of key products. With these plans in hand, the Company remains confident of making deeper inroads into international markets with high contributory products. It is also expected that with steady infrastructure spending by the Indian government, specialty products used in construction and infrastructural sector may become one of the key growth drivers for the Company. The future outlook is

expected to be a mixed bag of both opportunities and challenges with the key being the Company's adaptability and proactive adjustments to an ever-changing macro-economic environment.

### TPM & Quality

Certification of conformation with respect to Quality Management System with reference to the standard ISO 9001:2015 and Environmental Management System with reference standard ISO 14001:2015 continues to be maintained. Certificate of Product Design Assessment ("PDA") issued by ABS, Ship/Offshore Engineering Department, Singapore is in place. Further the Company continues to have Approval of Manufacturing ("AOM") by DNV-GL, ABS & Lloyd. The organisation has Certificate of Authority to use the official API Monogram issued by American Petroleum Institute, USA. The Company continues to have a number of product certifications such as BIS from Bureau of Indian Standards, Inmetro of Brazil, SONCAP of Nigeria by SGS of India, China Classification Society of China, NKK of Japan, Certificate of recognition for BV Mode II scheme by Bureau Veritas, SIRIM QAS of Malaysia. The Mooring Line Base Design Certification conforms with Mooring Equipment Guidelines. LRPC product continues to be certified by Australasian Certification Authority for Reinforcing and Structural Steels Ltd and High Tensile Steel Wire and Strand for the Prestressing of Concrete product has been certified by Dubai Central Laboratory Department of Dubai and the Company is also an approved manufacturer and supplier of wire ropes to mines recognised by Directorate General of Mines Safety, Dhanbad, India. Further the Company continues to have Certificate of Accreditation in the field of testing as per ISO 17025: 2017 by National Accreditation Board for Testing & Calibration Laboratories ("NABL").

The Company continues to pursue Business Excellence with concepts like Kaizen Management, Fugui Management, TPM, Lean Manufacturing, Cost Reduction initiatives, Process Improvements which are being integrated and implemented in operation, maintenance and service functions of plants of the Company which have resulted in promoting a culture of continuous improvement with a focus on improving productivity and efficiency, eliminating wastes, reducing costs, impacting affirmatively operational efficiencies, profitability and growth of the Company. This continued focus on Business Excellence is expected to further strengthen and bolster competitiveness with respect to quality, cost and delivery of the business of the Company.

### Environment

The Company is fully committed towards maintaining quality and preservation of environment and has continued its pursuit for achieving environmental sustainability and ecological balance through reduced and controlled process emission, waste minimization and reduction in consumption of energy, water and raw materials. Periodic environmental monitoring, online

monitoring of emission and effluent, treatment and recycling of process effluent are continuously being carried out. Further fly ash utilisation level has achieved optimal level. The Company is vigorously continuing with its initiatives to address global environmental issues viz climatic change, global warming through continued and sustained efforts by use of alternate energy such as use of LPG and biomass briquette as fuel, less consumption of conventional energy such as use of energy efficient LED bulbs and motors, establishing and expanding green foot print by focusing on greenery & greenbelt development. The environmental management system at manufacturing facilities of the Company continue to be accredited with ISO 14001:2015 certification.

### Subsidiaries & Joint Ventures

The international subsidiaries of the Company provide significant synergy and support to the overall business and performance. A key joint venture formed by the Company namely Pengg Usha Martin Wires Private Limited has reported excellent results in the year under review. During the year under review there were no other entities which became or ceased to be subsidiaries, joint ventures and associates of the Company. A statement covering the performance and financial position of each of the subsidiaries, associates and joint ventures is provided separately and forms part of this Report.

### Deposits

During the year under review, the Company has not accepted any deposit under Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). As on 31<sup>st</sup> March 2022, there are no unclaimed deposits with the Company. The Company has not defaulted in repayment of deposits or payment of interest on deposits thereon in the past.

### Share Capital

The paid-up Equity Share Capital as on 31<sup>st</sup> March 2022 stood at Rs. 30.54 Crore. During the year under review, the Company has not issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares.

The total issued and paid-up equity shares of the Company as on 31<sup>st</sup> March 2022 as per the stock exchange records stands inflated by 230 equity shares. This was caused due to an erroneous additional electronic transfer of 230 equity shares to Investor Education & Protection Fund ("IEPF") under the Ministry of Corporate Affairs ("MCA") by way of corporate action executed on 29<sup>th</sup> September 2020 by Central Depository Services (India) Ltd ("CDSL") and Registrar & Transfer Agent ("RTA") of the Company. The Company has been continuously engaging with IEPF under MCA, CDSL and RTA for necessary rectification /reversal of erroneous entry. Due to Covid pandemic there is a delay in necessary rectification/reversal.



## Report of the Board of Directors (contd.)

### **Scheme of the Arrangement for Capital Reduction & Capital Reorganisation**

The Board of Directors at their meeting held on 20<sup>th</sup> May 2021 approved the Scheme of the Arrangement ("Scheme") between the Company and its Shareholders for reduction & reorganisation of capital of the Company wherein the credit balances of various items of Reserves in the Balance Sheet would be adjusted against the entire negative balance of Retained Earnings. The aforementioned reduction & reorganisation of Capital of the Company does not prejudicially affect the Company or its Shareholders or any other Stakeholders and does not in any way adversely affect the operations of the Company or the ability of the Company to honor its commitments. Subsequent to the receipt of No Objection Letters from the Stock Exchanges where the Equity Shares of the Company are listed and requisite approval from Shareholders of the Company, the Hon'ble National Company Law Tribunal, Kolkata Bench ("Tribunal") approved the Scheme on 31<sup>st</sup> March 2022. Reference is drawn to Note 41 to the Accounts in the Annual Report.

### **Significant and Material Orders Passed by Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future**

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

The Central Bureau of Investigation ("CBI") registered a regular case on 20<sup>th</sup> September 2016 ("FIR No. 1") under the Indian Penal Code, 1860 ("IPC") and The Prevention of Corruption Act, 1988 ("PC Act") against certain individuals and the Company, wherein, inter-alia, various illegalities have been alleged qua the allocation of mine to the Company and abuse of official position by government servants. The CBI is conducting investigations in the matter, though no charge-sheet under the Code of Criminal Procedure, 1973 has been filed before the concerned court. On October 2020, CBI registered another First Information Report under the PC Act read with the IPC against the Company, few officials of the Company and others, alleging influencing of the investigation in FIR No. 1. While a preliminary chargesheet has been filed before the CBI Court, New Delhi, no cognizance has been taken by the said court and further investigation is pending.

The Directorate of Enforcement ("ED"), Patna passed a provisional order dated 9<sup>th</sup> August 2019 ("Provisional Order") for provisional attachment of certain immovable properties of the Company valued at approximately Rs.190 Crore pertaining to the wire rope business of the Company, situated at Ranchi in the State of Jharkhand. This order was passed in connection with sale of iron-ore fines in earlier years from the erstwhile iron-ore mines of the Company situated at West Singhbhum in the State of Jharkhand. On 10<sup>th</sup> January 2020, the Adjudicating Authority under the Prevention of Money Laundering Act, 2002 ("PMLA") issued an order confirming the Provisional Order, subsequent to

which the Company filed applications for stay and appeal against the order of Adjudicating Authority, PMLA, with the Appellant Tribunal, PMLA, New Delhi. The Appellant Tribunal vide an order dated 31<sup>st</sup> January 2020 directed that status quo be maintained till the next date of hearing. Due to Covid pandemic there has been no progress in this matter. Further, during the year under review, ED filed a complaint before the District and Sessions Judge cum Special Judge, Ranchi ("Ranchi Trial Court"). On 15<sup>th</sup> December 2021, the Supreme Court passed an order and stayed the ongoing proceedings at Ranchi Trial Court. In view of the stay granted by the Supreme Court, no further proceedings have been initiated by the Ranchi Trial Court.

Reference is drawn to Note 38 to the Accounts in this Annual Report and the 'Emphasis of Matter' by the Auditors in their Report.

### **Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements.**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory, cost and secretarial auditors and external consultants specially appointed for this purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31<sup>st</sup> March 2022.

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

Mr. R Venkatachalam (DIN: 02194830) subsequent to withdrawal of his nomination on the Board of the Company by State Bank of India (Lender) ceased to be the Nominee Director. The Board at its Meeting held on 12<sup>th</sup> November 2021 had appointed Mr. Sethurathnam Ravi (DIN: 00009790) and Mr. R Venkatachalam (DIN: 02194830) as Additional Independent Directors of the Company effective from the aforesaid Board Meeting date. In accordance with requirement of amended SEBI Listing Regulations, approval of shareholders with requisite majority for appointments of Mr. Ravi and Mr. Venkatachalam as Independent Directors for a period of five consecutive years was obtained vide Postal Ballot on 23<sup>rd</sup> December 2021.

The shareholders of the Company at the 35<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> August 2021 had approved with requisite majority the appointment (including the remuneration) of Mr. Devadip Bhowmik (DIN: 08656505) as the Whole Time Director of the Company effective 15<sup>th</sup> March 2021 for a period of five years. Further in terms of Section 152 of the Act, Mr. Bhowmik is retiring by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

Brief profile of Mr. Devadip Bhowmik is given in the Notice convening the forthcoming Annual General Meeting.

The shareholders of the Company at the 31<sup>st</sup> Annual General Meeting held on 21<sup>st</sup> September 2017 had appointed Mr. Mukesh Rohatgi (DIN: 00136067) as an Independent Director for a tenure of five years till 8<sup>th</sup> December 2021. Accordingly, after expiry of the said tenure, Mr. Rohatgi ceased to be a director and consequently the Chairman of the Board and the Company. The Board placed on record its appreciation for his immense support, invaluable guidance and contribution. The Board of Directors at its Meeting held on 11<sup>th</sup> February 2022 designated Mr. Vijay Singh Bapna (DIN: 02599024) as the Chairman of the Board and the Company effective from the aforesaid Board Meeting date.

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

During the year under review, there has been no other change in Key Managerial Personnel of the Company.

#### Directors' Responsibility Statement

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

- i) the applicable accounting standards have been followed in preparation of annual accounts for Financial Year ended 31<sup>st</sup> March 2022 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 profit and 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 31<sup>st</sup> March 2022 have been prepared on a going concern basis;
- v) internal financial controls are in place and that such financial controls are adequate and operating effectively;
- vi) adequate systems to ensure compliance with the provisions of all applicable laws are in place and are operating effectively.

#### Board Evaluation

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

the Nomination & Remuneration Committee. The Nomination & Remuneration Committee reviews the feedback and makes relevant recommendation to the Board for final evaluation.

#### Nomination & Remuneration Policy

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

#### Vigil Mechanism and Whistle Blower Policy

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

#### Particulars of Employees & Managerial Remuneration

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

#### CEO and CFO Certification

In accordance with the provisions of the SEBI Listing Regulations, the Managing Director and Chief Financial Officer of the Company have submitted the relevant certificate for the year ended 31<sup>st</sup> March 2022 to the Board of Directors.

#### Additional Disclosures

The Company had adopted effective from 1<sup>st</sup> April 2016, the notified Indian Accounting Standards ("IND AS") and accordingly the Financial Statements (both standalone and consolidated) for the year ended 31<sup>st</sup> March 2022 have been prepared under Ind AS. In line with requirements of applicable provisions of law, the Company has made necessary disclosures in respect of Consolidated Financial Statements, Related Party Transactions and Segmental Reporting.

Further in accordance with the recent amendments made in Rule 8(5) (xi) of Companies (Accounts) Rules, 2014 this is to confirm that during the year under review and as on 31<sup>st</sup> March 2022, no



## Report of the Board of Directors (contd.)

application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company. Also during the year under review there was no instance of one-time settlement with banks or financial institutions and hence the differences in valuation as enumerated under Rule 8 (5) (xii) do not arise. Further this is to confirm that during the year under review there were no changes in the nature of business carried on by the Company or by any of its subsidiaries.

The requisite disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been provided separately in this Annual Report.

### Auditors

In accordance with the provisions of Section 139 of the Act and pursuant to shareholders approval at the 35<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> August 2021, Messrs. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) have been re-appointed as Statutory Auditors of the Company to hold office from the conclusion of the 35<sup>th</sup> Annual General Meeting till the conclusion of the 40<sup>th</sup> Annual General Meeting of the Company.

The Emphasis of Matter mentioned in the Auditors' Report is self-explanatory. During the year under review, the Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### Cost Auditors

Pursuant to Section 148 of the Act and Rules made thereunder, the Board had appointed M/s. Mani & Co., Cost Accountants for a term of one year, to conduct cost audit of the Company for the Financial Year 2020-21 and had recommended their remuneration to the shareholders which was ratified at the Annual General Meeting held on 11<sup>th</sup> August 2021. Subsequent to the recommendation of the Audit committee, the Board has re-appointed M/s. Mani & Co., Cost Accountants as the Cost Auditors of the Company for the Financial Year ending 31<sup>st</sup> March 2023 and their remuneration is sought to be ratified by the shareholders at the forthcoming Annual General Meeting and is included as an agenda item in the Notice convening the 36<sup>th</sup> Annual General Meeting of the Company.

### 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 Regulations, (as amended) and followed the practice of getting disclosures from directors and senior management personnel relating to any material, financial and commercial transactions where they have any personal interest with a potential conflict of interest with the Company at large. A detailed Report on Corporate Governance is annexed and forms part of this Report. The Company has also complied with the Standards of Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India as applicable during the year ended 31<sup>st</sup> March 2022.

### Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report as stipulated in the SEBI Listing Regulations, amended from time to time, forms part of the Annual Report.

### Audit Committee

Members of the Audit Committee as on 31<sup>st</sup> March 2022 were Mr. Vijay Singh Bapna as Chairman, Mr. S Ravi and Mr. Rajeev Jhawar as members of the Committee. The Company Secretary acts as the Secretary to the Audit Committee. All recommendations of the Audit Committee were duly accepted by the Board and there were no instance of any disagreement between the Committee and Board.

### Corporate Social Responsibility (CSR)

The Company continues to take its role as a responsible corporate citizen very seriously and is deeply involved in sustainable development of communities in and around its areas of plant operations. The CSR policy of the Company is available on <https://www.ushamartin.com>. The Company's commitment to its responsibilities towards society over the years has never been confined to the requirements of any statute. As per the provisions of Section 135 of the Act, the Company need not statutorily incur any social responsibility spending owing to absence of net profits (calculated in the manner as per the provisions of the Act) over the last three financial years and hence, the Company had not made any CSR spending as required under Section 135 of the Act. In view of no spending on account of CSR activities under Section 135 of the Act, a separate Annual Report on CSR activities has not been provided in this annual report. However, your Company continues to contribute voluntarily to Usha Martin Foundation which carries out various CSR initiatives for upliftment and development of communities living in and around the production facility situated at Ranchi in the State of Jharkhand. As on 31<sup>st</sup> March 2022, the CSR committee comprised of Mr. Vijay Singh Bapna as Chairman, Mrs. Ramni Nirula and Mr. D J Basu as members.

Details of the net profit/(loss) for the last three financial years computed in accordance with the formulae provided in Section 198 of the Companies Act, 2013 are provided herein under:

	(Rs. in Crore)		
	FY 2018-19	FY 2019-20	FY 2020-21
Net profit/(loss)	(1,649.70)	(1,637.12)	(1,496.93)

Average Net Loss for the last three financial years is Rs. 1,594.58 Crore. Hence as per the requirements of the Act, the Company was not required to make any statutory spending towards CSR activities. However, the Company has voluntarily contributed towards different social initiatives taken up during the year under review as is mentioned elsewhere in this Annual Report.

#### Annual Return

In accordance with Section 92 (3) read with Rule 12 of the Companies (Management and Administration) Rules 2014 (as amended) a copy of the Annual Return of the Company is hosted on its website and can be accessed at <https://www.ushamartin.com>.

#### Number of Meetings of Board and its Committees

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

#### Particulars of Loans, Guarantees and Investments

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

#### Particulars of Contracts or Arrangements with Related Parties

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

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

#### Risk Management

The Risk Management Committee of the Board of Directors of the Company is entrusted with assisting 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 Regulations. The Company has formulated a robust Risk framework which reviews risks, identifies ownership of risk, assesses the implication of such risks and the method to mitigate the same. As on 31<sup>st</sup> March 2022, the Risk Management Committee comprised of Mr. Vijay Singh Bapna as Chairman, Mrs. Ramni Nirula, Mr. R Venkatachalam, Mr. S Ravi, Mr. D J Basu and Mr. Devadip Bhowmik as Members.

#### Material Changes between the End of the Financial Year and Date of Report

There has been no material changes subsequent to the end of the Financial Year and the date of this report which requires to be specifically reported other than as mentioned elsewhere in this Annual Report.

#### Appreciation

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

On behalf of the Board of Directors  
**Rajeev Jhawar**  
 Managing Director  
 DIN: 00086164

**Dhrub Jyoti Basu**  
 Whole Time Director  
 DIN: 02498037

Place: Kolkata  
 Date: 30<sup>th</sup> April 2022



# Management Discussion & Analysis

## GLOBAL ECONOMY

The current fiscal continued to bear the brunt of COVID-19 flare-ups with new virus variants. However, the momentum of spread of pandemic showed signs of weakening and the global economy started to recover with many geographies resorting to restoration of normalcy. With businesses reopening, labour tightening and prices rising, many central banks around the world were poised to begin unwinding the fiscal and monetary support. While the global economy was on its recovery trajectory during the year, the prospects of growth have been significantly impacted with the crisis in Europe caused by the Russia – Ukraine conflict. The conflict in Europe, the re-emergence of COVID-19 in China, in addition to the already fluctuating and rising metal and energy costs, supply chain disruptions and inflation across major economies will continue to remain as headwinds for global growth.

## INDUSTRY OVERVIEW AND BUSINESS OVERVIEW

The commencement of the fiscal year 2021-2022 marked the onset of the second wave of the pandemic in India. Though the effects of the second wave was devastating from a social perspective, the severity of the impact on the economy was more subdued as compared to the previous fiscal. The economy continued on its path of recovery underlined by a marked increase in public sector capex spending, especially infrastructure, robust exports, services sector rebound and improved consumption levels. The steel industry has been adversely impacted by the disruption of supply of steel from Ukraine and Russian regions due to the conflict between these two nations which has resulted in escalating input prices of high carbon wire rods and the prices had hit an unprecedented high by early March 2022. Steel exporters have also been faced with upward spiraling freight rates. The economic sanctions against Russia has further worsened the logistics of air and sea freight. Since international crude oil price is expected to remain firm, an uptick on the demand side is expected in the oil and gas market segment globally which will boost demand for products of the Company such as large diameter ropes and drilling lines. The Company expects growth in export volume in South-East Asia, Australia, USA, Canada, Latin America and South Africa. One of the key focus areas for growth of the Company shall be enrichment of product mix by reducing low contributory items and focusing more on high value-added products, with the aim to shift the focus from volume to value. In addition to enriching the product mix and expanding footprint in new geographies, the Company will continue to focus on areas like enlarging product basket and deliverables, moving up the value chain through service networks, strengthening network and market

reach through digital platforms, strategic brand positioning and imbibing environmental, social and governance aspects in our business practices. The Company aims to increase its global footprint in the mining segment.

## PERFORMANCE REVIEW

On a standalone basis, during FY 2021-22, the Company achieved gross production of Wire Ropes and Conveyor Cord of 62,145 MT against 55,718 MT in FY 2020-21. The gross production of Strand, Wire & LRPC was 93,450 MT in FY 2021-22 against 85,291 MT in FY 2020-21. Production of the total value added products was higher by about 10.34% in FY 2021-22 compared to that in the previous financial year.

## PRODUCTION VOLUME VA PRODUCTS - STANDALONE

Qty in MT	FY 2021-22	FY 2020-21
Wire Ropes	59,802	53,379
Wire/ Strands/LRPC	93,450	85,291
Conveyor Cord	2,343	2,339

During the year, consolidated turnover of the Company stood at Rs. 2,688.07 Crore which is 28.17 % higher than Rs. 2,097.28 Crore in the previous year. On standalone basis, the Company's turnover increased by 34.52% to Rs. 1,810.05 Crore in the current Financial Year from Rs. 1,345.60 Crore in the previous year.

The EBIDTA achieved by the Company on consolidated basis was Rs. 450.09 Crore being 16.74 % of the reported turnover, and on standalone basis at Rs. 316.00 Crore, being 17.46 % for the reported turnover against Rs. 312.56 Crore and Rs. 205.52 Crore respectively in previous year.

## INTERNATIONAL BUSINESS

**Usha Martin International Limited [UMIL]:** UMIL is a wholly owned subsidiary of the Company located in United Kingdom which enjoys a presence in Europe through its wholly owned step-down subsidiaries, namely:

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

The consolidated performance of UMIL during the year under review has been provided herein under:

	GBP in Mn		
UMIL	FY 2019-20	FY 2020-21	FY 2021-22
Turnover	44.3	40.5	48.3
PAT (including OCI)	2.4	2.3	1.5

**Brunton Wire Ropes FZCo [BWR]:** BWR, located in United Arab Emirates is a wholly owned subsidiary of the Company wherein the Company holds 75% of the paid-up capital of BWR and balance 25% of paid-up capital is held Usha Martin Americas Inc. (a wholly owned subsidiary of the Company). The performance of BWR during the year under review has been provided herein under:

	USD in Mn		
BWR	FY 2019-20	FY 2020-21	FY 2021-22
Turnover	22.7	20.6	29.3
PAT (including OCI)	0.8	0.6	2.2

**Usha Martin Singapore Pte Limited [UMSPL]:** UMSPL located at Singapore is a wholly owned subsidiary of the Company which is in business of warehousing and distribution of wire ropes in Asia Pacific region by itself and through its following wholly owned subsidiaries –

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

	USD in Mn		
UMSPL	FY 2019-20	FY 2020-21	FY 2021-22
Turnover	27.9	24.6	35.4
PAT (including OCI)	(0.1)	1.6	3.2

**Usha Siam Steel Industries Public Company Limited [USSIL]:**

USSIL is a subsidiary of the Company situated in Thailand in which the Company along with Usha Martin Singapore Pte Ltd. holds 97.98% of the equity of USSIL. The performance of USSIL during the year under review has been provided herein under:

	THB in Mn		
USSIL	FY 2019-20	FY 2020-21	FY 2021-22
Turnover	1,363.1	1,275.2	1,631.9
PAT (including OCI)	(12.5)	2.7	34.7

**Usha Martin Americas Inc [UMAI]:** UMAI is a wholly owned subsidiary of the Company having a production facility at Houston, United States of America. The performance of UMAI during the year under review has been provided herein under:

	USD in Mn		
UMAI	FY 2019-20	FY 2020-21	FY 2021-22
Turnover	8.1	8.0	14.8
PAT (including OCI)	1.0	0.2	1.7

## DOMESTIC BUSINESS

**U M Cables Limited [UMCL]:** UMCL is a wholly owned Indian subsidiary of the Company, engaged in business of telecommunication cables. Its manufacturing facility is located at Silvassa, India. The performance of UMCL during the year under review has been provided herein under:

	Rs. in Crore		
UMCL	FY 2019-20	FY 2020-21	FY 2021-22
Turnover	73.3	93.2	103.9
PAT (including OCI)	(11.3)	2.7	7.9





## Management Discussion & Analysis (contd.)

### KEY FINANCIAL RATIOS

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

Particulars	FY 2021-22	FY 2020-21	Change %	Reasons for change
Debtors Turnover (days)	47.0	54.0	(13.0)	Debtors turnover decreased due to better collection management.
Inventory Turnover (days)	90.0	108.0	(16.7)	Inventory Turnover decreased due to better inventory management.
Interest Coverage Ratio (times)	9.1	3.9	107.7	Interest coverage ratio has increased due to reduction in finance cost and increase in profits during Financial Year 2021-22.
Current Ratio (times)	2.1	1.4	50.0	Current Ratio has improved due to increase in inventory and reduction in trade payable and current borrowings of the Company.
Debt Equity Ratio (times)	0.2	0.4	(50.0)	Debt Equity ratio has improved due to repayment and prepayment of term loans and increase in profits of the Company.
Operating Profit Margin - EBIT (%)	15.7	12.7	23.6	Operating Profit margin has improved due to higher volumes, better product mix and one time exceptional income during the Financial Year 2021-22.
Net Profit Margin (%)	11.7	7.5 <sup>#</sup>	56.0	Net Profit margin has increased due to better product mix, one time exceptional income and reduction in finance costs during the Financial Year 2021-22.
Return On Net worth (%)	25.7	15.1 <sup>#</sup>	70.2	Return on Net Worth has increased due to improved profitability and one time exceptional income.

<sup>#</sup>Continuing and Discontinued Operation

### OPPORTUNITIES, THREATS, RISKS & CONCERNS

#### Opportunities:

- The Company's positioning in specific market segments like Mining Rope, Swaged Rope, Plasticated LRPC, value added wires with the augmentation of new capability/capacity addition at the plant.
- Leveraging higher plant productivity resulting from refurbishment of machines to increase market share in products with supply constraints so far.
- Increasing activity in Oil and Offshore markets globally to boost demand for specialty products.
- Supply disruptions of wire ropes from Russia and Ukraine, may push up demand and increase consumption prices in Europe.

#### Threats:

- Large-scale escalation of war situation could thwart economic growth and Company's growth plans.
- Challenges in recovery of increased input and freight costs.
- Increased freight will force the Company to its competitive edge in many geographical segments.

#### Risks & Concerns:

- Disruption in Russian/Kazakh/Ukrainian businesses due to uncertainties about payment channels, logistics and risk coverage.
- Disruption of supply chain.

### OUTLOOK

The slowdown of economic growth, slag in demand, high input commodity prices, increasing freight cost and risk of escalation of Russia – Ukraine conflict could pose a threat to the growth plan of the Company. To continue to be sustainable, resilient and future ready the Company is preparing for plans for augmenting capacity/capability building in coming years. There is focused effort for planned capability building by adding new machines for producing high end ropes and value-added products. Further the plans for addition of capacity would focus mainly upon debottlenecking constraint areas and increase productivity of key products. With these plans in hand, the Company remains confident of making deeper inroads into international markets with high contributory products. Amidst all the uncertainties thrown up by the ongoing geographical tensions, a few upsides could include an increase in activities in oil & gas as well as energy segments, especially in non-affected countries. The Company will explore new opportunities in this scenario. The Company is hopeful that the demand for these growth-driving products should remain sustainable in the coming years and provide increased business opportunities to the Company. Further with steady infrastructure spending by the Indian government, specialty products used in construction and infrastructural sectors may become one of the key growth drivers for the Company. The future outlook is expected to be a mixed bag of both opportunities and challenges with the key being the Company's adaptability and proactive adjustments to the ever-changing macro-economic environment.



## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control procedures which is commensurate with its size and nature of business in order to fairly ensure efficient usage and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and procedures. Further authorisation and approval levels for various functions exist and are mapped within SAP environment to ensure controls at source. The Company had engaged a firm of international repute to act as internal auditors of the Company. The Audit Committee of the board periodically reviews Internal Audit reports, progress in implementation of Committee's recommendations and the adequacy of internal control systems.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company has always been committed to develop, strengthen and maintain a highly competitive and performance driven workforce for achieving the overall goals of the organization. To achieve this end the Company undertakes several initiatives to nurture, generate and strengthen the competencies of human capital to contribute for continuance of sustainable and growth

path of the Company. Talents are spotted through multiple channels of talent acquisitions in view of the requirement of various functions. The Company continues with its various HR initiatives such as job planning, job rotation, job enrichment, various in-house and external training facilities for employees with high potential. Fresh graduate engineers and diploma holders are recruited for creating talent pool through proper training and mentoring. As a result of such initiatives, employee retention period has been quiet high with approximately 82% of the employees having an association of over five years in the Company. The Industrial Relations during the year continued to be cordial and the Company has executed long term settlement with recognized unions covering wages and service conditions. The Company continues to focus on various initiatives for development, upliftment and capacity building of stakeholders in surrounding villages where the plants are located.

## APPRECIATION

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

## CAUTIONARY STATEMENT

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



# Business Responsibility & Sustainability Report

The evolving regulatory landscape and summits have resulted in an increase in sustainability across governments and industry. Following the UN Climate Change Conference of the Parties ("COP26"), governments pledged to reduce Green House Gas ("GHG") emissions and achieve carbon neutrality by 2030 across all Environmental Social & Governance (ESG) metrics. India has also submitted its Intended Nationally Determined Contributions ("INDC") to the United Nations Framework Convention on Climate Change ("UNFCCC"), which includes reducing the emissions intensity of its GDP by 33 to 35 percent by 2030 and increasing the share of non-fossil fuel-based electricity to 40 percent by 2030. Securities and Exchange Board of India mandated top 1,000 listed companies to publish a Business Responsibility & Sustainability Report ("BRSR") based on National Guidelines on Responsible Business Conduct ("NGRBC") from Financial Year 2022-23. The objective of the new format is to ensure sustainability reporting being at par with financial reporting which helps companies make better sustainable investment choices based on quantifiable metrics. The Company has transitioned from Business Responsibility Report ("BRR") to Business Responsibility and Sustainability Report ("BRSR") on voluntary basis for the Financial Year 2021-22 to promote inclusive growth and sustainable development whilst disclosing its performance across key ESG norms. The Company constantly strives to take all possible initiatives to conduct its business in a responsible and sustainable manner to comply with environmental regulations and induce overall growth of its business and relevant stakeholders.

## SECTION A: GENERAL DISCLOSURES

### Details of the listed entity

1. Corporate Identity Number (CIN) of the company	L31400WB1986PLC091621
2. Name of the Listed Entity	Usha Martin Limited
3. Year of incorporation	1986
4. Registered office address	2A Shakespeare Sarani, Kolkata – 700071
5. Corporate address	Usha Martin Limited, 2A Shakespeare Sarani, Kolkata – 700071
6. E-mail	investor@ushamartin.co.in
7. Telephone	033 - 7100 6300
8. Website	www.ushamartin.com
9. Financial year for which reporting is being done	April 1, 2021 to March 31, 2022 (FY 2021-22)
10. Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> <li>• BSE Limited</li> <li>• National Stock Exchange of India Ltd.</li> <li>• Societe de la Bourse de Luxembourg (For GDRs)</li> </ul>
11. Paid-up Capital	Rs. 304,741,780
12. Name and Contact Details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Devadip Bhowmik Whole Time Director Tel. No. 033 - 7100 6300 Email ID: devadip_bhowmik@ushamartin.co.in
13. Reporting boundary	Standalone Basis

### Products/ Services

#### 14. Details of business activities:

(accounting for 90% of the turnover)

Sr. No.	Description of the main activity	Description of business activity	% of turnover of the entity
1.	Manufacturing	Manufacturing of Wire, Wire Rope, Strands including locked coil.	93.40%

#### 15. Products/ Services sold by the entity:

(accounting for 90% of the entity's Turnover)

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Wire Rope	3310	52.82%
2.	LRPC Strand	3310	27.43%
3.	Wire	3310	13.15%

## Operations

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	6 (Kolkata, Chennai, Mumbai, Delhi, Bangalore and Hyderabad)	9
International	3	5	8

### 17. Markets served by the entity

#### a. Number of locations:

Locations	Number
National (No. of States)	More than 25
International (No. of Countries)	More than 50

- b. What is the contribution of exports as a percentage of the total turnover of the entity?  
30.63%

#### c. A brief on types of customers

Usha Martin caters to many of the industries pertaining their operations in the following sectors:

- Construction/ Infrastructure
- Elevator
- Crane
- Mining
- Material/ Passenger Transportation
- Oil & Gas
- Automobile
- Fishing
- Steel Plants
- Power Plant
- Shipping

## Employees

### 18. Details as at the March 31, 2022:

#### a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1	Permanent (D)	520	513	99%	7	1%
2	Other than Permanent (E)	59	59	100%	-	-
3	<b>Total employees (D + E)</b>	<b>579</b>	<b>572</b>	<b>99%</b>	<b>7</b>	<b>1%</b>
<b>Workers</b>						
4	Permanent (F)	1,660	1,658	99.88%	2	0.12%
5	Other than Permanent (G)	2,046	2,025	99%	21	1%
6	<b>Total Workers (F + G)</b>	<b>3,706</b>	<b>3,683</b>	<b>99%</b>	<b>23</b>	<b>1%</b>

#### b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1	Permanent (D)	-	-	-	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	<b>Total employees (D + E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Differently Abled Workers</b>						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	-	-	-	-	-
6	<b>Total Workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Business Responsibility &amp; Sustainability Report (contd.)

## 19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	1	14%
Key Management Personnel (KMP)	5*	1	20%

\*KMP includes 3 Whole Time Directors

## 20. Turnover rate for permanent employees and workers

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	4.50	14.29	18.79	6.12	21.05	27.17	7.91	32.00	39.91
Permanent Workers	8.99	-	8.99	6.73	-	6.73	6.66	-	6.66

## Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)*
1	U M Cables Limited	Subsidiary	100	No
2	Usha Martin Power and Resources Limited	Subsidiary	100	No
3	Bharat Minex Private Limited	Subsidiary	100	No
4	Gustav Wolf Specialty Cords Limited	Subsidiary	100	No
5	Usha Martin International Limited	Subsidiary	100	No
6	Brunton Wire Ropes FZCo.	Subsidiary	100	No
7	Usha Martin Americas Inc.	Subsidiary	100	No
8	Usha Siam Steel Industries Public Company Limited	Subsidiary	97.98	No
9	Usha Martin Singapore Pte. Limited	Subsidiary	100	No
10	Usha Martin Australia Pty. Ltd.	Subsidiary	100	No
11	PT Usha Martin Indonesia	Subsidiary	100	No
12	Usha Martin Vietnam Company Limited	Subsidiary	100	No
13	Usha Martin China Company Limited	Subsidiary	100	No
14	De Ruyter Staalkabel BV Sliedrecht	Subsidiary	100	No
15	Usha Martin Italia SRL	Subsidiary	100	No
16	Usha Martin Europe B.V.	Subsidiary	100	No
17	Usha Martin UK Limited	Subsidiary	100	No
18	Brunton Shaw UK	Subsidiary	100	No
19	European Management and Marine Corporation	Subsidiary	100	No
20	Pengg Usha Martin Wires Private Limited	Joint Venture	40	No
21	CCL Usha Martin Stressing Systems Limited	Joint Venture	49.99	No
22	Tesac Usha Wire Rope Company Limited	Joint Venture	50	No

\*The subsidiary / joint venture companies define their own initiatives based on their specific content and have access to information and expertise residing with the parent company.



## 22. CSR Details

- (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes
- (ii) Turnover (Rs. in Lakh) : 1,81,005.28
- (iii) Net worth (Rs. in Lakh) : 92,751.53

The Company need not statutorily incur any CSR spending owing to absence of net profits (calculated in the manner as laid down in Section 198 of Companies Act, 2013) over the last three financial years. Hence the Company has not made any CSR spending as required under Section 135 of the Companies Act, 2013. However, the Company has been involved in voluntary CSR activities in and around the manufacturing facility located in the State of Jharkhand and continues to do so through its CSR arm - Usha Martin Foundation.

## Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, community members can submit a formal application to the Usha Martin Foundation highlighting their grievances.	-	-	-	-	-	-
Shareholders	Yes, the Company attends shareholders grievances / correspondences expeditiously and has in place a grievance redressal mechanism. A dedicated email ID "investor@ushamartin.co.in" is available to all the shareholders to share their grievances / complaints. The website of the Company also has an exclusive section for Shareholders where all the information relating to the Company including exchange filings are uploaded. Further, a designated official of the Company is allocated for correspondences with the shareholders and their queries.	55	-	-	25	-	-
Investors (Other than shareholders)	Yes, the Company provides open communication channels to all investors to raise their queries / complaints against the Company. A designated official of the Company is allocated to look into the grievances of the investors.	-	-	-	-	-	-
Employee & Workers*	Yes, we have Vigil Mechanism and Whistle Blower policy to cater the grievance raised by our employees and workers.	-	-	-	-	-	-
Customers	Yes, we have Customer Complaint Management System (CCMS) in place, where product complaints are logged by our marketing team for its analysis and redressal.	119	20 <sup>^</sup>	-	123	-	-
Value Chain Partners	No, we are in the process to develop a systematic grievance handling mechanism for our value chain partners.	-	-	-	-	-	-
Others (Please specify)	-	-	-	-	-	-	-

\*[https://ushamartin.com/upload/investorrelations/DetailsofEstablishmentofVigilMechanismWhistleBlowerPolicy\\_20211020071249.pdf](https://ushamartin.com/upload/investorrelations/DetailsofEstablishmentofVigilMechanismWhistleBlowerPolicy_20211020071249.pdf)

<sup>^</sup> Complaints pending as at financial year end, but subsequently resolved.



Business Responsibility & Sustainability Report (contd.)

**24. Overview of the entity’s material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

Sr. No.	Material issue identified	Indicate whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Occupational Health and Safety	Risk	Non-adherence to set safe working procedures implemented by organization based on statutory norms and national/international framework.	Implemented robust occupational health and safety management system. In addition, a well defined onsite and offsite emergency plan is in place. i) Access to PPE tools wherever required for all employees and workers. ii) Training all employees and workers on safe work practices. iii) Investigation of each reported case and preparation of remedial plan. iv) Ensuring elimination, substitution and engineering control in place, wherever required.	Any failure in the occupational health & safety management system may cause loss in man-days and also impact productivity of operations. Further, it has an intangible effect of demoralizing employees and workers.
2.	Water Stewardship	Risk	Shortage of surface water during summer can impact productivity. Additionally, poor management of wastewater can lead to legal complications.	Optimum water consumption is ensured by 3R's approach (Reduce, Recycle and Reuse). Rainwater harvesting reservoirs constructed to reduce the dependability on surface water.	Unavailability of water can affect productivity of the organization and non-compliance with regulatory norms on wastewater discharge can lead to fines and penalties.
3.	Employee Wellbeing	Risk and Opportunity	Opportunity: Enhancing employee relationship by undertaking several measures and providing material/ non-material benefits to employees and workers. Risk: Non-compliance with the statutory guidelines can affect business activity.	For enhancement of employee relationship, the organization has integrated robust mechanism to evaluate employee performance and to provide skill development trainings to all employees and workers. Ensuring fair and transparent communication with all stakeholders as well as maintaining compliance with statutory guidelines.	Strengthening the employee relationship and fair and transparent engagement with them can result in increase in productivity and lower attrition rate. Any instance of non-compliance with statutory norms and guidelines can attract legal implications and loss of reputation.
4.	Human Rights	Risk	Any instances of violation of human rights policy can lead to non-compliance of statutory norms and can lead to adverse implications	Comprehensive policies and procedures are in place and trainings provided on human rights awareness and compliance with statutory norms.	Instances of non-compliance can have an adverse impact on industrial relations and company's reputation.
5.	Energy	Opportunity	Enhancing and utilizing green energy to reduce carbon footprint of the organization.	We are in process of developing renewable energy strategy by implementing solar projects of low capacity at captive power plant.	Self-reliance on sustainable and green energy.
6.	Risk Management	Opportunity	Robust risk management system can identify risk areas and accordingly implement corrective actions by establishing a governance system.	The organization has in place a risk management committee (RMC) as well as a risk management policy. Studying industry-best internal controls and systems, RMC oversees the risk management and governance process. RMC assists the Board in discharging its responsibilities towards management of material business risk (which includes operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, cyber security, legislative or regulatory and market related risks) including monitoring and reviewing the risk management plan / policies.	Strengthening the risk management system of the organization can result in sustainable development by identifying upcoming roadblocks and implementing necessary actions to mitigate the same, eventually strengthening business activity and operations.



Sr. No.	Material issue identified	Indicate whether Risk or Opportunity	Rationale for identifying Risk / Opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Community Development	Opportunity	Promoting inclusive and equitable growth of the communities by empowering local communities to become self-reliant, enhance employability of local youth, and livelihood opportunities.	The organization has undertaken several voluntary CSR initiatives for overall development of the community in the areas of resource management, health and sanitation, education, women empowerment and sustainable livelihood. More information is available in corporate social responsibility section of our Annual Report FY 2021-22	Enhancing brand goodwill as a responsible corporate citizen and maintaining cordial relationship with the local bodies and communities.
8.	Responsible Sourcing	Opportunity	Procuring certified raw materials and providing required guidance to suppliers in order to adhere with agreed-upon product specification standards can augment responsible and sustainable supply chain.	A strong mechanism is in place to assess its suppliers on Quality Management System (QMS) & Occupational Health and Safety Assessment Series (OHSAS) certifications. The procured material specifications are assessed and in case of any deviation, the suppliers are asked to take necessary corrective actions.	The procurement of certified raw materials results in the production of high-quality goods and an increase in organizational productivity.
9.	Waste Management	Risk	Poor waste management can lead to legal implications	Robust waste management system is in place to ensure proper collection, segregation and disposal of waste. This also ensures compliance to statutory requirements.	Non-compliance with regulatory norms on waste management can lead to fines and penalties.
10.	Supply Chain Management	Opportunity	Maintaining all required information of incoming products in a systematic and sustainable manner across the supply chain.	SAP (enterprise software) enhances traceability of products in an efficient and comprehensive manner. Further, SAP helps in storing and retaining records for a longer period of time.	All records and required information are maintained properly which can be remotely accessed and available for a longer period of time.
11.	Sustainable Product Design & Innovation (R&D)	Opportunity	Investing in development of sustainable products, technologies and solutions to enhance business sustainability.	Integrated comprehensive procedure is in place for analyzing market requirement, understanding environmental implications and conducting product awareness programs.	Analyzing market requirements and strategizing sustainable product development resulting in performance enhancement.

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

- P1 Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable**
- P2 Businesses should provide goods and services in a manner that is sustainable and safe**
- P3 Businesses should respect and promote the well-being of all employees, including those in their value chains**
- P4 Businesses should respect the interests of and be responsive to all its stakeholders**
- P5 Businesses should respect and promote human rights**
- P6 Businesses should respect and make efforts to protect and restore the environment**
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**
- P8 Businesses should promote inclusive growth and equitable development**
- P9 Businesses should engage with and provide value to their consumers in a responsible manner**





Business Responsibility & Sustainability Report (contd.)

Disclosure	P	P	P	P	P	P	P	P	P
Questions	1	2	3	4	5	6	7	8	9
<b>POLICY AND MANAGEMENT PROCESSES</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://ushamartin.com/upload/investorrelations/BusinessResponsibilityandSustainabilityPolicy_20220214102513.pdf">https://ushamartin.com/upload/investorrelations/BusinessResponsibilityandSustainabilityPolicy_20220214102513.pdf</a>								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<ol style="list-style-type: none"> <li>1. ABS - Manufacturing Assessment</li> <li>2. ABS - Product Design Assessment</li> <li>3. American Petroleum Institute (API) Monogram Usage Authority</li> <li>4. Recognition for BV Mode II Scheme - Bureau Veritas Marine &amp; Offshore</li> <li>5. China Classification Society - Works Approval</li> <li>6. Nippon Kaiji Kyokai - Manufacturing process approval - HYFLEX 4</li> <li>7. DCL - Product Conformity</li> <li>8. DNV - GL - Approval of manufacturer</li> <li>9. ISO 9001:2015</li> <li>10. Lloyd - Approved manufacturer</li> <li>11. NABL Accreditation</li> <li>12. ISO 14001:2015</li> </ol>								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Nil								
<b>GOVERNANCE, LEADERSHIP AND OVERSIGHT</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements "Dear Stakeholders,	<p>We are pleased to share our first Business Responsibility and Sustainability Report (BRSR) with you. Usha Martin's vision is to become a global leader in the wire rope industry by delivering substantial solutions, adopting modern technology and ensuring sustainable, inclusive growth for all its stakeholders. With a multi-unit and multi-product portfolio, we have evolved to establish ourselves as a market leader. We have increased our focus on ESG parameters and accelerated our sustainability efforts by incorporating Environmental, Social, and Governance aspects into our business practices, along with integrating the National Guidelines of Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs into our governance framework.</p> <p>A year since the onset of the pandemic, Usha Martin has prioritized employee health by implementing various initiatives such as vaccination camps, strict adherence to safety protocols issued by the regulatory bodies, maintenance of health records, financial assistance and support for hospitalization, among others. We consider ethical governance principles as a tool to create long-term value and promote sustainability for all stakeholders. Furthermore, we have incorporated stakeholder centric approach in our business activities by conducting comprehensive stakeholder engagement exercise and identifying key material issues for the business. We strive to implement best practices in response to the identified material issues and ensure that any negative impacts on business operations are mitigated appropriately.</p> <p>Adapting and reducing the effects of climate change, inclusive growth, and the transition to a sustainable economy have all become key concerns in recent years. We acknowledge the material issues that have been found, and we have been working to reduce their impact by improving due diligence on environmental and social factors, and taking appropriate actions accordingly, raising employee awareness, and enhancing sustainable activities. In addition, we continue to engage in a variety of CSR initiatives in and around the manufacturing facility located in Jharkhand, through Usha Martin Foundation, an entity established for contributing to a positive societal impact through diverse community engagement initiatives and taking forward our vision of inclusiveness."</p>								



Disclosure	P	P	P	P	P	P	P	P	P
Questions	1	2	3	4	5	6	7	8	9
<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	Mr. Devadip Bhowmik Whole Time Director Usha Martin Limited Tel. No. 033 - 7100 6300 Email ID: devadip_bhowmik@ushamartin.co.in								
<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	The sustainability related issues are reviewed by the Risk Management Committee of the Board of Directors of the Company periodically. The Committee consists of four Independent and two Whole time Directors.								

#### 10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																		
	The organization has developed BRSR policy towards the end of financial year 2021-22, based on the NGRBC guidelines. The Risk Management Committee (RMC) assists the Board in discharging its responsibilities towards management of material business risk (which includes operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, cyber security, legislative or regulatory and market related risks) including monitoring and reviewing the risk management plan / policies. The RMC meets on a periodical basis and reviews the risk management review report which includes review of various initiatives being taken under NGRBC and advises on the corrective actions to be undertaken and processes to be put in place for effective mitigation.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	No	No	No	No	No	No	No	No	No

#### 12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-



Business Responsibility & Sustainability Report (contd.)

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	The Company has embraced knowledge transfer and enhancement as a key aspect of the responsible business activity. The Company has organized various trainings and awareness programs. It covers the aspects of the Principle 1 on Ethics, Transparency & Accountability, Principle 3 on promotion of wellbeing, Principle 4 on Stakeholder Responsiveness and Principle 8 on Support Inclusive Growth and Equitable Development.	100%
Key Managerial Personnel			
Employees other than BOD and KMPs	57	Various trainings are undertaken for skill development for employees such as developing effective communication, upgrading knowledge on various ERP softwares, occupational health and safety, machine capacity study, interpersonal skills and roleplay. Additionally, several awareness programs are conducted on work ethics, legal compliances, prevention of sexual harassment (POSH), HR practices and safety.	77.88%
Workers	98	Programs are conducted on work ethics, safety, health and hygiene, quality system, HR practices, environment, fire drills and safety, importance of PPE tools and safety kits.	30.84%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with Regulators/ Law Enforcement Agencies/ Judicial Institutions, in the financial year.

The Company has incorporated Ethical Business Conduct as a qualitative pillar in all its policies and business practices. The organization has continuous endeavor to comply with all regulatory requirements and disclose relevant information to all shareholders in fair and transparent manner. In the current financial year there were no cases of non-compliance and fine/ penalties/ punishment/ award/ compounding fees/ settlement amount paid by the organization.

Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial institution	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial institution	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	-	-	-	-	
Punishment	-	-	-	-	
Of the instances disclosed in above Question, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed			Case Details	Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions	
			-	-	

3. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company forbids all its employees from engaging in unethical business practices, while also committed to corporate integrity across its operations and adhering to all anti-bribery legislation. The Company has created a complete framework to educate, enforce and stress on ethical business practices and ensures that it adheres to BRSR policy framed in accordance with NGRBC principles in all its business operations.

([https://ushamartin.com/upload/investorrelations/BusinessResponsibilityandSustainabilityPolicy\\_20220214102513.pdf](https://ushamartin.com/upload/investorrelations/BusinessResponsibilityandSustainabilityPolicy_20220214102513.pdf))

4. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any Law Enforcement Agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2020-21
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

5. Details of complaints with regard to conflict of interest:

	FY 2021-22	FY 2020-21
Number of complaints received in relation to issues of conflict of interest of the Directors.	1*	1*
Number of complaints received in relation to issues of conflict of interest of the KMPs	-	-

\* Please refer Directors' Report and notes to accounts for further information

6. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Please refer Directors' Report and notes to accounts for further information.

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

The Company has extended Business Responsibility and Sustainability Policy to all its value chain partners and other business partners, further encouraging their alignment with stated policy and statements. Awareness sessions will be organized for its value chain partners during the current financial year.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has developed a robust framework and governance mechanism to manage and combat any issues arising due to the conflict of interests. The Company seeks formal declaration from all Board Members in regard to their related parties and their directorships in other companies at the beginning of a Financial Year. Accordingly, a comprehensive list of related parties is prepared and shared with Accounts, Treasury and Sales Team.

The Audit Committee of the Board grants an annual omnibus approval for probable related party transactions before the commencement of a financial year. During a financial year, the necessary approval of the Audit Committee as well as the Board of Directors is taken as and when required. Quarterly Related Party Statements are placed before the Audit Committee for review. Further, every half year an external agency is engaged for independently reviewing

related party transactions and their report is tabled and discussed at the Audit Committee Meetings. The Company has in place a Standard Operating Procedure (SOP) for related party transactions which acts as a framework for the Company in undertaking required action and obtaining the necessary approvals in an effective and efficient manner.

### Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

The Company has developed a robust mechanism and comprehensive action plan to achieve environmental and social objective and to comply with all stakeholder requirements. The Company continuously strives to integrate latest innovation and technology along with digital intervention within its working model. The Company has streamlined its business activities with current trends with the help of market analysis and surveys to understand the environmental implications of its product and customer requirements.

The Organization has undertaken multiple initiatives to enhance its product design and processes to mitigate the environmental and social impact of the products. Some of the initiative includes installation of shell and additional wall insulation on furnace to reduce heat waste,



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using trolley for zinc dross shifting to mitigate the land contamination and have substituted core of the rope with natural fiber in order to enhance its life cycle perspective of the product and make it eco-friendlier. Additionally, the company has developed combination fishing ropes as a replacement for conventional wire ropes (bare rope with lubrication) for fishing market to cater the needs of local market and to reduction the environmental impact of the product.

	FY 2021-22 (Rs. In Lakhs)	FY 2020-21 (Rs. In Lakhs)	Details of improvements in environmental and social impacts
Capex	37.15	24.95	The Company has made investments in various energy saving appliances and equipments which has lowered electrical energy consumption.

Note: While the Company continues to work towards making its products sustainable and environment friendly, presently specific allocation of R&D expenditure in this regard is not recorded.

- Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?

Yes, the Company being a responsible corporate citizen, sources majority of its input materials locally or nationally. The organization has wide spectrum of vendors/suppliers, from which 90% are the indigenous vendors while only 10% are the import vendors. Additionally, the Company conducts monthly assessments for all its supplier base to scrutinize their adherence to environmental and social parameters including product stewardship, waste management, human rights compliance, among others.

- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for the produced products.

The Company works in the specialty steel and wire rope industries, and its goods are sold all over the world. To improve market dynamics, the Company incorporates modern technologies. Most of the Company's goods are made of steel or specialty steel, which can be easily recycled by local vendors and has a high resale value after it has reached the end of its lifespan. However, due to the nature of its business, the company's utilization of recycled materials as processed inputs is limited.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producers Responsibility is not applicable to the organization.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Presently, no products are subjected to a life cycle assessment. The Company is developing a comprehensive framework to examine the lifecycle of its goods, as well as their influence on the environment and society and to incorporate different interventions at various phases of the product lifecycle to mitigate any anticipated impact.

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable.

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2021-22	FY 2020-21
Soap*	14%	14%
Reclaimed Oil & Rope Lubricant*	2.14%	0.02%

\* Ranchi Plant only.

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not Applicable

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

##### 1. Measures undertaken for Employee Wellbeing –

Being a responsible organization, employee wellbeing forms the core of all its business activities. Fitness of employees and workers is of utmost importance for successful operations at its production facilities. The Company regularly organizes medical checkups and health camps for the benefit of its employees and workers. Additionally, during the pandemic, the Company organized in-house vaccination drives to provide Covid vaccine to all its employees and workers as well as their family members. The Company also helped in setting up a Covid care ward in a local hospital for emergencies.

##### a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	513	513	100	513	100	-	-	-	-	-	-
Female	7	7	100	7	100	7	100	-	-	-	-
<b>Total</b>	<b>520</b>	<b>520</b>	<b>-</b>	<b>520</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent employees</b>											
Male	59	-	-	59	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent Workers</b>											
Male	1,658	1,658	100	1,658	100	-	-	-	-	-	-
Female	2	2	100	2	100	2	100	-	-	-	-
<b>Total</b>	<b>1,660</b>	<b>1,660</b>	<b>-</b>	<b>1,660</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent Workers</b>											
Male	2,025	2,016	99.56	2,025	100	-	-	-	-	-	-
Female	21	20	95.24	21	100	21	100	-	-	-	-
<b>Total</b>	<b>2,046</b>	<b>2,036</b>	<b>-</b>	<b>2,046</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### 2. Details of retirement benefits, for FY 2021-22 and FY 2020-21

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	100	100	Y	100	100	Y
Other (Please specify)	-	-	-	-	-	-



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3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Presently, the Company does not have any differently abled employee as per the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Being a responsible employer, the Company, maintains strict adherence to equal employment opportunity for all its employees across its organization. The relevant policy aims to provide practical guidance to stakeholders and is available on the Company's official website, please refer the below link for further detailed information.

[https://ushamartin.com/upload/investorrelations/BusinessResponsibilityandSustainabilityPolicy\\_20220214102513.pdf](https://ushamartin.com/upload/investorrelations/BusinessResponsibilityandSustainabilityPolicy_20220214102513.pdf)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

The Company endeavors to provide safe and healthy work environment to all its employees and workers. The organization proactively provides materiality benefits for all its female employees. Zero parental leaves were availed for FY 2021-22 and FY 2020-21.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	The Company encourages open and transparent communication with all its employees/workers and addresses all their concerns and grievances.
Other than Permanent Workers	Employees raise their grievances through one-to-one meetings conducted between them and the human resource team or directly share their concerns with their immediate supervisors.
Permanent Employees	Grievances and concerns are addressed and resolved through discussions and necessary interventions of senior management. The Company has also established a Vigil Mechanism and Whistle Blower policy which operates as a formal platform for reporting complaints and grievances.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2021-22			FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Male	513	-	-	516	-	-
Female	7	-	-	7	-	-
<b>Total Permanent Employees</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>523</b>	<b>-</b>	<b>-</b>
Male	1658	1322	79.73	1746	1399	80.13
Female	2	-	-	2	-	-
<b>Total Permanent Workers</b>	<b>1660</b>	<b>1322</b>	<b>-</b>	<b>1748</b>	<b>1399</b>	<b>-</b>

8. Details of training given to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health Safety		On Skill Upgradation		Total (D)	On Health Safety		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	572	262	45.80	145	25.35	549	44	8.01	81	14.75
Female	7	1	14.29	1	14.29	7	-	-	3	42.86
<b>Total</b>	<b>579</b>	<b>263</b>	<b>-</b>	<b>146</b>	<b>-</b>	<b>556</b>	<b>44</b>	<b>-</b>	<b>84</b>	<b>-</b>

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health Safety		On Skill Upgradation		Total (D)	On Health Safety		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Workers</b>										
Male	3,683	1,028	27.91	1,684	45.72	3,606	1,738	48.20	232	6.43
Female	23	12	52.17	-	-	37	-	-	-	-
<b>Total</b>	<b>3,706</b>	<b>1,040</b>	<b>-</b>	<b>1,684</b>	<b>-</b>	<b>3,643</b>	<b>1,738</b>	<b>-</b>	<b>232</b>	<b>-</b>

9. Details of performance and career development reviews of employees and workers:

Benefits	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	513	513	100	516	516	100
Female	7	7	100	7	7	100
<b>Total*</b>	<b>520</b>	<b>520</b>	<b>-</b>	<b>523</b>	<b>523</b>	<b>-</b>
<b>Workers</b>						
Male	1,658	1,658	100	1,746	1,746	100
Female	2	2	100	2	2	100
<b>Total*</b>	<b>1,660</b>	<b>1,660</b>	<b>-</b>	<b>1,748</b>	<b>1,748</b>	<b>-</b>

\* Performance and career development reviews are provided to permanent employee and workers.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company has developed a comprehensive framework for Occupational Health and Safety (OHS). Usha Martin has implemented 'Integrated Management Safety Policy' in order to provide a safe and healthy working environment for its employees. This policy was specifically developed in accordance with the guidelines provided by National & International Standards, such as ISO 9001, ISO 14001, and ISO 45001 for designing, manufacturing, supplying, and other services. Furthermore, the Company has established a centralized safety committee which ensures alignment of all its operations with the specified policy and conducts continuous assessment across all its operations to identify hazards, manage risks, prepare investigation reports of each incident observed and take corrective actions for the same. Additionally, the Company has undertaken several OHS programs to train and guide its employees and workers about the potential hazards across operations and educate them on safe working practices and methodologies.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As part of its OHS system, the Company periodically conducts internal as well as third-party safety audits to identify potential hazards and accordingly implements mitigation strategies for the same. The Company has corrective and preventative action plans based on the identified safety risks and hazards, allowing it to highlight the gap areas and create closure procedures.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, the Company has developed a standard operating procedure (SOP) which covers a reporting system and escalation methodology in case any near-miss incidents are reported.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, Usha Martin being a responsible company, provides access to non-occupational medical and healthcare services to all employees/ workers by providing them medical support in case of accidents. Group personal accident insurance policy and special leaves are also extended to employees and workers.





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11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	5	6
Total recordable work-related injuries	Employees	-	-
	Workers	17	17
No. of fatalities	Employees	-	-
	Workers	1	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company emphasizes the importance of providing a safe and healthy working environment for all of its employees and workers. To that end, the Company has created a comprehensive occupational health and safety framework, as well as several other initiatives, such as incorporating safety aspects into performance management systems (PMS) and annual key result areas (KRA), which aid in evaluating the safety performance of all of its employees and workers. Furthermore, safety audits are periodically conducted internally as well as through external auditors and Corrective and Preventive Action plan are implemented based on the safety assessments. The Company has aligned all its standard operating procedures and policy framework with international standards and specifications. Additionally, it ensures strict supervision and guidance while providing work permit for the heightened and confined area.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	% of your plants and offices that were assessed. (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

The Organization conducts health and safety assessment across its plants/offices and ensures stringent measures to avoid the spread of Covid. The Company attempts to adhere to government-mandated safety measures, assuring the same on all of its properties. The Company undergoes inspection, testing & certification of all its lifting tools & tackles, pressure vessels inside plants. There is also 100% compliance to external safety audits conducted periodically.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company ensures healthy and safe working conditions throughout its facilities and offices for all its employees. The Company engages in continuous assessment of its business activities on safety parameters and ensures that immediate corrective actions are implemented for any safety/health related risk assessed or any incident that occurred at its premises. Some of the key measures are enlisted below:

- Periodic checking of all lifting machines at plants.
- Repairs and rectifications wherever required.
- Minimization load to avoid unbalancing or falling of material
- Ensuring wearing of full body harness & anchoring with life-line rope or any anchorage point available for safe movement & work.
- Providing sensor to restrict the movement of crane after caution area.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes, the Company extends compensatory package to its employees and workers if any adverse event occurs such as death or fatal accidents is reported across its facilities.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures sustainable sourcing and assess their value chain partners on various parameters. There is continuous focus on ethical business practices and transparent disclosures with all its value chain partners. The Company has undertaken following measures to ensure deduction of statutory dues by its value chain partners:

- Reconciliation of annual balance for any type of deduction.
- Mandatory statutory details are reported while onboarding a new vendor.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	-	-	-	-
Workers	1	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

The Company has a robust vendor assessment framework that includes requesting declarations via a vendor registration form, conducting physical and virtual audits, understanding health and safety practices during the vendor onboarding process, and validating health and safety points such as certifications from the local Pollution Control Board and safety norms as required.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no such instances in current financial year. The organization has adopted comprehensive vendor assessment framework comprising of gap identification, providing recommendations on the corrective action plan and policy upgradation for essential certifications.

### Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or an entity, institution, group that impacts the organization's activity is identified as a core stakeholder of the Company. Usha Martin Limited has developed stakeholder-centric approach in all its business activities enabling socially relevant and future oriented approach to business. The Company engages with a wide range of stakeholder categories viz. investors, customers, suppliers and employees through scheduled events and various channels.



Business Responsibility & Sustainability Report (contd.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Senior Management & KMPs	No	Emails, SMS, Physical Meetings, Online platforms	Daily	Envisioning the sectoral growth of the organization.
Employees	No	Email, SMS, Physical Meetings, Online Platforms	Daily	Organization has transparent and open communication channels.
Workers	No	Safety Meetings, Notice Boards, Counselling	Daily	
Communities	Yes	Community Meeting, Website, CSR Events	Quarterly, Need based	Inclusive growth across the communities living in the vicinity of production facilities
Investors	No	Emails, Telephonic Conversations, Online Platforms, Meetings, Website, Newspaper Advertisement	Need Based	Communication on financial performance, growth perspective and any material information.
Vendors and Suppliers	No	Emails, Telephonic Conversations, Meetings	Weekly, Need Based	Maintaining strong relationship with value chain partners.
Customers	Yes	Emails, Telephonic Conversations, Physical Meetings, Online Platforms Advertisements, Website	Weekly, Need Based	Understand customer requirement, alignment of business operations to such requirements.

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.  
The Company consistently focuses on building strong and meaningful relationships with a diverse range of stakeholders. The organization has developed a stakeholder engagement mechanism to conduct market study and identify risk areas/concerns, communicate strategies and performances, identify risk areas and to build trust among all stakeholders. A comprehensive study has been undertaken and a summary document is developed and shared with all board members in order to implement appropriate action plans and sustainable strategies.
2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company's stakeholder engagement mechanism aims to foster inclusivity, accountability, and responsibility. The Company works with its stakeholders on a myriad of issues on a regular basis, allowing the Company to identify risk areas and develop to convey mitigation actions accordingly. There is an ongoing effort to incorporate stakeholder requirements into its business activities and to address its performance and progress on each material topic presented throughout the stakeholder engagement exercise.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.  
The Company prioritizes its stakeholder groups based on the influence of each stakeholder group on its business operations. The organization considers all its stakeholder group in a fair, just and non-discriminative manner and continuously strives to address stakeholder concerns and disseminate fair disclosure of information material to such groups.

**Principle 5: Businesses should respect and promote human rights****Essential Indicators**

## 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. employees' workers covered (B)	% (B/A)	Total (C)	No. employees' workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	520	32	6.15	523*	-	-
Other than permanent	59	-	-	33	-	-
<b>Total Employees</b>	<b>579</b>	<b>32</b>	<b>5.53</b>	<b>556</b>	<b>-</b>	<b>-</b>
<b>Workers</b>						
Permanent	1,660	122	7.35	1,748*	-	-
Other than permanent	2,046	143	6.99	1,895	-	-
<b>Total Workers</b>	<b>3,706</b>	<b>265</b>	<b>7.15</b>	<b>3,643</b>	<b>-</b>	<b>-</b>

\* Wire mill – Jamshedpur business is transferred to Tata Steel Long Products Limited w.e.f. 1<sup>st</sup> July 2021. 33 (7 employees + 26 workers) are not considered as workforce for financial year 2021-22.

## 2. Details of minimum wages paid to employees and workers:

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to minimum wages		More than minimum wages		Total (D)	Equal to minimum wages		More than minimum wages	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
<b>Permanent</b>										
Male	513	1	0.19	512	99.81	516	3	0.58	513	99.42
Female	7	-	-	7	100	7	-	-	7	100
<b>Other than Permanent</b>										
Male	59	-	-	59	100	33	-	-	33	100
Female	-	-	-	-	-	-	-	-	-	-
<b>WORKERS</b>										
<b>Permanent</b>										
Male	1,658	-	-	1,658	100	1,746	-	-	1,746	100
Female	2	-	-	2	100	2	-	-	2	100
<b>Other than Permanent</b>										
Male	2,025	66	3.26	1,959	96.74	1,860	50	2.68	1,810	97.31
Female	21	-	-	21	100	35	-	-	35	100



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3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Rs.)	Number	Median remuneration/ salary/ wages of respective category (in Rs.)
Board of Directors (BoD)	6	40,03,449	1	12,75,000
Key Managerial Personnel (KMP)	4*	81,99,633.48	1	49,14,419.04
Employees other than BOD and KMP	509	7,32,296.28	6	6,65,005.56
Workers	1,658	3,87,153.96	2	3,82,805.34

\* KMP includes 3 Whole Time Directors.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, all the complaints regarding human rights issues are taken directly to Human Resource department (HR) or Head of the respective departments and appropriate actions are taken as per the certified standing orders of the Company. The Head of Human Resource department of the Company is the authorized personnel responsible for implementing human right functions in the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has developed a Vigil Mechanism and Whistle Blower policy providing all its internal stakeholders with a formal platform to raise their concerns/grievances. The stakeholders can report any misconduct/ violation directly to the chairperson of the Audit Committee and appropriate actions are undertaken accordingly. Additionally, there is an open channel of communication between the workforce and the HR department for redressal of those grievances which are not covered under the Vigil Mechanism and Whistle Blower policy.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company ensures strict adherence of all its business activities in compliance with the Business Responsibility and Sustainability Policy. The Company respects human rights of each employee and strives to address all concerns raised by stakeholders. If any discrimination or misconduct is observed in connection with the complainant, in such instances the employee/worker can escalate their issues to labour unions/association representative/Human Resource department.

8. Do human rights requirements form part of your business agreements and contracts?

Human rights issues are stringently addressed and mitigated throughout the organization by adhering to robust policies and grievance redressal mechanisms. The organization has a well framed BRSR policy which is extended to its value chain partners and is easily accessible on the website of the Company.



## 9. Assessments for the year:

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question above.

The Company strongly adheres to human rights values and promotes them throughout its value chain and business operations. The Company reported zero instances of non-compliance with human rights issues such as child labor, forced labor, sexual harassment, among others for the current financial year. Furthermore, the Company has laid out stringent policies and procedures to combat with any adverse incidents pertaining to human rights.

## Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.  
No such cases were reported in FY 2021-22.
- Details of the scope and coverage of any Human rights due diligence conducted.  
No due diligence by any external agency was conducted in FY 2021-22.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?  
Presently, the Company does not have any differently abled employee as per the Rights of Persons with Disabilities Act, 2016
- Details on assessment of value chain partners:  
No such assessments were carried out for our value chain partners in FY 2021-22.
- Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 4 above.  
Not Applicable

## Principle 6: Businesses should respect and make efforts to protect and restore the environment

## Essential Indicators

## 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)	50,252.4 GJ	49,069.8 GJ
Total fuel consumption (B)	3,631,407.94 GJ	3,124,028.63 GJ
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>3,681,660.34 GJ</b>	<b>3,173,098.43 GJ</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0002034	0.000235813
Energy intensity (optional) – the relevant metric may be selected by the entity.	-	-

## 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable



## Business Responsibility &amp; Sustainability Report (contd.)

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22	FY 2020-21
<b>Water Withdrawal by source (KL)</b>		
Surface Water	699,308	693,940
Ground Water	203,735	191,019
3 <sup>rd</sup> Party Water	29,943	21,498
Seawater/ desalinated water	-	-
Other sources	-	-
<b>Total Vol of Water Withdrawal (KL)</b>	<b>932,986</b>	<b>906,457</b>
<b>Total Vol of Water Consumed (KL)*</b>	<b>834,311</b>	<b>808,482</b>
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	<b>0.000046093</b>	<b>0.000060083</b>
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

\* Note: The water consumption is equal to water withdrawal minus water discharged. The data represents water withdrawn at plants located at Ranchi and Hoshiarpur and water discharged at Hoshiarpur site. At Ranchi, the Company is in process to install water meters to monitor its discharge quantity.

## 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company recognized water stress as an imminent environmental risk and has identified water stewardship as one the key material topic. The organization has been stringently implementing several projects and initiatives in order to minimize its water consumption and reduce its reliability on fresh water. The Company has taken initiatives to develop an efficient mechanism to treat all its effluents, ensure efficient water usage and zero liquid discharge site in coming years.

## 5. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2021-22	FY 2020-21
NOx	Total tonnes of NOx	272.30	200.76
SOx	Total tonnes of SOx	414.01	358.72
Particulate matter (PM)	Total tonnes of PM	76.43	62.39
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

## 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) &amp; its intensity:

Parameter	Unit	FY 2021-22	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	342,884.26	294,936.85
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	11,027.61	11,313.315
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	0.00001955	0.0000228
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

## 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company continuously strives to track all its energy consumption to identify opportunities for energy conservation and process optimization in its business activities. The Company has been gradually implementing several energy efficient accessories to reduce energy consumption and eventually reduce carbon footprint of the organization. The Hoshiarpur plant of



the organization has replaced its conventional furnace oil fired burners with the Propane Gas fired burners in order to reduce 16.687 MT CO<sub>2</sub>/month of greenhouse gas emissions. Additionally, the specified initiative has potential to save Rs. 1,68,285 monthly by using propane gas as fuel.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22	FY 2020-21
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	2.01	5.06
Bio-medical waste (C)	0.05	0.09
Construction and demolition waste (D)	890	650
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	2256.78	2593.30
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>3148.84</b>	<b>3248.45</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	658.23	493.19
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>658.23</b>	<b>493.19</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of disposal method</b>		
(i) Incineration	0.05 <sup>^</sup>	0.09 <sup>^</sup>
(ii) Landfilling	1821.20	1948.53
(iii) Other disposal operations*	669.36	806.60
<b>Total</b>	<b>2490.61</b>	<b>2755.22</b>

Note: E-waste and other saleable hazardous waste are being recycled by a third party.

<sup>^</sup>Incineration is carried out by approved third party.

\*Other disposal operations comprises of the hazardous waste disposed through Pollution Control Board authorised party.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has implemented comprehensive procedures to reduce waste generated throughout the product lifecycle, and several interventions are in the planning stages to implement practices for waste minimization, segregation, and safe disposal in compliance with all standards and regulatory norms. Waste generated by the organization is categorized into hazardous and non-hazardous waste. Non-hazardous waste is sold to authorized recyclers for further processing. Disposal of hazardous waste is as per statutory norms.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

The organization has undertaken all required environmental clearance and necessary no objection certification (NOCs) at the time of establishment of the organization. However, none of the production facilities are located in ecologically sensitive areas.





Business Responsibility & Sustainability Report (contd.)

Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Ranchi	Production	Yes
Hoshiarpur	Production	Yes
Chennai	Plant & Regional Office	Yes
Kolkata	Head Office	Not Applicable
Delhi	Regional Office	Not Applicable
Bangalore	Sales Office	Not Applicable
Hyderabad	Sales Office	Not Applicable
Mumbai	Regional Office	Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Usha Martin has Integrated Management System which assess all its business activities for its impact on environmental, health and safety aspects. However, the organization has been developing a mechanism to undergo environmental impact assessment for several projects that can significantly reduce carbon footprint, water consumption and energy consumption of the organization.

12. Is the entity compliant with the applicable Environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant with the applicable environmental law / regulations / guidelines in India.

**Leadership Indicators**

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

The energy consumed by the organization is from the non-renewable sources, such as fossil, fuels and grid electricity.

2. Provide the following details related to water discharged:

Parameter	FY 2021-22	FY 2020-21
<b>Water discharge by destination and level of treatment (KL)</b>		
<b>(i) To Surface Water*</b>		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
<b>(ii) To Groundwater</b>		
- No treatment	-	-
- With treatment (please specify level of treatment)#	98,675	97,975
<b>(iii) To Seawater*</b>		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
<b>(iv) Sent to third parties*</b>		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
<b>(v) Others*</b>		
- No treatment	-	-
- With treatment (please specify level of treatment)	-	-
<b>Total Water discharged (KL)</b>	<b>98,675</b>	<b>97,975</b>

\* Not Applicable to the Company.

# Primary Treatment.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Not Applicable

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
A comprehensive onsite & offsite Emergency control plan, in accordance with the requirements specified as per the Factories Act 1948 (as amended), Hazardous Waste (Management & Handling) Rules, 1989 and the Environment

(Protection) Rules, 1986 is in place. The Company has in place a mechanism to mitigate any catastrophic or hazardous situation creating emergency like situation in the plants. The Standard Operating Procedure of this specified disaster management plan has been displayed at several places inside the plant premises for awareness of internal stakeholders.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?  
Not Applicable
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.  
Not Any.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. Public Policy Advocacy
  - a. Number of affiliations with trade and industry chambers/associations.  
The Company actively takes part in several Trade and Industry Chambers/Association to enhance its market reach, build strong peer relationship, discuss various industrial best practices and sectoral policies /regulatory decisions. This promotes a collaborative ecosystem focused on delivering sustainable value creation as well as gaining knowledge for informed decision making. The Company is an active member of 6 Trade Associations and Industry Chambers.
  - b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Steel Wire Manufacturers Association of India	National
2	Bengal Chamber of Commerce and Industry	State
3	Confederation of Indian Industry	National
4	Federation of Indian Export Organisation	National
5	Engineering Export Promotion Council of India	National
6	Camera di Commercio di Brescia (Chamber of commerce in Brescia, Italy)	International

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

The Company adheres to policies and procedures to ensure that there are no instances of non-compliance with anti-competitive behavior throughout the organization. Zero instances of anti-competitive conduct were reported for FY 2021-22.

**Principle 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The Company need not statutorily incur any CSR spending owing to absence of net profits (calculated in the manner as laid down in Section 198 of Companies Act, 2013) over the last three financial years and hence the Company has not made any CSR spending as required under Section 135 of the Companies Act, 2013. However, the Company has been involved in voluntary CSR activities in and around the manufacturing facility located in the State of Jharkhand and continues to do so through its CSR arm - Usha Martin Foundation.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

The Company is principally engaged in the businesses of:

- (a) Manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, etc.
- (b) Manufacture and sale of wire drawing and allied machines

There has been no land acquisition undertaken in recent years.



Business Responsibility & Sustainability Report (contd.)

3. Describe the mechanisms to receive and redress grievances of the community.

The Organization has a comprehensive grievance redressal mechanism for all its stakeholders. CSR Arm of the organization, Usha Martin Foundation proactively engages with all the issues shared by the community members. The concerns are discussed and addressed through the elected members of Panchayats and consequently a formal application of the concerns is submitted to Usha Martin Foundation. Thereafter, the Foundation seeks more information on the issue from the community members as well as elected members and takes various necessary mitigatory actions accordingly.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2021-22	FY 2020-21
Directly sourced from MSMEs/ small producers	3%	1.92%
Sourced directly from within the district and neighboring districts	80%	80%

Leadership Indicators

1. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount spent (In Rs.)
Jharkhand	Ranchi	71.56 Lakh *

\* This is a voluntary spending by the Company through Usha Martin Foundation

2. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, the organization assesses all its suppliers on a merit basis.

(b) From which marginalized /vulnerable groups do you procure?

The Organization provides equal opportunity to its suppliers.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

3. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

4. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Not Applicable

5. Details of beneficiaries of CSR Projects:

CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Maintenance of a separate dedicated medical wing within the building premises of Shalini Hospital, located at Angara, Ranchi in the State of Jharkhand for providing treatment and care to covid affected persons.	More than 3000 persons have benefitted from the various CSR initiatives undertaken by the Company during the FY 2021-22 through their CSR arm, Usha Martin Foundation.	61% beneficiaries are from vulnerable and marginalized groups
Arranging and sponsoring of remedial classes to help weaker students and managing and maintaining Gurukul School		
Arrangement of health camps for free eye testing; and awareness programs with respect to HIV / AIDs		
Development of Sport, infrastructural facilities for village health centres, aganwadis, Jal minars and drainage systems.		
Skill and Livelihood enhancement projects such as establishment of (i) sewing centres, (ii) cultivation of mushrooms and food items, (iii) livestock cultivation and rearing		

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A customer centric approach has been adopted to ensure effective management of customer queries, grievances and customer satisfaction of products/services. Customer Value Management (CVM) is practiced judiciously to address the needs of the customers identified from time to time. The organization conducts Customer Satisfaction Feedback Survey to receive feedback regarding its products and services present throughout domestic and international markets yearly. The survey helps to gain insights regarding preferences and complaints of strategic customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental product and social parameters relevant to the Product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

The Company being a responsible organization, maintains highest standards of quality, safety and product integrity for its customers. In order to provide a seamless experience to its customers, the Company endeavors to provide them with exceptional product, services and knowledge. With each of its products, the Company shares guidelines or leaflet with all its customers guiding them on safe handling and disposal mechanism, storage criterions and product applications. Additionally, the Company actively conducts training sessions for its customers on safe handling and other relevant applications, to build strong relationship with customers, and to understand customer's requirement as well as to address all their queries.

3. Number of consumer complaints in respect of the following:

	FY 2021-22			FY 2020-21		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for Recall
Voluntary Recall	-	-
Forced Recall	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company prioritizes risks associated with data privacy and cyber security of its customers. The organization has incorporated IT security aspects in its Business Responsibility Sustainability Policy to ensure zero tolerance to non-compliances pertaining to data security of its stakeholders.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company has reported zero instances for issues pertaining to unethical advertising, cyber security and data privacy of customers, product stewardship, among others. Furthermore, the organization also conducts a yearly security audit through a third-party vendor to ensure its compliance with regulatory norms.



## Business Responsibility & Sustainability Report (contd.)

### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company follows the principle of 'responsible marketing' and complies with all national and international law requirements. The Company proactively provides all information of its product and services to its stakeholders. The information is inclusive of responsible usage, product specifications, ingredients and impacts of the product on the environment.

**Website:** <https://www.ushamartin.com>

**Product brochures:**

<https://ushamartin.com/downloads#brochures>

**LinkedIn:** <https://www.linkedin.com/company/ushamartin-limited/mycompany/>

**Facebook:** [www.facebook.com/ushamartinofficial](http://www.facebook.com/ushamartinofficial)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Technical training on proper handling of products is provided to its customers. Additionally, the Company provides guidance to customers on product knowledge, safe storage & handling along with product application through various technical documents and interactive meetings.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
Product storage, handling and maintenance manuals are provided to customers for handling of products and understanding the risks associated with them. Consumers are given a manual on product discard criteria so that they can understand the standards for discontinuing the product as and when needed. Training and awareness programs are conducted for customers from time to time.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)  
Yes, all required information are displayed on its products label which are mandated as per industry requirements. The organization also conducts Customer Satisfaction Survey annually for its products and services in both domestic & international markets.
5. Provide the following information relating to data breaches:
  - a. Number of instances of data breaches along with impact  
None
  - b. Percentage of data breaches involving personally identifiable information of customers  
None



# Report on Corporate Governance

## A. COMPLIANCE OF MANDATORY REQUIREMENTS

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

The Company is committed to the highest standards of business ethics and 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 31<sup>st</sup> March 2022 comprised of the following Directors:

Name of Directors	Promoter/ Executive/ Non-Executive/ Independent	No. of Other* Director- ships held	Name of other Listed Company in which Directorship is held & Category	Other committee positions held **		No. of Equity Shares held §	Relationship between directors
				As Chairman	As Member including Chairmanship		
Mr. Vijay Singh Bapna <sup>1</sup>	Independent, Non-Executive, Chairman	3	MMP Industries Ltd. Independent Director Global Education Limited, Independent Director Lagnam Spintex Limited, Independent Director	2	4	NIL	None
Mrs. Ramni Nirula	Independent, Non-Executive	4	HEG Limited, Independent Director PI Industries Limited, Independent Director DCM Shriram Limited, Independent Director Kirlosker Brothers Limited, Independent Director	None	3	NIL	None
Mr. Venkatachalam Ramakrishna Iyer <sup>2</sup>	Independent, Non-Executive	1	Canara Bank, Independent Director	1	1	NIL	None
Mr. Sethurathnam Ravi <sup>3</sup>	Independent, Non-Executive	5	-	3	5	NIL	None
Mr. Rajeev Jhawar	Managing Director, Promoter	2	Orient Cement Ltd., Independent Director	None	2	26,11,969	None
Mr. Dhruv Jyoti Basu	Whole Time Director, Executive	5	-	None	None	NIL	None
Mr. Devadip Bhowmik	Whole Time Director, Executive	1	-	None	None	NIL	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. Listed entities have been identified from confirmations / declarations received from respective Directors and Corporate Identification Number (CIN) as available on the Ministry of Corporate Affairs' (MCA) website for companies.

\*\* Represents Membership / Chairmanship of only two Committees vis, Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies-Listed and Unlisted (other than foreign companies, private companies and companies formed under Section 8 of the Act).

§ None of the Non-Executive Directors hold equity shares or any convertible instruments of the Company.

The five-year term of Mr. Mukesh Rohatgi, Non-Executive Chairman of the Board and of the Company and Independent Director [DIN: 00136067] ended on 8<sup>th</sup> December 2021. Accordingly, Mr. Mukesh Rohatgi ceased to be a Director and also Chairman of the Company w.e.f. 8<sup>th</sup> December 2021.

1 The Board of Directors at its meeting held on 11<sup>th</sup> February 2022, appointed Mr. Vijay Singh Bapna, Independent Director [DIN: 02599024] as Non-Executive Chairman of the Board and of the Company.

2 Subsequent to withdrawal of nomination of Mr. Venkatachalam Ramakrishna Iyer [DIN: 02194830] by State Bank of India as a Nominee on the Board of the Company, Mr. Venkatachalam ceased to be Director of the Company w.e.f. 4<sup>th</sup> November 2021. The Board thereafter appointed Mr. Venkatachalam as an Additional Independent Director of the Company for a term upto five consecutive years w.e.f. 12<sup>th</sup> November 2021. The shareholders of the Company approved with requisite majority the said appointment on 23<sup>rd</sup> December 2021 through postal ballot.

3 The Board appointed Mr. Sethurathnam Ravi [DIN:00009790] as an Additional Independent Director of the Company for a term upto five consecutive years w.e.f. 12<sup>th</sup> November 2021. The shareholders of the Company approved with requisite majority the said appointment on 23<sup>rd</sup> December 2021 through postal ballot.



## Report on Corporate Governance (contd.)

All Independent Directors have confirmed their 'Independence' to the Board of the Company in accordance with the provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ["SEBI (LODR)"]. All Independent Directors have also confirmed that their names are duly registered in the data bank of Independent Directors as maintained by the Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time. At the financial year-end, declarations have been received from Directors informing their directorship and committee positions held in other companies.

The Company imparted various familiarisation programmes for its Directors which included review of industry outlook and regulatory updates at Board, Audit Committee and Risk Committee Meetings, presentations on internal controls over financial reporting, prevention of insider trading regulations, framework for related party transactions, meeting with senior officials of the Company. Details of familiarisation programmes for Independent Directors of the Company are provided under 'Investor' section of the Company's website at <https://www.ushamartin.com>.

As per stipulations in Para VII of the Code for Independent Directors in Schedule IV of the Act and as per SEBI (LODR), a separate meeting of the Independent Directors was held on 20<sup>th</sup> May 2021 and was attended by all Independent Directors of the Company.

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

Six Board Meetings were held during the year on 20<sup>th</sup> May 2021, 28<sup>th</sup> July 2021, 21<sup>st</sup> September 2021, 12<sup>th</sup> November 2021, 11<sup>th</sup> February 2022 and 22<sup>nd</sup> March 2022. Annual General Meeting [AGM] was held virtually through audio-video mode on 11<sup>th</sup> August 2021 in terms of various circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) from time to time.

The details of their attendance during the year is given below:-

Name of Directors	Board Meetings during the year/tenure		Attendance at last AGM
	Held	Attended	
Mr. Mukesh Rohatgi*	4	4	Yes
Mr. Vijay Singh Bapna**	6	6	Yes
Mrs. Ramni Nirula	6	6	Yes
Mr. Venkatachalam Ramakrishna Iyer***	6	6	No
Mr. Sethurathnam Ravi****	3	3	NA
Mr. Rajeev Jhawar	6	6	Yes
Mr. Dhruv Jyoti Basu	6	6	Yes
Mr. Devadip Bhowmik	6	6	Yes

\* The five-year term of Mr. Mukesh Rohatgi, Chairman and Independent Director of the Company [DIN: 00136067] ended on 8<sup>th</sup> December 2021. Accordingly, Mr. Rohatgi ceased to be Director of the Company w.e.f. 8<sup>th</sup> December 2021.

\*\* The Board of Directors at its meeting held on 11<sup>th</sup> February 2022, had appointed Mr. Vijay Singh Bapna, Independent Director [DIN: 02599024] as Non-Executive Chairman of the Board and of the Company.

\*\*\* Subsequent to withdrawal nomination of Mr. Venkatachalam Ramakrishna Iyer [DIN: 02194830] by State Bank of India as a Nominee on the Board of the Company, Mr. Venkatachalam ceased to be Director of the Company w.e.f. 4<sup>th</sup> November 2021. The Board thereafter appointed Mr. Venkatachalam as an Additional Independent Director of the Company for a term upto five consecutive years commencing from 12<sup>th</sup> November 2021. The shareholders of the Company approved the said appointment on 23<sup>rd</sup> December 2021 through postal ballot.

\*\*\*\* The Board appointed Mr. Sethurathnam Ravi [DIN:00009790] as an Additional Independent Director of the Company for a term upto five consecutive years commencing from 12<sup>th</sup> November 2021. The shareholders of the Company approved the said appointment on 23<sup>rd</sup> December 2021 through postal ballot.

### Code of Conduct

Pursuant to provisions of SEBI (LODR), the Board has framed a 'Code of Conduct for Board of Directors and Senior Management' ("Code of Conduct") which is available on the Company's website at <https://www.ushamartin.com>. All Directors and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct as at 31<sup>st</sup> March 2022. A declaration to this effect signed by the Managing Director is annexed to this report.

### III. Audit Committee

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

As per the Company's 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons' (Code) framed pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Audit Committee has been authorized to implement and monitor various requirements as set out in the Code.

Five meetings of the Audit Committee were held during the year on 20<sup>th</sup> May 2021, 28<sup>th</sup> July 2021, 21<sup>st</sup> September 2021, 12<sup>th</sup> November 2021 and 11<sup>th</sup> February 2022.

**Composition of the Audit Committee and attendance during the year :**

Particulars			No. of Meetings during the year/ tenure	
			Held	Attended
Mr. Vijay Singh Bapna	Chairman	Independent Non-Executive	5	5
Mr. Sethurathnam Ravi*	Member	Independent Non-Executive	1	1
Mr. Rajeev Jhawar	Member	Managing Director, Executive	5	5
Mr. Mukesh Rohatgi**	Member	Independent Non-Executive	4	4

\* Mr. Sethurathnam Ravi [DIN: 00009790] was inducted as Member of Audit Committee w.e.f. 12<sup>th</sup> November 2021.

\*\* Consequent to expiry of five-year term as Independent Director, Mr. Mukesh Rohatgi [DIN: 00136067] ceased to be member of the Committee w.e.f. 8<sup>th</sup> December 2021.

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

The Whole Time Directors, Chief Financial Officer and Business Heads of the Company attend Meetings of the Audit Committee as invitees, as and when required.

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

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

Mr. Vijay Singh Bapna, Chairman of the Audit Committee was present at the last AGM held virtually by audio-video mode on 11<sup>th</sup> August 2021.

**IV. Nomination and Remuneration Committee**

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

Two meetings of the Nomination and Remuneration Committee were held during the year on 20<sup>th</sup> May 2021 and 12<sup>th</sup> November 2021.

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

Particulars			No. of Meetings during the year/ tenure	
			Held	Attended
Mrs. Ramni Nirula	Chairperson	Independent, Non-Executive	2	2
Mr. Vijay S Bapna*	Member	Independent, Non-Executive	1	1
Mr. Venkatachalam Ramakrishna Iyer**	Member	Independent, Non-Executive	1	1
Mr. Sethurathnam Ravi***	Member	Independent, Non-Executive	NA	NA
Mr. Mukesh Rohatgi****	Member	Independent, Non-Executive	2	2

\* Mr. Vijay S Bapna [DIN:02599024] was inducted as Member of the Committee w.e.f. 4<sup>th</sup> November 2021.

\*\* Mr. Venkatachalam Ramakrishna Iyer [DIN: 02194830] ceased to be Nominee Director of the Company w.e.f. 4<sup>th</sup> November 2021 and consequently ceased to be member of the Committee w.e.f. the same date. Subsequently, Mr. Venkatachalam was appointed on the Board of the Company as Independent Director w.e.f. 12<sup>th</sup> November 2021 and was also inducted as member of the Committee w.e.f. the same date.

\*\*\* Mr. Sethurathnam Ravi was inducted as member of the Committee w.e.f. 12<sup>th</sup> November 2021.

\*\*\*\* Consequent to expiry of five-year term as Independent Director, Mr. Mukesh Rohatgi [DIN: 00136067] ceased to be member of the Committee w.e.f. 8<sup>th</sup> December 2021.

Mrs. Ramni Nirula, Chairperson of Nomination & Remuneration Committee was present at the last AGM held virtually by audio-video mode on 11<sup>th</sup> August 2021.





## Report on Corporate Governance (contd.)

### Performance Evaluation

Every Director of the Company individually evaluates performance of other Directors and submits their report to the Chairperson of Nomination & Remuneration Committee based upon parameters like attendance, participation in discussion at meetings, use of independent judgment, etc. Thereafter on such individual assessment made by the Directors, the Chairperson of Nomination & Remuneration Committee provides an overall report to the Chairman of the Board which is discussed and reviewed at a Board Meeting.

### Remuneration Policy

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

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

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

### The break-up of remuneration paid to the Managing Director Whole Time Directors for the Financial Year 2021-22 is given below:

(Rs. In Lakh)

Names	Mr. Rajeev Jhawar*	Mr. Dhruv Jyoti Basu**	Mr. Devadip Bhowmik***
Position	Managing Director	Whole Time Director	Whole Time Director
Period	FY 2021-22	FY 2021-22	FY 2021-22
Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	85.33	56.28	83.15
Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	15.85	1.32	1.86
Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
Others (includes PF, Gratuity, GPA, etc.)	20.88	8.22	4.31
Commission	-	-	-
<b>Total</b>	<b>122.06</b>	<b>65.82</b>	<b>89.32</b>
Service Contract	For a period from 19 <sup>th</sup> May, 2013 to 18 <sup>th</sup> May, 2018 which was further renewed till 18 <sup>th</sup> May 2023.	For a period from 6 <sup>th</sup> June, 2020 till 5 <sup>th</sup> June, 2023	For a period from 15 <sup>th</sup> March, 2021 till 14 <sup>th</sup> March, 2026.
Notice Period	6 months from either side	3 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.	3 months' salary in lieu of notice.
Stock Options	None	None	None

\* Mr. Rajeev Jhawar [DIN: 00086164] was re-appointed as Managing Director of the Company for a period of 5 years effective from 19<sup>th</sup> May 2018 to 18<sup>th</sup> May 2023. The remuneration paid to Mr. Jhawar did not exceed Rs.1.48 Crore per annum as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Section II of Part II of Schedule V of the Act) for the period commencing from 19<sup>th</sup> May 2018 till 18<sup>th</sup> May 2021. The said re-appointment and remuneration paid to Mr. Jhawar was approved by the shareholders with requisite majority at the 32<sup>nd</sup> AGM of the Company held on 18<sup>th</sup> September 2018. Further, the Board at its meeting held on 8<sup>th</sup> February 2021 approved payment of remuneration of upto Rs.1.24 Crore per annum to Mr. Jhawar for the period from 19<sup>th</sup> May 2021 till 18<sup>th</sup> May 2023. The remuneration payable to Mr. Jhawar shall not exceed Rs.1.24 Crore per annum as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Section II of Part II of Schedule V of the Act) for the period commencing from 19<sup>th</sup> May 2021 till 18<sup>th</sup> May 2023. The approval for remuneration payable to Mr. Jhawar for the period 19<sup>th</sup> May 2021 till 18<sup>th</sup> May 2023 was approved by the shareholders with requisite majority at the 35<sup>th</sup> AGM held on 11<sup>th</sup> August 2021.

\*\* Mr. Dhruv Jyoti Basu [DIN:02498037] was appointed as Whole Time Director of the Company for a period of 3 (three) years on 6<sup>th</sup> June 2020. The remuneration to be paid to Mr. Basu shall not exceed Rs.1 Crore per annum as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Section II of Part II of Schedule V of the Act) for the period commencing from 6<sup>th</sup> June 2020 till 5<sup>th</sup> June 2023. The said appointment and remuneration payable to Mr. Basu was approved by the shareholders with requisite majority at the 34<sup>th</sup> AGM of the Company held on 23<sup>rd</sup> September 2020. The overall limit of remuneration payable to Mr. Basu shall not exceed Rs.1 Crore per annum as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Section II of Part II of Schedule V of the Act) for the period commencing from 6<sup>th</sup> June 2020 till 5<sup>th</sup> June 2023.

\*\*\* Mr. Devadip Bhowmik [DIN: 08656505] was appointed as Whole Time Director of the Company for a period of 5 (five) years w.e.f. 15<sup>th</sup> March 2021. The remuneration to be paid to Mr. Bhowmik shall not exceed Rs. 1.24 Crore per annum as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Section II of Part II of Schedule V of the Act) for the period commencing from 15<sup>th</sup> March 2021 till 14<sup>th</sup> March 2024. The overall limit of remuneration payable to Mr. Bhowmik shall not exceed Rs.1.24 Crore per annum as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Section II of Part II of Schedule V of the Act) for the period commencing from 15<sup>th</sup> March 2021 till 14<sup>th</sup> March 2024. The said appointment and remuneration payable to Mr. Bhowmik was approved by the shareholders with requisite majority at the 35<sup>th</sup> AGM held on 11<sup>th</sup> August 2021.

Accordingly, Mr. Rajeev Jhavar, Mr. Dhruv Jyoti Basu and Mr. Devadip Bhowmik were paid "minimum remuneration" for the Financial Year 2021-22. Further, in accordance with Schedule V of the Act, the "minimum remuneration" determined does not include the Company's 'Contribution to Provident Fund', 'Contribution to Gratuity Fund' and 'Superannuation Fund'. No stock options have been given to any of the Directors.

The break-up of remuneration paid to each of the Non-Executive Directors for the Financial Year 2021-22 is given below:

(Rs. in Lakh)

Name of Non-Executive Director	Sitting Fees	Commission
Mr. Mukesh Rohatgi*	12.25	-
Mr. Vijay Singh Bapna**	14.25	-
Mr. Venkatchalam Ramakrishna Iyer***	9.00	-
Mrs. Ramni Nirula	12.75	-
Mr. Sethurathnam Ravi***	5.25	-
<b>Total</b>	<b>53.50</b>	<b>-</b>

\* The five-year term of Mr. Mukesh Rohatgi, Chairman and Independent Director of the Company [DIN: 00136067] ended on 8<sup>th</sup> December 2021. Accordingly, he ceased to be Director of the Company.

\*\* The Board of Directors at its meeting held on 11<sup>th</sup> February 2022, had appointed Mr. Vijay Singh Bapna, Independent Director [DIN: 02599024] as Non-Executive Chairman of the Board and of the Company.

\*\*\* Subsequent to withdrawal nomination of Mr. Venkatchalam Ramakrishna Iyer [DIN: 02194830] by State Bank of India as a Nominee on the Board of the Company, Mr. Venkatchalam ceased to be Director of the Company w.e.f. 4<sup>th</sup> November 2021. The Board thereafter appointed Mr. Venkatchalam as an Additional Independent Director of the Company for a term upto five consecutive years commencing from 12<sup>th</sup> November 2021. The shareholders of the Company approved the said appointment on 23<sup>rd</sup> December 2021 through postal ballot.

\*\*\*\* The Board appointed Mr. Sethurathnam Ravi [DIN:00009790] as Independent Director of the Company for a term upto five consecutive years commencing from 12<sup>th</sup> November 2021. The shareholders of the Company approved the said appointment on 23<sup>rd</sup> December 2021 through postal ballot.

In case of profits, Non-Executive Directors, can from time to time be paid commission in accordance with the provisions of the Act with necessary approval. However, during the Financial Year 2021-22, apart from payment of sitting fees for attending Board or Committee Meetings, no commission was paid to any Non-Executive Director.

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

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

## V. Stakeholders' Relationship Committee

In accordance with the provisions of the Act and SEBI (LODR), the Company has a Stakeholders' Relationship Committee. The terms of reference of this Committee inter-alia includes considering and resolving grievances of stakeholders and speedy disposal of requests received from security holders and approving transfer and transmission of shares, issuance of duplicate share certificates, other documentation and activities related to shares. Mr. Sethurathnam Ravi, Non-Executive Independent Director is the Chairman of the Committee. During the year, the Committee met four times on 20<sup>th</sup> May 2021, 28<sup>th</sup> July 2021, 12<sup>th</sup> November 2021 and 11<sup>th</sup> February 2022.

### Composition of the Stakeholders' Relationship Committee and attendance during the year:

Particulars			No. of Meetings during the year/ tenure	
			Held	Attended
Mr. Sethurathnam Ravi*	Chairman	Independent, Non-Executive	1	1
Mr. Venkatchalam Ramakrishna Iyer**	Member	Independent, Non-Executive	1	1
Mr. Dhruv Jyoti Basu	Member	Whole Time Director	4	4
Mr. Mukesh Rohatgi***	Chairman	Independent, Non-Executive	3	3
Mr. Rajeev Jhavar**	Member	Managing Director, Promoter	3	3

\* Mr. Sethurathnam Ravi [DIN: 00009790] was inducted as Member of the Committee w.e.f. 12<sup>th</sup> November 2021. Upon cessation of Mr. Mukesh Rohatgi as Chairman of the Committee w.e.f. 8<sup>th</sup> December 2021, Mr. Ravi was designated as the Chairman of the Committee w.e.f. 9<sup>th</sup> December 2021.

\*\* Mr. Venkatchalam Ramakrishna Iyer was inducted as member of Committee w.e.f. 12<sup>th</sup> November 2021 in place of Mr. Rajeev Jhavar who ceased to be member of the Committee w.e.f. the same date.

\*\*\* The five-year term of Mr. Mukesh Rohatgi, Chairman and Independent Director of the Company [DIN: 00136067] ended on 8<sup>th</sup> December 2021. Consequently, Mr. Rohatgi ceased to be Chairman of the Committee w.e.f. the same date.

Mr. Mukesh Rohatgi who was the Chairman of the Stakeholders' Relationship Committee till 8<sup>th</sup> December 2021 was present at last AGM held virtually by audio-video mode on 11<sup>th</sup> August 2021.



## Report on Corporate Governance (contd.)

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

Complaints pending as on 1 <sup>st</sup> April 2021	NIL
Number of complaints received during year ended 31 <sup>st</sup> March 2022	55
Number of complaints attended to/resolved during the year	55
Complaints pending as on 31 <sup>st</sup> March 2022	NIL

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

### VI. Risk Management Committee

Subsequent to the notification issued by SEBI on 5<sup>th</sup> May 2021 prescribing mandatory constitution of Risk Management Committee (“RMC”) by those listed entities which are included in top 1,000 listed entities determined on the basis of market capitalization, the Company constituted a Risk Management Committee on 20<sup>th</sup> May 2021. The Risk Management Committee is constituted for overseeing risk management systems as well as risk governance. The Committee frames the Risk Management Policy, which is approved by the Board, and updates the Board regularly on risk management and governance. Through industry-best internal controls and systems, the Board oversees the risk management and governance process. The Committee assists the Board in discharging its responsibilities towards management of material business risk (material business risks includes but not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, cyber security, 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).

Mr. Vijay S Bapna, Non-Executive and Independent Director is the Chairman of the Risk Management Committee. During the year, the Committee met three times on 28<sup>th</sup> July 2021, 12<sup>th</sup> November 2021 and 11<sup>th</sup> February 2022.

### Composition of the Risk Management Committee and attendance during the year:

Particulars			No. of Meetings during the year/tenure	
			Held	Attended
Mr. Vijay S Bapna	Chairman	Independent, Non-Executive	3	3
Mrs. Ramni Nirula	Member	Independent, Non-Executive	3	3
Mr. Venkatachalam Ramkrishna Iyer*	Member	Independent, Non-Executive	2	2
Mr. Sethurathnam Ravi**	Member	Independent, Non-Executive	NA	NA
Mr. Dhruv Jyoti Basu	Member	Whole Time Director, Executive	3	3
Mr. Devadip Bhowmik	Member	Whole Time Director, Executive	3	3

\* Mr. Venkatachalam Ramkrishna Iyer [DIN: 02194830] ceased to be Director of the Company w.e.f. 4<sup>th</sup> November 2021 and also ceased to be member of the Committee w.e.f. the same date. Subsequently, Mr. Venkatachalam was appointed by the Board as Independent Director of the Company w.e.f. 12<sup>th</sup> November 2021 and was also inducted as member of the Committee w.e.f. 12<sup>th</sup> November 2021.

\*\* Mr. Sethurathnam Ravi was inducted as a member of the Committee w.e.f. 11<sup>th</sup> February 2022.

### VII. Corporate Social Responsibility Committee

As on 31<sup>st</sup> March 2022, the Corporate Social Responsibility Committee comprised of Mr. Vijay Singh Bapna (Chairman, Independent Non-Executive Director), Mrs. Ramni Nirula (Member, Independent Non-Executive Director) and Mr. Dhruv Jyoti Basu (Member, Whole Time Director). The Committee assists the Board in discharging the responsibilities towards making the Company a responsible corporate citizen in accordance with the provisions of the Act and Rules made thereunder. During the year under review, the Committee had met once on 11<sup>th</sup> February 2022 with the presence of all the members. During the year under review, there was no change in the constitution of the Committee.



### VIII. Finance Committee

The Finance Committee of the Board of Directors as on 31<sup>st</sup> March 2022 comprised of Mr. Sethurathnam Ravi (Independent Non-Executive Director) as Chairman, Mrs. Ramni Nirula (Independent Non-Executive Director), Mr. Rajeev Jhawar (Managing Director) and Mr. Dhruv Jyoti Basu (Whole Time Director) as Members to inter-alia assist the Board in discharging its' financial decision making responsibilities. During the year, the Committee met twice on 28<sup>th</sup> July 2021 and 11<sup>th</sup> February 2022. During the year under review, Mr. Sethurathnam Ravi was inducted as Member of the Committee w.e.f. 12<sup>th</sup> November 2021 and upon cessation of Mr. Mukesh Rohatgi as Chairman of the Committee w.e.f. 8<sup>th</sup> December 2021, Mr. Ravi was designated as Chairman of the Committee w.e.f. 9<sup>th</sup> December 2021.

### IX. General Meetings:

#### a) Annual & Extra - Ordinary General Meetings

Date	Type	Venue	Time	No. of special resolutions
11 <sup>th</sup> August 2021	AGM	Virtual Meeting through Video Conferencing/Other Audio Visual Means.	11:30 A.M	-
23 <sup>rd</sup> September 2020	AGM	However, the deemed venue for the meetings was the Registered Office of the Company at 2A, Shakespeare Sarani, Kolkata - 700 071	11:30 A.M	-
21 <sup>st</sup> September 2019	AGM	Kala Kunj, Kolkata.	11.00 A.M	-
30 <sup>th</sup> March 2019	EGM	Vidya Mandir, Kolkata.	11.00 A.M	2

#### b) Meeting convened in pursuance of order passed by the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench:

During the year, pursuant to an order dated 20<sup>th</sup> December 2021, passed by the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT") in the Company Scheme Application No. 187/KB/2021, a meeting of the Equity Shareholders of the Company was held through Video Conferencing / Other Audio-Visual Means on Saturday, 29<sup>th</sup> January 2022 at 11:00 A.M. (IST) to consider and approve the 'Scheme of Arrangement under Section 230 and other applicable provisions of Companies Act 2013 between the Company and its Equity Shareholders for reduction and re-organization of capital of the Company' ('Scheme'). The shareholders of the Company passed a special resolution approving the Scheme with requisite majority. Thereafter the NCLT had vide its Order pronounced on 31<sup>st</sup> March 2022 allowed the Company's Petition for approval of the said Scheme.

#### c) Postal Ballot

No Special Resolution was passed by the Company during the year under review through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot as on the date of this report. The Company had

sought the approval of shareholders through postal ballot through remote e-voting only for the following ordinary resolution(s):

Sl. No.	Particulars of Resolutions
01.	Appointment of Mr. Venkatachalam Ramakrishna Iyer [DIN: 02194830] as an Independent Director of the Company not liable to retire by rotation and to hold office for a term upto five consecutive years commencing from 12 <sup>th</sup> November 2021.
02.	Appointment of Mr. Sethurathnam Ravi [DIN: 00009790] as an Independent Director of the Company not liable to retire by rotation and to hold office for a term upto five consecutive years commencing from 12 <sup>th</sup> November 2021.

The Company had appointed Mr. Atul Kumar Labh, Practicing Company Secretary (FCS-4848/CP-3238) of M/s. A K Labh & Co., Company Secretaries, Kolkata as the Scrutinizer, to scrutinise the postal ballot process in a fair and transparent manner. The Company had completed despatch of the Notice of Postal Ballot through electronic mode on 19<sup>th</sup> November 2021 to the Members whose name appeared on the Register of Members on 12<sup>th</sup> November 2021. The e-voting period remained open from 09:00 A.M. IST on Wednesday, the 24<sup>th</sup> day of November 2021 up to



## Report on Corporate Governance (contd.)

5:00 P.M. IST on Thursday, the 23<sup>rd</sup> day of December 2021. The shareholders holding shares as on the "cut off" date, i.e. 12<sup>th</sup> day of November 2021 were entitled to vote on the proposed resolutions as mentioned in the Notice of Postal Ballot dated 12<sup>th</sup> day of November 2021. The results were declared on 24<sup>th</sup> December 2021. The above ordinary resolutions were passed by the shareholders of the Company with requisite majority on 23<sup>rd</sup> December 2021.

### X. 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 32 to the Accounts in Annual Report.
- There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter relating to Capital Market during last three years.
- The Board of Directors has adopted a Vigil Mechanism and Whistle Blower Policy to provide a framework to promote responsible and secure reporting of undesirable activities. During the year under report, there was no reporting of any undesirable activity by any person. No personnel of the Company have been denied access to the Audit Committee.
- During the Financial Year 2021-22, all mandatory requirements have been complied with.
- The Company has complied with all other requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR).
- Various Policies and Codes including that of material subsidiaries, vigil mechanism and related party transactions are available under the 'investor' section of the Company's website at <https://www.ushamartin.com>.
- Management Discussion and Analysis is annexed to the Directors' Report to shareholders and forms part of Annual Report.
- The Company manages its corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. This minimises, to the extent possible, any adverse effect on the Company's earnings or fair values of assets and liabilities, without exposing the Company to any material risks associated with the transactions, which could be regarded as speculative. Generally forward contracts are used to cover exposures. However, other hedging techniques may also be used like Currency Swaps and Currency Options etc. in consultation with management. The Company is not engaged in commodity hedging activities.
- As per disclosures received from Senior Management Personnel, they have not entered into any material, financial or commercial transactions which may have a potential conflict with interests of the Company at large.
- The Board of Directors has confirmed that in their opinion the Independent Directors fulfill the conditions specified in SEBI (LODR) and are independent of the Management.
- During the year under review, the credit rating for Long Term Bank Facilities of the Company were upgraded from 'IND A-' to 'IND A' and the credit rating for Short Term Credit Facilities were reaffirmed to 'IND A1' by India Ratings & Research Private Limited.
- A certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Director of any company by the SEBI / MCA or any such statutory authority has been obtained from a Company Secretary in Practice which forms part of this Report.
- During the year under review the Company did not raise any fund through preferential allotment or qualified institutional placement.
- During the year under review there were no instance of the Board not accepting the recommendations made to it by any of the statutory sub-committees of the Board.
- The requisite disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been provided separately in this Annual Report.
- Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part has been disclosed in Note 27(ii) to the Accounts in Annual Report. The Statutory Auditor of the Company does not render independently any services to any subsidiaries or associates of the Company.
- There were no Loans and Advances which have been provided to firms/companies in which directors are interested.



- In terms of SEBI (LODR), the Company identified the list of core skills / expertise / competencies as is required in the context of the Company's business (es) and sector(s) for it to function effectively and those which are actually available with the Board. The specific areas of skills / expertise / competencies of individual Board members are given hereunder:

Name of Directors	Identified Skill / Knowledge set for Directors				
	Operations Management	Finance Accounting/ Legal	Strategy Development	Industry Related experience	General Management
Mr. Mukesh Rohatgi*	✓	✓	✓	✓	✓
Mr. R Venkatachalam**	✓	✓	✓	X	✓
Mr. Rajeev Jhawar	✓	✓	✓	✓	✓
Mr. Vijay Singh Bapna	✓	✓	✓	✓	✓
Mrs. Ramni Nirula	✓	✓	✓	X	✓
Mr. D J Basu	✓	X	✓	✓	✓
Mr. D Bhowmik	✓	X	✓	✓	✓
Mr. S Ravi***	X	✓	✓	✓	✓

\* Ceased to be Director of the Company w.e.f. 8<sup>th</sup> December 2021.

\*\* Ceased to be Nominee Director w.e.f. 4<sup>th</sup> November 2021 and appointed as Independent Director w.e.f. 12<sup>th</sup> November 2021.

\*\*\* Appointed as Independent Director w.e.f. 12<sup>th</sup> November 2021.

- During the year under review, the Company had two material subsidiaries Usha Martin UK Limited and Usha Siam Steel Industries Public Company Limited. Further, one independent director of the Company has been appointed on the Board of Usha Martin UK Limited as required under SEBI (LODR).
- In terms of Regulation 43A of SEBI (LODR), the Company has formulated a Dividend Distribution Policy. The Policy has been hosted on the website of the Company at <https://ushamartin.com/investor-relations/policies#Code-Policy>.

## XI. 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. During the year, the financial results were published in leading national newspapers viz. Business Standard (all English editions) and Dainik Statesman (Bengali editions).
- Quarterly result presentations are hosted on the website of the Company and also intimated to the stock exchanges.
- The financial results and official press releases are also posted on the Company's website [www.ushamartin.com](http://www.ushamartin.com).
- As and when presentations are made to media, analysts, institutional investors and fund managers, the same are posted on the Company's website.
- Apart from statutory announcements, the Company shares information relating to financial performance with public and investors through press releases, business newspapers and magazines as and when required.

## XII. General Shareholders' Information

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

The Thirty-sixth Annual General Meeting of the Company will be held on Friday, 29<sup>th</sup> July 2022, at 11:30 AM (IST) through Video Conferencing/Other Audio Visual Means.

### b) Financial Calendar

Financial Year ended 31st March, 2022	Meetings held on	Next Financial Year ending 31st March, 2022	Meetings to be held on or before (tentative)
First Quarter Results - June 2021	28 <sup>th</sup> July 2021	First Quarter Results - June 2022	12 <sup>th</sup> August 2022
Second Quarter Results - September 2021	12 <sup>th</sup> November 2021	Second Quarter Results - September 2022	14 <sup>th</sup> November 2022
Third Quarter Results - December 2021	11 <sup>th</sup> February 2022	Third Quarter Results - December 2022	14 <sup>th</sup> February 2023
Audited Results for the year ended 31 <sup>st</sup> March 2022	30 <sup>th</sup> April 2022	Audited Results for the year ended 31 <sup>st</sup> March 2023	30 <sup>th</sup> May 2023



## Report on Corporate Governance (contd.)

## c) Book Closure Dates

The Share Transfer Books and Register of Members will be closed from 22<sup>nd</sup> July 2022 till 29<sup>th</sup> July 2022 (both days inclusive).

## d) Dividend Payment Date

The Board of Directors at their meeting held on 30<sup>th</sup> April 2022, has recommended payment of Rs.2/- (Rupees two only) (200%) per equity share of the face value of Re. 1 (Rupee One only) each as final dividend for the Financial Year ended 31<sup>st</sup> March 2022. The payment of final dividend is subject to the approval of the shareholders at the ensuing AGM of the Company. The Record Date for the purpose of dividend entitlement is 22<sup>nd</sup> July 2022. The Dividend will be paid on or after 3<sup>rd</sup> August 2022. The Company shall ensure the payment of Dividend within 30 days from the date of declaration of the dividend at the AGM.

## e) Stock Exchange where the Company's shares are listed and the correspondent scrip code numbers

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

The listing fees for all above stock exchanges have been duly paid for Financial Year 2021-22.

## f) Stock Market Price Data

Month	BSE (Rs./Share)		NSE (Rs./Share)		Volume		Total Volume
	High Price	Low Price	High Price	Low Price	BSE	NSE	
<b>2021</b>							
April	49.25	33.10	49.25	33.20	74,92,014	9,80,08,703	10,55,00,717
May	58.35	48.15	58.25	48.15	1,19,97,133	9,61,46,861	10,81,43,994
June	60.75	48.35	60.90	48.40	71,75,737	5,83,18,081	6,54,93,818
July	71.90	53.00	71.90	53.00	93,15,985	7,52,98,940	8,46,14,925
August	75.00	61.20	75.25	61.25	59,38,711	4,61,65,351	5,21,04,062
September	86.55	64.55	86.50	64.55	53,52,009	3,99,80,145	4,53,32,154
October	96.00	84.00	96.00	83.95	44,64,575	2,49,11,576	2,93,76,151
November	102.65	80.60	102.55	80.15	27,43,549	2,09,42,803	2,36,86,352
December	97.30	82.50	97.25	82.40	13,83,318	1,27,13,136	1,40,96,454
<b>2022</b>							
January	101.30	80.55	101.95	80.80	16,63,878	1,59,36,106	1,75,99,984
February	94.90	81.95	95.00	82.00	15,52,060	1,47,26,937	1,62,78,997
March	137.10	84.45	137.35	84.30	31,23,274	3,34,68,537	3,65,91,811

**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>2021</b>				
April	48.35	48782.36	48.25	14631.10
May	50.35	51937.44	50.40	15582.80
June	56.75	52482.71	56.80	15721.50
July	67.30	52586.84	67.30	15763.05
August	70.15	57552.39	70.15	17132.20
September	85.80	59126.36	85.75	17618.15
October	87.85	59306.93	87.95	17671.65
November	83.55	57064.87	83.70	16983.20
December	90.05	58253.82	90.10	17354.05
<b>2022</b>				
January	85.60	58014.17	85.45	17339.85
February	87.50	56247.28	87.40	16793.90
March	134.50	58,568.51	134.50	17,464.75

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

The contact details of the Registrar and Transfer Agent are as under:

MCS Share Transfer Agent Limited  
 (Unit: Usha Martin Limited)  
 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata - 700045  
 Phone : +91 33 4072 4051/52/53  
 Email : mcssta@rediffmail.com  
 Contact Person : Mr. Shankar Ghosh, Head–Eastern Region

**i) Share Transfer System**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from 1<sup>st</sup> April 2019, except in case of transmission or transposition of securities, SEBI w.e.f. 1<sup>st</sup> April 2019 had mandated transfer of securities in dematerialised form only. However, the mandate of SEBI does not prohibit the shareholders from holding the shares in physical form. Shareholder has the option of holding shares in physical form even after 1<sup>st</sup> April 2019. However, any shareholder who is desirous of transferring shares (which are held in physical form) after 1<sup>st</sup> April 2019 can do so only after the shares are dematerialised. In view of the above and the inherent benefits of holding shares in electronic form, the shareholders' holding shares in physical form are advised to opt for dematerialisation at the earliest. The Company Secretary has been authorised to endorse physical share transmission and transposition on behalf of the Company.





## Report on Corporate Governance (contd.)

## j) Distribution of Shareholding as on 31st March 2022

Range * (No. of Equity Shares)	No. of Shareholders	%	Number of Equity Shares	%
1 - 100	35,638	55.94	1,395,584	0.46
101 - 500	17,781	27.91	4,809,051	1.58
501 - 1,000	4,351	6.83	3,573,712	1.17
1,001 - 5,000	4,102	6.44	9,934,971	3.26
5,001 - 10,000	694	1.09	5,400,122	1.77
10,001 & above	1,138	1.79	279,628,570	91.76
<b>Total #</b>	<b>63,704</b>	<b>100.00</b>	<b>304,742,010</b>	<b>100.00</b>
* Shareholding in Physical Form included in above	4,699	7.38	963,255	0.32

# The reported total number of paid - up equity shares of the Company as on 31<sup>st</sup> March 2022 stands inflated by 230 equity shares. This was caused due to an erroneous additional electronic transfer of 230 equity shares (notional) to Investor Education & Protection Fund (IEPF) under the Ministry of Corporate Affairs (MCA) by way of corporate action executed on 29<sup>th</sup> September, 2020 by Central Depository Services India Limited. (CDSL) and Registrar & Transfer Agent (RTA) of the Company. The Company has been continuously engaging with IEPF Authority under MCA, CDSL and RTA for necessary rectification of error/ reversal of error. Necessary documents in this matter have been submitted to IEPF Authorities but due to pandemic there has been a delay in corresponding rectification/ reversal entry.

## k) Pattern of Shareholding as on 31st March 2022

Category	No. of Equity Shares	% of Total Shareholding
A Promoter Holding	129,593,927	42.53
B Public Holding		
- Mutual Fund	4,750	0.00
- Financial Institution / Banks	2,290	0.00
- Insurance Companies	156,851	0.05
- Foreign Institutional Investors / Foreign Portfolio Investors	26,067,985	8.55
- Bodies Corporate	42,555,126	13.96
- Individual	82,291,989	27.01
- NBFC	26,995	0.01
- IEPF	1,176,647	0.39
<b>Total {B}</b>	<b>152,282,633</b>	<b>49.97</b>
C GDRs (@)	22,865,450	7.50
<b>GRAND TOTAL [A+B+C]#</b>	<b>304,742,010</b>	<b>100.00</b>

@ As on 31<sup>st</sup> March 2022 Promoters and Promoters Group are holding 36,48,716 GDRs (representing 1,82,43,580 Equity Shares).

# The reported total number of paid - up equity shares of the Company as on 31<sup>st</sup> March 2022 stands inflated by 230 equity shares. This was caused due to an erroneous additional electronic transfer of 230 equity shares (notional) to Investor Education & Protection Fund (IEPF) under the Ministry of Corporate Affairs (MCA) by way of corporate action executed on 29<sup>th</sup> September 2020 by Central Depository Services India Limited. (CDSL) and Registrar & Transfer Agent (RTA) of the Company. The Company has been continuously engaging with IEPF Authority under MCA, CDSL and RTA for necessary rectification of error/ reversal of error. Necessary documents in this matter have been submitted to IEPF Authorities but due to pandemic there has been a delay in corresponding rectification/ reversal entry.

**l) Dematerialisation of Shares and Liquidity**

As at 31<sup>st</sup> March 2022, 99.68% 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 21<sup>st</sup> 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 31<sup>st</sup> March 2022, there were 45,73,090 Global Depository Receipts (GDRs) outstanding representing 2,28,65,450 Equity Shares.

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

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

**o) Bank Details for Electronic Shareholding**

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

**p) Communication to shareholders**

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November 2021 read with clarification circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/ 687 dated 14<sup>th</sup> December 2021. Shareholders were requested to submit Form ISR-1 for updating PAN and other KYC details with RTA of the Company and link PAN with Aadhar by 31<sup>st</sup> March 2022 to avoid freezing of their folios on or after 1<sup>st</sup> April 2023.

The securities in the frozen folios shall continue to remain frozen as on 31<sup>st</sup> December 2025. The forms for physical shareholders are also available on the website of the Company at <https://ushamartin.com/investor-relations/forms-for-physical-shareholders#Information-Holders-Physical-Shares>.

Members may please note that SEBI vide its Circular No. SEBI/ HO/MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022 has mandated that Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website under the link at <https://ushamartin.com/investor-relations/forms-for-physical-shareholders#Information-Holders-Physical-Shares>

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

**q) Plant Locations in India as on 31st March 2022**

Tatisilwai, Ranchi – 835 103  
Hoshiarpur, Punjab – 146 024  
Sri Perumbudur, Tamil Nadu – 602 105

**r) Address for Correspondence:**

i) Usha Martin Limited  
2A, Shakespeare Sarani, Kolkata 700 071  
Phone: +91 33 71006300, Fax: +91 33 71006415

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

Mrs. Shampa Ghosh Ray, Company Secretary  
2A, Shakespeare Sarani, Kolkata 700 071  
Phone: +91 33 71006300, Fax: +91 33 71006415  
Email: [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in)



## Report on Corporate Governance (contd.)

### B. STATUS OF ADOPTION OF THE NON-MANDATORY REQUIREMENTS

#### Shareholder Rights

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

#### Separate Chairperson and Managing Director or the Chief Executive Officer

As on 31<sup>st</sup> March 2022, the Board is headed by a Non-Executive Independent Chairman and his position is separate from that of the Managing Director. The Chairman is not related to the Managing Director as per the term “relative” defined under Companies Act 2013.

#### 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 (LODR) (as amended) are being reviewed and will be implemented by the Company as and when required or deemed necessary by the Board.

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### DECLARATION

As provided under SEBI (LODR), 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 31<sup>st</sup> March, 2022.

Place : Kolkata  
Date : 30<sup>th</sup> April, 2022

**Rajeev Jhawar**  
Managing Director  
DIN : 00086164



# Certificate on Corporate Governance

## To the Members of Usha Martin Limited

We have examined the compliance of conditions of Corporate Governance by Usha Martin Limited (“the Company”) in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”) for the year ended 31.03.2022.

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

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

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

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

**(CS A. K. LABH)**

Practicing Company Secretary

FCS - 4848 / CP No. - 3238

UDIN: S1999WB026800

PRCN : 1038/2020

UDIN : F004848D000251127

Place : Kolkata

Date : 30<sup>th</sup> April, 2022



# Certificate of Non Disqualification of Directors

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,  
The Members of  
Usha Martin Limited  
2A, Shakespeare Sarani  
Kolkata - 700071  
West Bengal

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sethurathnam Ravi	00009790	12.11.2021
2.	Ramni Nirula	00015330	26.07.2019
3.	Rajeev Jhawar	00086164	19.05.1998
4.	Venkatachalam Ramakrishna Iyer	02194830	12.11.2021
5.	Dhrub Jyoti Basu	02498037	06.06.2020
6.	Vijay Singh Bapna	02599024	27.05.2019
7.	Devadip Bhowmik	08656505	15.03.2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**(CS A. K. LABH)**  
Practicing Company Secretary  
FCS - 4848 / CP No. - 3238  
UDIN: S1999WB026800  
PRCN : 1038/2020  
UDIN : F004848D000251105

Place : Kolkata  
Date : 30<sup>th</sup> April, 2022



**DETAILS IN TERMS OF SECTIONS 134(3)(q) AND 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (AS AMENDED) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022:**

Sl No.	Requirement	Disclosure
i.	The ratio of remuneration of each Director to the median remuneration of employees of the Company for the Financial Year.	<p>a) Mr. Mukesh Rohatgi, Non-Executive, Independent Director, Chairman – 3.13: 1*<sup>@</sup></p> <p>b) Mr. Vijay Singh Bapna, Non-Executive, Independent Director, Chairman – 3.64 : 1**<sup>#</sup></p> <p>c) Mrs. Ramni Nirula, Non-Executive, Independent Director – 3.25 : 1*</p> <p>d) Mr. S. Ravi, Non-Executive, Independent Director – 1.34 : 1*<sup>§</sup></p> <p>e) Mr. Venkatachalam Ramakrishna Iyer, Non-Executive, Independent Director – 2.30 : 1*<sup>%</sup></p> <p>f) Mr. Rajeev Jhawar, Managing Director – 31.15 : 1</p> <p>g) Mr. Dhruv Jyoti Basu, Whole Time Director – 16.80 : 1</p> <p>h) Mr. Devadip Bhowmik, Whole Time Director – 22.80 : 1</p> <p>* Constitutes of sitting fees only which are paid to every Non-Executive Director for attending Board and Committee meetings in which such Director is a member.</p> <p><sup>@</sup> Ceased to be a Director &amp; Chairman with effect from 8<sup>th</sup> December, 2021.</p> <p><sup>#</sup> Designated as the Chairman of the Board with effect from 11<sup>th</sup> February, 2022.</p> <p><sup>§</sup> Appointed as an Independent Director with effect from 12<sup>th</sup> November, 2021.</p> <p><sup>%</sup> Ceased to be a Nominee Director with effect from 4<sup>th</sup> November, 2021 and appointed as an Independent Director with effect from 12<sup>th</sup> November, 2021.</p> <p>Note: while computing the median remuneration 2,180 [As on 31<sup>st</sup> March, 2022] employees has been considered.</p>
ii.	Percentage Increase / (Decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year.	<p>a) Mr. Mukesh Rohatgi, Non-Executive, Independent Director, Chairman – 4.55%<sup>@</sup></p> <p>b) Mr. Vijay Singh Bapna, Non-Executive, Independent Director, Chairman – 9.25%<sup>#</sup></p> <p>c) Mrs. Ramni Nirula, Non-Executive, Independent Director – 8.15%</p> <p>d) Mr. S. Ravi, Non-Executive, Independent Director – NA<sup>§</sup></p> <p>e) Mr. Venkatachalam Ramakrishna Iyer, Non-Executive, Independent Director – 5.80%<sup>*</sup></p> <p>f) Mr. Rajeev Jhawar, Managing Director – (1.07%)</p> <p>g) Mr. Dhruv Jyoti Basu, Whole Time Director – 6.04%</p> <p>h) Mr. Devadip Bhowmik, Whole Time Director – (8.70%)</p> <p>i) Mr. Anirban Sanyal, Chief Financial Officer – (5.77%)</p> <p>j) Mrs. Shampa Ghosh Ray, Company Secretary – (0.80%)</p> <p><sup>@</sup> Ceased to be a Director &amp; Chairman with effect from 8<sup>th</sup> December, 2021.</p> <p><sup>#</sup> Designated as the Chairman of the Board with effect from 11<sup>th</sup> February, 2022.</p> <p><sup>§</sup> Appointed as an Independent Director with effect from 12<sup>th</sup> November, 2021. Hence the increase percentage is not applicable in this situation.</p> <p><sup>*</sup> Ceased to be a Nominee Director with effect from 4<sup>th</sup> November, 2021 and appointed as an Independent Director with effect from 12<sup>th</sup> November, 2021.</p> <p>Notes: while computing the median remuneration 2,180 [As on 31<sup>st</sup> March, 2022] employees has been considered.</p>
iii.	Percentage increase in the median remuneration of employees in the Financial Year	6.76%
iv.	Number of permanent employees on the rolls of the Company	2,180 [As on 31 <sup>st</sup> March, 2022]
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase in salaries of employees during the last Financial Year was 4.51% compared to 2.68% of decrease in the aggregate remuneration paid to managerial personnel (i.e MD, WTDs, CFO & CS)
vi.	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	Yes.

On behalf of the Board of Directors

Place : Kolkata  
Date : 30<sup>th</sup> April, 2022

**Rajeev Jhawar**  
Managing Director  
DIN : 00086164

**Dhruv Jyoti Basu**  
Whole Time Director  
DIN : 02498037



**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 31<sup>ST</sup> MARCH, 2022**

Name	Age (Years)	Designation/Nature of Duties	Gross Remuneration (Rs. in Lakh)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment - Designation
(A) Top ten employees in terms of remuneration drawn and having been employed through the financial year.							
Rajeev Jhawar	57	Managing Director	122.06	B. Com (Hons)	37	26-Nov-94	Usha Martin Industries Limited (Since merged with the Company) - Jt. Managing Director
Devadip Bhowmik	57	Whole Time Director	89.32	Science Graduate & Electrical Engineer	31	1-Jun-19	Tata Sponge Iron Ltd (presently known as Tata Steel Long Products Ltd.) - Vice President
Anirban Sanyal	47	Chief Financial Officer	74.67	Chartered Accountant	26	15-Sep-16	Outotec India Pvt. Ltd. - Finance Controller
D J Basu	64	Whole Time Director	65.82	B.Sc. (Hons), PGD Personnel Management & Industrial Relations	42	10-Apr-06	Larfarge India Ltd - Vice President - (Human Resources)
S.B.N. Sharma	48	Sr. Vice President - Manufacturing	64.08	B.E (Mech), MBA	27	10-Jul-95	Not Applicable
Santanu Das	53	Asst. Vice President - Sales & Marketing	61.40	B.E (Met)	30	26-Dec-06	Adhunik Metaliks Ltd. - Deputy General Manager
G D Lakhota	51	General Manager - Finance & Treasury	54.85	B. Com (Hons)	28	1-Oct-94	Not Applicable
Chirantan Chatterjee	52	Asst. Vice President - Sales, Marketing & Export	53.46	B.E (Mech)	30	1-Mar-03	SKF Bearings India Ltd. - Business Engineer
Pramod Kumar Fatepuria	60	Sr. General Manager - Logistics	52.07	B.Sc., B. Com, ICWA, LLB	39	16-Jan-97	Telerama (India) Ltd. - Manager
Rajesh Dutta	48	General Manager - Information Technology	50.50	B. Tech (Electronics & Communication)	25	22-Jun-20	Emami Agrotech Ltd. - Deputy General Manager (IT Infrastructure)

(B) Names of every employees who draws a remuneration of Rupees One Crore and Two Lakh per annum and has not been mentioned in (A) above.

NIL

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

NIL

(D) Employed throughout the financial year or part thereof and was in receipt of remuneration in the aggregate or at a rate which, in aggregate, is in excess of that drawn by Managing Director or Whole time Director and holds alongwith spouse and dependent children not less than two percent of equity shares of the Company.

NIL

Notes :

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

On behalf of the Board of Directors

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

Place : Kolkata  
Date : 30<sup>th</sup> April, 2022

## Form No. AOC-2

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

### FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS' LENGTH TRANSACTIONS UNDER THIRD PROVISO THERE TO:

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

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

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

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

On behalf of the Board of Directors

Place : Kolkata  
Date : 30<sup>th</sup> April, 2022

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

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

The Company has put in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the requirement of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', as amended. In accordance with the above Policy, an Internal Complaints Committee has been set up to address and resolve 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 2021-22 were as under:

Number of complaints received : **NIL**

Number of complaints disposed – off : **Not Applicable**





# Secretarial Audit Report

for the Financial Year ended 31<sup>st</sup> March, 2022

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

To  
The Members,  
Usha Martin Limited  
2A, Shakespeare Sarani  
Kolkata - 700071  
West Bengal

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2022 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 31.03.2022 according to the provisions of (as amended) :

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

## Secretarial Audit Report (contd.)

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

1. Prevention of Food Adulteration Act, 1954;
2. The Petroleum Act, 1934 and the Petroleum Rules, 2002;
3. The Explosives Act, 1884
4. The Legal Metrology Act, 2009; and
5. The Indian Boiler Act, 1923

to the extent of its applicability to the Company during the financial year ended 31.03.2022 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

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

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

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018;
- (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021; and
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

### **We further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### **We further report that:**

- (a) The Company had conducted Postal Ballot, during the year under report, for appointment of Mr. Venkatachalam Ramakrishna Iyer (DIN: 02194830) and Mr. Sethurathnam Ravi (DIN: 00009790) as Independent Directors on the Board of Directors of the Company.
- (b) The Board of Directors of the Company at their meeting held on 20<sup>th</sup> May, 2021 approved the Scheme of Arrangement between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 which provided for reduction and reorganisation of capital of the Company with effect from the Appointed Date as defined in the Scheme. The said Scheme was approved by the equity shareholders of the Company at a meeting held on 29<sup>th</sup> January, 2022 duly convened pursuant to an order issued by the National Company Law Tribunal, Kolkata Bench ("NCLT"). Subsequently, NCLT had approved the said Scheme vide its order dated 31<sup>st</sup> March, 2022 to be read with Corrigendum Order pronounced on 5<sup>th</sup> April, 2022.
- (c) The total issued & paid-up equity share capital of the Company as on 31<sup>st</sup> March 2022 stands inflated by 230 equity shares due to erroneous transfer of the said shares by Central Depository Services (India) Limited to Investor Education and Protection Fund through corporate action on 29.09.2020. The rectification of the same is still under process.

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

**(CS A. K. LABH)**  
Practicing Company Secretary  
FCS – 4848 / CP No. – 3238  
UDIN: S1999WB026800  
PRCN : 1038/2020  
UDIN : F004848D000251094

Place : Kolkata  
Date : 30<sup>th</sup> April, 2022



**INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNT) RULES, 2014:**

**(A) CONSERVATION OF ENERGY:**

- i) Steps taken or impact on conservation of energy.
  - a) Replacement of DC motor and drive with AC motor and drive;
  - b) Replacement of conventional light by LED lights;
  - c) Gradual installation of sensor for automatic switch-off of electrical appliances in rest rooms, shop floors, meeting hall, office premises etc.
  - d) Installation of IGBT based Inbuilt Isolation UPS transformer.
- ii) Steps taken by the Company for utilising alternate sources of energy:
  - a) Continuation of pursuit of green building concepts have been taken up by replacing opaque sheets with transparent sheet for roofing at chosen positions;
  - b) Continuation of use of briquette for water heating & energy conservation;
  - c) Conceptualization and evaluation of usage of solar energy for energy conservation.
- iii) Capital investment on energy conservation equipment – Rs. 37.15 Lakh

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
Design of Special Nozzle for shaped wires (Half Lock Section)	2021	Yes	-
3 Roller Compaction Unit	2020	Yes	-

iv) Expenditure incurred on Research and Development: Rs. 334.62 Lakh

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

	(Rs. in Lakh)
i. Foreign Exchange earned in terms of actual inflows during the year	54,046.12
ii. Foreign Exchange outgo during the year in terms of actual outflows	4,679.65

On behalf of the Board of Directors

Place : Kolkata  
Date : 30<sup>th</sup> April, 2022

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

## Extracts from the Nomination & Remuneration Policy

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

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

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

#### (I) DIRECTORS

##### A) Non-Executive Directors

- 1) **Sitting Fees:** Every Non-Executive Director of the Company shall be entitled to a sitting fees or such amount as may be decided by the Board for attending every Board Meeting and Committee Meeting in which such Director is a member in accordance with the provisions of the Act and SEBI LODR.
- 2) **Commission:** In case of adequate profit Non-Executive Directors shall be entitled to commission upto such percentage of the net profit calculated in the manner as prescribed and allowed under the Act. The above commission shall be apportioned in the manner as may be decided by the Board.
- 3) **Remuneration to Non- Executive / Independent Directors:** In case of inadequate profit Non-Executive / Independent Directors shall be entitled to remuneration not exceeding the limits as prescribed in the Act and Rules made thereunder.
- 4) **Re-imbursment of travelling and hotel expenses:** Non-Executive Directors shall be entitled to reimbursement of expenses on account of travelling and hotel expenses for attending Board and / or Committee Meetings and / or visit to any place on Company's business.

##### B) Executive Directors

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

In case of loss or inadequate profits, the Executive Directors will receive the above remuneration as minimum remuneration as envisaged in the Act.

#### (II) SENIOR MANAGEMENT PERSONNEL

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

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

All senior management personnel of the Company have fixed pay and also performance pay based on individual and company performance.

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

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

#### (III) OTHER EMPLOYEES

The Employees of the Company are divided into two categories viz. Non Officers or Workmen and Officers or Executives. The Non Officers or Workmen are unionized. The workmen of Ranchi factory are governed by a 4 year long term settlement arrangement regarding their salary and terms of employment. The workmen of Hoshiarpur factory are unionized but there is no long term settlement arrangement, however, they receive increments every year and other benefits based on the discretion of management.



## Extracts from the Nomination & Remuneration Policy (contd.)

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

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

### **A) Compensation Survey**

To have an Officer Remuneration Survey of the Steel/ Engineering Industry and to assess the present Compensation of the Officers given by the Company falls in what percentile of the highest paid Company. This Survey should also include the Entry Compensation of Graduate Engineer Trainees, Diploma Holder Trainees etc.

### **B) Salary Correction**

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

### **C) Performance Pay**

The General Manager and above designations are to be considered as Leadership positions in the Company. The position holders are generally departmental heads or other key position holders in commercial departments. For such leadership positions, the total salary package maybe bifurcated into fixed and variable components linked with agreed quantifiable targets and overall performance of the Company as maybe decided jointly by the Head of Human Resources, Whole Time Director(s) and Managing Director on case to case basis.

### **D) Rationalisation of Perquisites**

Existing perquisites of the Company given to the Officers may be revisited as per the Human Resource Policy of the Company on case to case basis and to be jointly decided by the Head of Human Resources, Whole Time Director and Managing Director.



# Statement pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## PART "A" : SUBSIDIARIES

(Rs. in Lakh)

Serial no.	1	2	3	4	5	6	7
	UM Cables Limited	Usha Martin Power & Resources Limited	Bharat Minex Private Limited	Gustav Wolf Speciality Cords Limited	Usha Siam Steel Industries Public Company Limited	Usha Martin Americas Inc	Brunton Wire Ropes FZCO
<b>Name of the subsidiary</b>							
Reporting period for the subsidiary	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22
Reporting Currency	Rs.	Rs.	Rs.	Rs.	THB	USD	AED
Exchange Rate as on 31 <sup>st</sup> March,2022 (used for conversation C/Y Vs Rs.)	-	-	-	-	2.2791	75.7925	20.6378
Share Capital	1,113	5	20	15	3,259	3,032	3,137
Reserves and Surplus	1,834	(3)	(22)	262	10,474	3,230	6,284
Total Assets	8,098	2	37	922	32,821	8,780	17,766
Total Liabilities	5,151	*	39	645	19,087	2,518	8,345
Investments	-	-	-	-	2,849	1,364	-
Turnover (Net)	10,398	-	-	2,278	36,443	11,245	22,200
Profit/(Loss) before Taxation	716	*	(1)	20	1,200	1,568	1,620
Provision for Taxation	(56)	-	-	3	245	277	-
Profit/(Loss) after Taxation	772	*	(1)	17	955	1,290	1,620
Proposed Dividend	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	97.98%	100%	100%

(Rs. in Lakh)

Serial no.	8	9	10	11	12	13
	Usha Martin Singapore Pte. Limited	Usha Martin Australia Pty Limited	PT Usha Martin Indonesia <sup>#</sup>	Usha Martin Vietnam Company Limited	Usha Martin China Company Ltd	Usha Martin International Limited
<b>Name of the subsidiary</b>						
Reporting period for the subsidiary	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22
Reporting Currency	USD	A \$	USD	VND	CNY	GBP
Exchange Rate as on 31 <sup>st</sup> March,2022 (used for conversation C/Y Vs Rs.)	75.7925	56.7421	75.7925	0.0033	11.9364	99.4549
Share Capital	434	113	76	209	368	5,877
Reserves and Surplus	12,946	1,757	1,670	481	(484)	4,494
Total Assets	26,891	6,077	2,582	1,161	1,320	10,740
Total Liabilities	13,510	4,206	837	471	1,437	369
Investments	437	3	-	-	-	7,022
Turnover (Net)	19,762	7,273	6,182	1,576	-	-
Profit/(Loss) before Taxation	1,792	142	197	121	1,660	211
Provision for Taxation	(16)	30	44	17	1	40
Profit/(Loss) after Taxation	1,809	111	152	104	1,659	171
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%

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

# Financial information is based on Unaudited Results.


**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Contd.)**
**PART “A” : SUBSIDIARIES (Contd.)**

(Rs. in Lakh)

Serial no.	14	15	16	17	18	19
	De Ruiter Staalkabel BV Sliedrecht	Usha Martin Italia S.R.L.#	Usha Martin Europe B.V.	Usha Martin UK Limited	Brunton Shaw UK Limited	European Management and Marine Corporation Limited
<b>Name of the subsidiary</b>						
Reporting period for the subsidiary	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22	FY 2021-22
Reporting Currency	EURO	EURO	EURO	GBP	GBP	GBP
Exchange Rate as on 31 <sup>st</sup> March,2022 (used for conversation C/Y Vs Rs.)	84.2206	84.2206	84.2206	99.4549	99.4549	99.4549
Share Capital	15	8	15	3,829	*	*
Reserves and Surplus	8,616	446	457	25,078	-	-
Total Assets	13,480	680	2,578	43,000	*	*
Total Liabilities	4,849	225	2,105	14,094	-	-
Investments	-	-	-	-	-	-
Turnover (Net)	16,741	686	5,387	36,669	-	-
Profit/(Loss) before Taxation	1,501	55	323	390	-	-
Provision for Taxation	356	9	55	513	-	-
Profit/(Loss) after Taxation	1,146	47	269	(123)	-	-
Proposed Dividend	-	-	-	-	-	-
% of shareholding	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 subsidiaries 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. The same have been hosted on the website of the Company.



## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures (Contd.)

## PART "B" : ASSOCIATES AND JOINT VENTURES

(in Lakhs)

Serial No.	1	2	3
Name of the Associates/Joint Ventures	Pengg Usha Martin Wires Private Limited (PUMWPL)	CCL Usha Martin Stressing Systems Limited (CUMSSL)	Tesac Usha Wire rope Company Limited (TUWCL)
Latest audited Balance Sheet Date	31st March 2022	31st March 2022	31st March 2022
Shares of Associate/Joint Ventures held by the company on the year end			
Number	Equity Shares - 10,800,000 *	Equity Shares - 473,195 *	Ordinary Shares - 1,249,999 **
Amount of Investment in Associates/Joint Ventures	1,081	31	2,849
Extent of Holding %	40.00%	49.99%	50.00%
Description of how there is significant influence	PUMWPL is a joint venture company, wherein the Company is holding 40% of equity in PUMWPL under a Shareholders Agreement.	CUMSSL is a joint venture Company wherein the Company is a holding 49.99% of the equity in CUMSSL under a Shareholders Agreement.	TUMCL is a joint venture of Usha Siam Steel Industries Public Company Limited, a subsidiary of the Company.
Reason why the associate/joint venture is not consolidated	The financial statement of PUMWPL is taken into consideration for consolidation of financial statements of the extent Company's interest therein.	The financial statement of CUMSSL is taken into consideration for 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	3,748	47	1,840
Profit/Loss for the year	2,388	4	66
Considered in Consolidation	955	2	33
Not Considered in Consolidation	1,433	2	33

\* Denotes actual number of shares.

# Denotes shares held by subsidiaries of the Company.

**Notes:**

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

On behalf of the Board of Directors

Place: Kolkata  
Date: 30<sup>th</sup> April 2022**Rajeev Jhavar**  
Managing Director  
DIN: 00086164**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037**Anirban Sanyal**  
Chief Financial Officer**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737





# Independent Auditor's Report

To the Members of **Usha Martin Limited**

## REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Usha Martin Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to note 38(a) 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 Rs 19,037 lakhs allegedly in contravention of terms of the mining 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 and the on-going proceedings before the Hon'ble Supreme Court of India, no adjustment to these standalone Ind AS financial statements in this regard have been considered necessary by the management.

Further, as explained in note 38(b), a First Information Report (FIR) has been filed by Central Bureau of Investigation (CBI) against the Company, its Managing Director and certain Other Officers under the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860 for allegedly trying to influence ongoing CBI investigation pertaining to the proceedings mentioned in note 38(a). The matter is currently pending investigation and the Company intends to take such legal measures as necessary based on the outcome of the ongoing investigation.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition</b> (as described in note 2A(d) and note 20 of the standalone Ind AS financial statements)</p> <p>For the year ended March 31, 2022, the Company has recognized revenue from operations of Rs. 1,81,005 lakhs. Revenue from contract with customers (hereinafter referred to as 'Revenue') is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company is entitled to in exchange for those goods or services.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. The risk is therefore, that revenue is not recognized in accordance with Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from contracts with customers").</li> <li>Obtained an understanding of revenue process including testing the design and operating effectiveness of controls related to revenue recognition.</li> <li>Performed procedures for a sample of revenue transactions at year end to assess whether they were recognized at the correct period by corroborating terms of sales arrangement and date of revenue recognition to third party support such as bills of lading, lorry receipt etc.</li> <li>Compared revenue with historical trends and where appropriate, conducted further enquiries and testing to corroborate unusual variances noted.</li> <li>Assessed disclosures in financial statements in respect of revenue as specified in Ind AS 115.</li> </ul>
<p><b>Provisions and Contingencies</b> (as described in note 2A(n), note 15 and note 30C(iii) of the standalone Ind AS financial statements)</p> <p>The Company has accrued liabilities of Rs. 3,116 lakhs as shown in note 15 and disclosed in note 30C(iii) contingent liabilities of Rs. 38,379 lakhs as at March 31, 2022.</p> <p>Claims and exposures relating to litigation have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the standalone Ind AS financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p> <p>Accordingly, it has been considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained listing of all disputes pending before various judicial or relevant tax/regulatory authorities.</li> <li>Enquired and discussed the above listing with Head of Legal and Heads of relevant Functions to assess the completeness and management position with regard to the probability of unfavorable outcome of disputes and provision recognised towards matter under disputes.</li> <li>Engaged with our relevant inhouse tax specialists for taxation matters under dispute to assess management's position of outcome of significant cases and provisions recognised. Assessed the objectivity and competence of the in-house and external specialists.</li> <li>Reviewed opinions obtained by the management from relevant external legal experts to assess management's position of outcome of significant matters under dispute and provisions recognised.</li> <li>Assessed the relevant disclosures made within the standalone Ind AS financial statements as per the requirements of relevant accounting standards.</li> </ul>

### Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the



## Independent Auditor's Report (contd.)

accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 15 and note 30C(iii) to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. As stated in note 42 to the standalone Ind AS financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

per **Bhaswar Sarkar**  
Partner

Membership Number: 055596  
UDIN: 22055596AIEIEV5288  
Place of Signature: Kolkata  
Date: April 30, 2022



## Annexure 1

referred to in paragraph under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

### Re: Usha Martin Limited (the “Company”)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The property, plant and equipment 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 property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the company) included in property, plant and equipment as reported in note 3(A), note 4 and note 34(i) are held in the name of the Company except for:

Description of item of property	Gross carrying value(INR in lacs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of the company
Freehold Land	29	Usha Beltron Limited	No	18-02-1998	The property was purchased through an agreement of sale dated 18-02-1998 by Usha Beltron Limited which is the erstwhile name of the Company.
Freehold Land	42	Usha Martin Industries Limited	No	18-01-1990	The property was purchased through an agreement of sale dated 18-01-1990 by Usha Martin Industries Limited which merged with Usha Beltron Limited The name of Usha Beltron Limited was changed to Usha Martin Limited with effect from 01-05-2003.
Freehold Land	2063	Usha Martin Black Wire Ropes Limited	No	02-05-1972 and 24-04-1974	The property was purchased through registered deeds dated 02-05-1972 & 24-04-1974 respectively by Usha Martin Black Wire Ropes Limited which merged with Usha Beltron Limited which is the erstwhile name of the Company.
Freehold Land	50	Usha Ismal Limited	No	21-04-1980	The property was purchased through registered deeds dated 21-04-1980 by Usha Ismal Limited which merged with Usha Martin Industries Limited which further merged with Usha Beltron Limited which is the erstwhile name of the Company.
Building	1	Usha Beltron Limited	No	18-02-1998	The property was purchased through an agreement of sale dated 18-02-1998 by Usha Beltron Limited which is the erstwhile name of the Company.
Building	8	Usha Martin Industries Limited	No	18-01-1990	The property was purchased through an agreement of sale dated 18-01-1990 by Usha Martin Industries Limited which had merged with Usha Beltron Limited which is the erstwhile name of the Company.
Building	7	Usha Ismal Limited	No	16-10-1990	The property was purchased through a registered deed dated 16-10-1990 by Usha Ismal Limited which was merged with Usha Martin Industries Limited which further merged with Usha Beltron Limited which is the erstwhile name of the Company.
Freehold land	282	Mr. V. Mishra, Mr. B. Tiwary, Mr. B. Lal, Mr. D. Agarwal, Mr. V. Kashyap, Mr. S. Verma	No	Various tranches between 2005-2013	Being transferred in the name of the Company through a legal process.
Leasehold Land	8	Ranchi Industrial Area Development Authority	No	06-12-1984	Company has obtained the allotment letter in its name and execution of lease deed is in process



- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, the requirements of paragraph 1(e) of the Order are not applicable and hence not commented upon.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at year end. No discrepancies of 10% or more in aggregate for each class of inventory (including inventories lying with third parties) were noticed.
- (b) As disclosed in note 16(i) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Quarter ending	Value per books of accounts (INR in lacs)	Value per quarterly return/statement (INR in lacs)	Discrepancy (INR in lacs)	Remarks
<b>30-06-2021</b>				
Trade Receivable	23,401	21,340	2,061	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
<b>30-09-2021</b>				
Trade Receivable	25,078	23,588	1,490	- as above -
Other current assets	23,366	23,738	(372)	Discrepancy is primarily on account of the details being submitted on the basis of provisional books/financial statements
<b>31-12-2021</b>				
Trade Receivable	28,742	27,033	1,709	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
<b>31-03-2022</b>				
Trade Receivable	24,710	23,600	1,110	- as above -

- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties other than as mentioned below:

	Letter of comfort/Guarantee (INR in lacs)	Loans (INR in lacs)
<b>Aggregate amount of guarantee/security provided during the year</b>		
- Subsidiary		
UM Cables Limited	3,437	525
Usha Martin Singapore Pte. Limited	4,017	
- Joint Venture		
Pengg Usha Martin Wires Private Limited	1,850	
- Others	940	



## Annexure 1 (contd.)

	Letter of comfort/Guarantee (INR in lacs)	Loans (INR in lacs)
<b>Balance outstanding as at balance sheet date in respect of above cases</b>		
- Subsidiary		
UM Cables Limited	3,437	1,190
Usha Martin Singapore Pte. Limited	4,017	
- Joint Venture		
Pengg Usha Martin Wires Private Limited	3,818	
- Others	633	

- (b) During the year the terms and conditions of the loans granted and guarantees/letter of comfort provided to its wholly owned subsidiary companies and joint venture are not prejudicial to the Company's interest. The Company has not made investments, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (c) The Company has granted loans during the year to its wholly owned subsidiary company where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (d) There are no amounts of loans granted to its wholly owned subsidiary company which are overdue for more than ninety days. The Company has not granted loans or advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (e) There were no loans granted to its wholly owned subsidiary company which has fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. The Company has not granted loans or advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 are not applicable to loans given, investments made, guarantees and security provided by the Company. Therefore, the reporting requirements of clause (iv) of the Order are not applicable and hence not commented upon. In respect of loans and advances given, investments made and guarantees and securities given, the Company has complied with the provisions of Section 186 of the Companies Act, 2013.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Therefore, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of manufacture of wire and wire rope products and allied machinery and are of the opinion that, prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited with appropriate authorities.
- According to the information and explanations given to us and audit procedures performed by us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, except as follows:

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

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Jharkhand Public Demand Recovery Act	Land revenue	170	April 2018 to September 2020	Mar 31 <sup>st</sup> of respective year	Not yet paid

- b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount * (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central and State Sales Tax/Value Added Tax Act	Duty of Central and State Sales Tax, Value Added Tax and Entry tax	2,014 #	2004-05, 2008-09, 2009-10, 2011-12 to 2017-18	Sales Tax/Value Added Tax Appellate Tribunal
		115 #	2013-14	Deputy Excise and Taxation Commissioners (Appeal)
		822	2002-03 to 2005-06	Ranchi High Court
		488	2010-11 to 2012-13	Joint Commissioner Commercial Taxes
		359	2013-14 and 2015-16	Bombay High Court
		16	2003-04	Madras High Court
		11	2010-11	Additional Commissioner of Commercial Taxes
		2	2010-11	Madhya Pradesh High Court
		Central Excise Act, 1944	Duty of excise	18,212
3,944	2009-10, 2012-13, 2015-16 to 2017-18			Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service tax	1,857	2003-04 to 2006-07, 2008-09, 2013-14, 2014-15	Central Excise and Service Tax Appellate Tribunal
		714	2016-17, 2017-18	Commissioner of Central Excise
		72	2004-09, 2015-16 to 2017-18	Assistant Commissioner
		50	2004-05 to 2007-08, 2013-14 to 2015-16	Joint Commissioner of Central Excise
		18	2001-02	Commissioner of Central Excise (Appeals)
Goods & Service Tax Act, 2017	Goods and Services Tax	443	2017-18	Additional Commissioner (Appeals)
		1,123	2017-18	Additional Commissioner
		214	2017-18	State tax officer
		23	2019-20	Joint Commissioner (Appeals)
Customs Act, 1962	Duty of customs	16	1995-96 to 1996-97, 1998-99, 2000-01 and 2008-09	Deputy Commissioner of Customs
		1,040	1989-90, 1992-93 to 1993-94, 2012-13 to 2014-15	Central Excise and Service Tax Appellate Tribunal
		73	1989-90, 1996-97, 2002-03, 2014-15, 2015-16	Assistant Commissioner of Customs
Income Tax Act, 1961	Income tax	552	Assessment Year 1998-99	Ranchi High Court
		3,224	Assessment Year 2007-08 to 2010-11	Income Tax Appellate Tribunal
		11,183	Assessment Year 2009-10 to 2020-21	Commissioner of Income Tax (Appeals)

\* Net of amounts paid under protest.

# Includes demand received by the Company which is disputed along with other entry tax matters as explained in note 30C(iii) of the standalone Ind AS financial statements.





## Annexure 1 (contd.)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Therefore, the requirement to report on clause 3(viii) of the Order is not applicable and hence not commented upon.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Therefore, the reporting requirements under clause (ix) (a) is not applicable and hence not commented upon.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Therefore, the reporting requirements under clause (ix) (f) is not applicable and hence not commented upon.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments), therefore, the reporting requirements under clause (x) (a) is not applicable and hence not commented upon.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and therefore, the reporting requirements under clause 3(x)(b) of the Order is not applicable and hence not commented upon.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year. Therefore, the reporting requirements under clause (xi) (a) of the Order is not applicable and hence not commented upon.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable and hence not commented upon.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.



- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Therefore, the reporting requirements under clause (xv) of the Order is not applicable and hence not commented upon.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Therefore, the reporting requirements under clause (xvi)(a) of the Order is not applicable and hence not commented upon.
- (b) According to information, explanations and representations provided to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Therefore, the reporting requirements under clause (xvi)(c) of the Order is not applicable and hence not commented upon.
- (d) According to information, explanations and representations provided to us, there is no Core Investment Company as a part of the Group. Therefore, the reporting requirements under clause (xvi)(d) of the Order is not applicable and hence not commented upon.
- (xvii) The Company has not incurred cash losses in the current and immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, the reporting requirements under clause (xviii) of the Order is not applicable and hence not commented upon.
- (xix) On the basis of the financial ratios disclosed in note 43 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**

Partner

Place of Signature: Kolkata

Membership Number: 055596

Date: April 30, 2022

UDIN: 22055596AIEIEV5288



## Annexure 2

to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Usha Martin Limited

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Usha Martin Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls With Reference to Standalone Ind AS Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**

Partner

Place of Signature: Kolkata

Membership Number: 055596

Date: April 30, 2022

UDIN: 22055596AIEIEV5288



# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Notes	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3A	37,225	37,643
(b) Capital work-in-progress	3A	3,514	3,741
(c) Intangible assets	3B	127	383
(d) Right-of-use assets	4	367	294
(e) Intangible assets under development	3B	55	40
(f) Financial assets			
(i) Investments	5(i)	15,065	15,065
(ii) Loans	5(ii)	1,227	1,244
(iii) Other financial assets	5(iii)	1,300	1,456
(g) Income tax assets	6(i)	2,265	5,033
(h) Deferred tax assets (net)	6(ii)	117	1,836
(i) Other assets	7	6,862	6,615
<b>Total non-current assets</b>		<b>68,124</b>	<b>73,350</b>
<b>Current assets</b>			
(a) Inventories	8	29,636	25,486
(b) Financial assets			
(i) Trade receivables	9(i)	24,710	21,718
(ii) Cash and cash equivalents	9(ii)	9,676	385
(iii) Other bank balances	9(iii)	295	541
(iv) Loans	9(iv)	1,252	718
(v) Other financial assets	9(v)	10,654	18,773
(c) Other assets	10	5,482	5,123
<b>Total current assets</b>		<b>81,705</b>	<b>72,744</b>
<b>Assets held for sale</b>	34(i)	<b>1,290</b>	<b>1,417</b>
<b>TOTAL</b>		<b>151,119</b>	<b>147,511</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	3,054	3,054
(b) Other equity	12	89,698	68,382
<b>Total equity</b>		<b>92,752</b>	<b>71,436</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13(i)	12,104	18,629
(ii) Lease liabilities	13(ii)	91	21
(b) Provisions	14	3,611	3,785
(c) Other liabilities	15	3,116	3,015
<b>Total non-current liabilities</b>		<b>18,922</b>	<b>25,450</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16(i)	4,150	10,594
(ii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	16(ii)	777	217
(B) Total outstanding dues of creditors other than micro and small enterprises	16(ii)	16,743	23,779
(iii) Lease liabilities	16(iii)	34	14
(iv) Other financial liabilities	16(iv)	5,017	6,694
(b) Provisions	17	673	708
(c) Income tax liabilities (net)	18	2,760	205
(d) Other liabilities	19	9,291	8,414
<b>Total current liabilities</b>		<b>39,445</b>	<b>50,625</b>
<b>Total liabilities</b>		<b>58,367</b>	<b>76,075</b>
<b>TOTAL</b>		<b>151,119</b>	<b>147,511</b>

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

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No.: 055596

Place: Kolkata

Date: 30<sup>th</sup> April, 2022

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

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737



# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Notes	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Income</b>			
Revenue from operations	20	181,005	134,560
Other income	21	3,351	1,439
<b>Total income</b>		<b>184,356</b>	<b>1,35,999</b>
<b>Expenses</b>			
Cost of materials consumed	22	107,015	76,610
Purchases of stock-in-trade		5,831	2,631
Changes in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product	23	(1,202)	2,381
Employee benefits expense	24	12,663	11,742
Finance costs	25	3,116	4,452
Depreciation and amortisation expense	26	3,140	3,064
Other expenses	27	31,567	22,083
<b>Total expenses</b>		<b>162,130</b>	<b>1,22,963</b>
<b>Profit before exceptional items and tax from continuing operations</b>		<b>22,226</b>	13,036
Exceptional item	40	3,118	-
<b>Profit before tax from continuing operations</b>		<b>25,344</b>	<b>13,036</b>
<b>Tax expenses of continuing operations</b>	6(a)(i)		
Current tax		2,555	30
Deferred tax		1,658	2,510
		<b>4,213</b>	<b>2,540</b>
<b>Profit for the year from continuing operations</b>		<b>21,131</b>	<b>10,496</b>
<b>Discontinued operations</b>	34(ii)		
<b>Loss for the year before tax from discontinued operations</b>		-	(444)
Tax expenses of discontinued operations		-	-
<b>Loss for the year from discontinued operations</b>		-	<b>(444)</b>
<b>Profit for the year (from continuing and discontinued operations) (I)</b>		<b>21,131</b>	10,052
<b>Other comprehensive income/(loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/(losses) on defined employee benefit plans	31	247	(210)
Income tax effect on the above		(62)	53
<b>Total other comprehensive income/(loss) for the year, net of tax (II)</b>		<b>185</b>	<b>(157)</b>
<b>Total comprehensive income for the year (I+II)</b>		<b>21,316</b>	<b>9,895</b>
<b>Basic and diluted earnings per equity share</b> <b>[Nominal value per share Re 1 each (31st March, 2021: Re 1 each)]</b>	28		
(a) From continuing operations - (Rs.)		6.94	3.45
(b) From discontinued operations - (Rs.)		-	(0.15)
(c) From continuing and discontinued operations - (Rs.)		6.94	3.30

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

As per our report of even date

For **S. R. Battliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration number: 301003E/E300005

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

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

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**Dhruv Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737

Place: Kolkata  
Date: 30<sup>th</sup> April, 2022



# Standalone Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	25,344	13,036
Loss before tax from discontinued operations	-	(444)
<b>Profit for the year (from continuing and discontinued operations)</b>	<b>25,344</b>	<b>12,592</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	3,140	3,064
Loss/(gain) on disposal of property, plant and equipment [net of gain on disposal of property, plant and equipment of Rs. 395 lakhs (31 <sup>st</sup> March, 2021 : net of loss on disposal Rs. 2 lakhs)]	21	(28)
Unrealised derivative (gain)/loss (net)	79	(477)
Finance costs	3,116	4,452
Bad Debts/advances written off	71	47
Allowance for credit impaired debts and advances [net of reversal of Rs.215 lakhs (31 <sup>st</sup> March, 2021 : Rs. 42 lakhs)]	101	1,068
Tangible assets/capital work-in-progress written off	32	1
Interest income on financial assets carried at amortised cost	(617)	(393)
Dividend income	(160)	(120)
Unrealised foreign exchange differences (gain)/loss [net]	(37)	638
Liabilities no longer required written back	(871)	(3,621)
Discounting of financial assets	-	44
Investment subsidy received (refer note 40)	(3,118)	-
<b>Operating profit before changes in non-current/current assets and liabilities</b>	<b>27,101</b>	<b>17,267</b>
Adjustments for:		
(Increase)/decrease in inventories	(4,216)	(2,578)
(Increase)/decrease in trade receivables	(3,124)	(4,234)
(Increase)/decrease in loans and advances	(20)	17
(Increase)/decrease in other financial assets	1,570	(221)
(Increase)/decrease in other assets	(580)	584
Increase/(decrease) in trade payables	(5,740)	(275)
Increase/(decrease) in provisions	38	404
Increase/(decrease) in other financial liabilities	(532)	(506)
Increase/(decrease) in other liabilities	1,224	159
<b>Cash generated from operations</b>	<b>15,721</b>	<b>10,617</b>
Direct taxes refund/(paid) (net)	2,768	459
<b>Net cash flow from operating activities</b>	<b>18,489</b>	<b>11,076</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(2,460)	(1,631)
Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale including proceeds from sale of Steel and Bright Bar Business [refer note 34(ii)]	5,600	47
Loans given to related party [net of loans realised from related party of Rs. Nil (31 <sup>st</sup> March, 2021: Rs. 753 lakhs)]	(525)	(115)
Interest received	562	429
Redemption/maturity of bank deposits (with original maturity more than 12 months)	178	354
Maturity/(investment) of bank deposits (with original maturity more than 3 months and less than 12 months)	246	(298)
Investment subsidy received (refer note 40)	3,118	-
Dividend received	160	120
<b>Net cash flows from/(used in) investing activities</b>	<b>6,879</b>	<b>(1,094)</b>



# Standalone Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	(12,300)	(4,271)
Repayment of short term borrowings	(893)	(1,532)
Interest paid	(2,884)	(4,271)
<b>Net cash flows used in financing activities</b>	<b>(16,077)</b>	<b>(10,074)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>9,291</b>	<b>(92)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>385</b>	<b>477</b>
<b>Cash and cash equivalents at the year end</b>	<b>9,676</b>	<b>385</b>
<b>Reconciliation of cash and cash equivalents as per statement of cash flows</b>		
Balances with banks:		
On current account	19	100
Deposits with original maturity less than 3 months	9,647	269
Cash on hand	10	16
	<b>9,676</b>	<b>385</b>

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

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration number: 301003E/E300005

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

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

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737

Place: Kolkata  
Date: 30<sup>th</sup> April, 2022





# Standalone Statement of Changes in Equity

for the year ended 31st March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

## A) EQUITY SHARE CAPITAL (REFER NOTE 11)

Equity shares of Re 1 each issued, subscribed and fully paid	Number of shares	Amount
<b>As at 31<sup>st</sup> March, 2020</b>	<b>304,741,780</b>	<b>3,054*</b>
Changes in equity share capital due to prior period items	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>304,741,780</b>	<b>3,054*</b>
Changes in equity share capital due to prior period items	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>304,741,780</b>	<b>3,054*</b>

\*Including share forfeited Rs. 7 lakhs (31<sup>st</sup> March, 2021: Rs. 7 lakhs)

## B) OTHER EQUITY (REFER NOTE 12)

	Reserves and surplus						Total
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Other reserves	
<b>As at 31<sup>st</sup> March, 2020</b>	<b>85,584</b>	<b>369</b>	<b>2,285</b>	<b>54,575</b>	<b>(90,677)</b>	<b>6,350</b>	<b>58,486</b>
Profit for the year	-	-	-	-	10,052	-	10,052
Other comprehensive income/(loss) for the year	-	-	-	-	(157)	-	(157)
<b>Total comprehensive income/(loss) for the year</b>					<b>9,895</b>		<b>9,895</b>
<b>As at 31<sup>st</sup> March, 2021</b>	<b>85,584</b>	<b>369</b>	<b>2,285</b>	<b>54,575</b>	<b>(80,781)</b>	<b>6,350</b>	<b>68,382</b>
Profit for the year	-	-	-	-	21,131	-	21,131
Other comprehensive income/(loss) for the year	-	-	-	-	185	-	185
<b>Total comprehensive income/(loss) for the year</b>					<b>21,316</b>		<b>21,316</b>
Adjustments pursuant to Scheme of Capital Reduction (refer note 41)	(71,777)	(369)	(2,285)	-	80,781	(6,350)	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>13,807</b>	<b>-</b>	<b>-</b>	<b>54,575</b>	<b>21,316</b>	<b>-</b>	<b>89,698</b>

Refer note 12 for nature and purpose of reserves.

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration number: 301003E/E300005

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

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

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737

Place: Kolkata  
Date: 30<sup>th</sup> April, 2022

## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

### 1. COMPANY OVERVIEW

Usha Martin Limited (the 'Company') is a public limited company incorporated and domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in the business of Wire and Wire ropes – Manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, wire drawing and allied machine, etc.

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

### 2A. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of preparation and compliance with Ind AS

- (i) These standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The accounting policies have been applied consistently over the periods presented in the financial statements.
- (ii) These financial statements were approved for issue by the Board of Directors on 30<sup>th</sup> April 2022.
- (iii) These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs, except where otherwise indicated.

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

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities and advance income taxes paid are classified as non-current assets and liabilities.

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

#### c. Basis of measurement

##### Fair value measurement

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

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

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

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



## Notes

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

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

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

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

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

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

### d. Revenue from contract with customers

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

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods are made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in

exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the Government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 30-120 days from the shipment or delivery of goods or services as the case may be. The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified and also accrues discounts to certain customers based on customary business practices.

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

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

### Contract balances

#### Contract assets

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

#### Trade receivables

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

#### Contract liabilities

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

## Notes

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### Interest income

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

### Dividends

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

### e. Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, plant and equipment which are significant to the total cost of that item of Property, plant and equipment and having different useful life are accounted separately.

Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work-in-progress.

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

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

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

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

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

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

### (ii) Depreciation

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

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

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

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



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Particulars	Useful economic life
Buildings*	30-60 years
Plant and equipment**	10-41 years
Electrical installations	10-40 years
Water treatment and supply plant	15-30 years
Office equipment	3-5 years
Furniture and fixtures	5-10 years
Vehicles	8 years

\* Roads included under buildings are depreciated considering useful life of 3-10 years.

\*\* Stores and spares, having useful life of more than one year, included under plant and equipment are depreciated considering useful life of 2-9 years.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment, electrical installation and water treatment and supply over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

### f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost net of recoverable taxes, trade discount and rebates. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use attributable to the intangible assets. Following initial recognition, intangible assets are carried at cost

less any accumulated amortisation and accumulated impairment losses, if any.

The Company has intangible assets with finite useful lives.

Computer softwares are amortised on straight-line method at the rates determined based on estimated useful lives which vary from 3 years to 6 years.

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised

### Research and development costs

Research costs are expensed to the Statement of Profit and Loss as incurred. Development expenditure on an individual project are recognised as an intangible asset when the Company can demonstrate:

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

## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

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

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

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

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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

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

Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

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

The Company has considered profit/loss from discontinued operations together with profit/loss of continuing operations to determine the Company's total tax liability and disclosed the same as tax expense from continuing operations.

Additional disclosures in respect of discontinued operations are provided in note 34 (ii) to the financial statements.

### h. Foreign currencies

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in other currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or Statement of Profit



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and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

### i. Taxes

#### Current income tax

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

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

#### Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

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

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

### j. Borrowing costs

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

### k. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



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### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term (30-99 years).

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

#### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do

not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### I. Inventories

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





## Notes

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

- Raw materials and packing materials, Stores and spares parts and loose tools: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Work-in-progress and finished goods: Cost includes cost of direct materials and cost of conversion and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Scrap/by products are valued at net realisable value.

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

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

### m. Impairment of non-financial assets

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

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

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

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

### n. Provisions, contingent liabilities and contingent assets

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be



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

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

### o. Employee benefit schemes

#### (i) Short-term employee benefits

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

#### Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

#### (ii) Post-employment benefits

##### Defined contribution plan

Retirement benefits in form of superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the superannuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

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

#### Gratuity

The Company has a defined benefit plan (the “Gratuity Plan”). The Gratuity Plan provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service depending upon the tenure of service subject to maximum limit of 20 months’ salary. Vesting occurs upon completion of five continuous years of service. Presently, the Company’s gratuity plan is funded.

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

The liability or asset recognised in the Balance Sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method and spread over the period during which the benefit is expected to be derived from employees’ services.

Remeasurements, comprising of actuarial gains and losses from changes in actuarial assumptions, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to



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retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

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

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

### Provident fund

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

### Long term service award

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

### p. Financial instrument

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

### Financial assets

#### Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115 :Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

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### Subsequent measurement

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

(i) **Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

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

(ii) **Financial assets at Fair Value through Other Comprehensive Income (FVOCI) with recycling of cumulative gains and losses (debt instruments)**

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

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

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit and Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining

fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

(iii) **Financial assets at Fair Value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Company changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

Financial assets at FVTPL are carried in the Balance Sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss.

Dividends on listed equity investments are recognised in the Statement of Profit and Loss when the right of payment has been established.

(iv) **Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Statement of Profit and Loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when the contractual rights to receive cash flows from the financial asset have expired or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109: Financial Instruments.

### Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all financial instruments not held at fair value through profit or loss in accordance with Ind AS 109: Financial Instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months from the reporting date (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In

addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (very good and good) by the good credit rating agency and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from the good credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through of profit or loss, borrowings (net of directly attributable cost), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

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

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

#### Subsequent measurement

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

## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

### Financial liabilities at Fair Value through Profit and Loss (FVTPL)

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

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

### Financial liabilities at amortised cost (loans and borrowings)

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

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

### Financial guarantee contracts

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

### Derecognition

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

### Offsetting of financial instruments

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

## q. Derivative financial instruments

### Initial recognition and subsequent measurement

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



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### r. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### s. Cash dividend distributions to equity holders

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

### t. Earnings per share

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

### u. Operating Segment

Based on the Company's internal structure and information reviewed by the Chief Operating Decision Maker (CODM) to assess the Company's financial performance, the Company is engaged solely in the business of manufacture and sale of Wire and Wire ropes, steel wires, strands, cords, related accessories, wire drawing and allied machine ,etc. Accordingly, the Company has a single operating segment, i.e., "Wire & Wire Ropes".

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

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

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

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years (refer note 29).

## 2B. RECENT ACCOUNTING PRONOUNCEMENTS

### Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### NON-CURRENT ASSETS

#### 3A. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land [Refer Note IV(i) below]	Buildings [Refer Note IV(ii) below]	Plant and equipment	Electrical installations	Water treatment and supply plant	Office equipment	Furniture & fixtures	Vehicles	Total	Capital work-in progress [Refer Note III below]
<b>Gross block</b>										
<b>As at 31<sup>st</sup> March, 2020</b>	<b>4,554</b>	<b>11,417</b>	<b>34,924</b>	<b>1,600</b>	<b>485</b>	<b>168</b>	<b>92</b>	<b>485</b>	<b>53,725</b>	<b>3,012</b>
Additions	-	-	774	7	-	10	3	36	830	936
Disposals/adjustments	3	1	3	-	-	8	-	33	48	207
<b>As at 31<sup>st</sup> March, 2021</b>	<b>4,551</b>	<b>11,416</b>	<b>35,695</b>	<b>1,607</b>	<b>485</b>	<b>170</b>	<b>95</b>	<b>488</b>	<b>54,507</b>	<b>3,741</b>
Additions	-	142	2,002	182	-	71	3	80	2,480	1,560
Disposals/adjustments	-	-	552	-	-	12	1	54	619	1,787
<b>As at 31<sup>st</sup> March, 2022</b>	<b>4,551</b>	<b>11,558</b>	<b>37,145</b>	<b>1,789</b>	<b>485</b>	<b>229</b>	<b>97</b>	<b>514</b>	<b>56,368</b>	<b>3,514</b>
<b>Accumulated depreciation</b>										
<b>As at 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>2,213</b>	<b>11,212</b>	<b>224</b>	<b>56</b>	<b>118</b>	<b>60</b>	<b>249</b>	<b>14,132</b>	
Charge for the year (refer note 26)	-	521	2,087	73	11	14	10	44	2,760	
Disposals/adjustments	-	*	3	-	-	6	-	19	28	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>2,734</b>	<b>13,296</b>	<b>297</b>	<b>67</b>	<b>126</b>	<b>70</b>	<b>274</b>	<b>16,864</b>	
Charge for the year (refer note 26)	-	582	2,150	45	11	20	4	43	2,855	
Disposals/adjustments	-	-	525	-	-	10	*	41	576	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>3,316</b>	<b>14,921</b>	<b>342</b>	<b>78</b>	<b>136</b>	<b>74</b>	<b>276</b>	<b>19,143</b>	
<b>Net block</b>										
<b>As at 31<sup>st</sup> March, 2022</b>	<b>4,551</b>	<b>8,242</b>	<b>22,224</b>	<b>1,447</b>	<b>407</b>	<b>93</b>	<b>23</b>	<b>238</b>	<b>37,225</b>	<b>3,514</b>
As at 31 <sup>st</sup> March, 2021	4,551	8,682	22,399	1,310	418	44	25	214	37,643	3,741

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

- I. For lien/charge against property, plant and equipment refer note 13(i), note 16(i) and note 16(ii).
- II. On transition to Ind AS (i.e. 1 April 2015), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

III.

The capital work in progress ageing schedule for the year ended 31<sup>st</sup> March, 2022 is as follows:

As at 31 <sup>st</sup> March, 2022	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	985	1,881	89	474	3,429
Projects temporarily suspended	-	-	12	73	85
<b>Total</b>					<b>3,514</b>

Capital Work in Progress (whose completion is overdue or has exceeded its cost compared to its original plan)

As at 31 <sup>st</sup> March, 2022	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Elevator ropes project - Phase 1	1,111	-	-	-	1,111
Elevator ropes project - Phase 2	829	-	-	-	829
Rotor tube	138	-	-	-	138





## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### The capital work in progress ageing schedule for the year ended 31<sup>st</sup> March, 2021 is as follows:

As at 31 <sup>st</sup> March, 2021	Amount in Capital Work in Progress for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	861	2,110	126	559	3,656
Projects temporarily suspended	-	12	12	61	85
<b>Total</b>					<b>3,741</b>

### Capital Work in Progress (whose completion is overdue or has exceeded its cost compared to its original plan)

As at 31 <sup>st</sup> March, 2021	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Elevator ropes project - Phase 1	-	1,549	-	-	1,549
Elevator ropes project - Phase 2	-	1,605	-	-	1,605
Rotor tube	-	30	-	-	30

#### IV. Title deeds of immovable property not held in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at 31 <sup>st</sup> March, 2022	Gross carrying value as at 31 <sup>st</sup> March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
<b>i) Freehold Land</b>							
Property, plant and equipment	Freehold Land	29	29	Usha Beltron Limited	No	18-02-1998	The property was purchased through an agreement of sale dated 18-2-1998 by Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Freehold Land	42	42	Usha Martin Industries Limited	No	18-01-1990	The property was purchased through an agreement of sale dated 18-01-1990 by Usha Martin Industries Limited which merged with Usha Beltron Limited. The name of Usha Beltron Limited was changed to Usha Martin Limited with effect from 1-5-2003.
Property, plant and equipment	Freehold Land	2063	2063	Usha Martin Black Wire Ropes Limited	No	02-05-1972 and 24-04-1974	The property was purchased through registered deeds dated 02-05-1972 & 24-04-1974 respectively by Usha Martin Black Wire Ropes Limited which merged with Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Freehold Land	50	50	Usha Ismal Limited	No	21-04-1980	The property was purchased through registered deeds dated 21-04-1980 by Usha Ismal Limited which merged with Usha Martin Industries Limited which further merged with Usha Beltron Limited which is the erstwhile name of the Company.
<b>ii) Building</b>							
Property, plant and equipment	Building	1	1	Usha Beltron Limited	No	18-02-1998	The property was purchased through an agreement of sale dated 18-2-1998 by Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Building	8	8	Usha Martin Industries Limited	No	18-01-1990	The property was purchased through an agreement of sale dated 18-01-1990 by Usha Martin Industries Limited which had merged with Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Building	7	7	Usha Ismal Limited	No	16-10-1990	The property was purchased through a registered deed dated 16-10-1990 by Usha Ismal Limited which was merged with Usha Martin Industries Limited which further merged with Usha Beltron Limited which is the erstwhile name of the Company.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 3B. INTANGIBLE ASSETS

Particulars	Computer software	Intangible assets under development
<b>Gross block</b>		
As at 31 <sup>st</sup> March, 2020	1,734	-
Additions	57	40
As at 31 <sup>st</sup> March, 2021	1,791	40
Additions	23	15
Disposals/adjustments	2	-
As at 31 <sup>st</sup> March, 2022	1,812	55
<b>Accumulated amortization</b>		
As at 31 <sup>st</sup> March, 2020	1,111	
Charge for the year (refer note 26)	297	
As at 31 <sup>st</sup> March, 2021	1,408	
Charge for the year (refer note 26)	279	
Disposals/adjustments	2	
As at 31 <sup>st</sup> March, 2022	1,685	
<b>Net block</b>		
As at 31 <sup>st</sup> March, 2022	127	55
As at 31 <sup>st</sup> March, 2021	383	40

The Intangible assets under development ageing schedule for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is as follows:

As at 31 <sup>st</sup> March, 2022	Amount in Intangible assets under development for a period of				Total
	less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	15	40	-	-	55
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>55</b>

As at 31 <sup>st</sup> March, 2021	Amount in Intangible assets under development for a period of				Total
	less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	40	-	-	-	40
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>40</b>

### 4. RIGHT-OF-USE ASSETS

Particulars	Land
<b>Gross block</b>	
As at 31 <sup>st</sup> March, 2020	308
Additions/adjustments	-
As at 31 <sup>st</sup> March, 2021	308
Additions/adjustments	79
Disposals/adjustments	-
As at 31 <sup>st</sup> March, 2022	387
<b>Accumulated amortization</b>	
As at 31 <sup>st</sup> March, 2020	7
Charge for the year (refer note 26)	7
As at 31 <sup>st</sup> March, 2021	14
Charge for the year (refer note 26)	6
As at 31 <sup>st</sup> March, 2022	20
<b>Net block</b>	
As at 31 <sup>st</sup> March, 2022	367
As at 31 <sup>st</sup> March, 2021	294



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(All amounts in Rs. lakhs unless stated otherwise)

### Lease deeds of right-of use assets not held in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at 31 <sup>st</sup> March, 2022	Gross carrying value as at 31 <sup>st</sup> March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right-of-use assets	Leasehold Land	8	8	Ranchi Industrial Area Development Authority	No	06-12-1984	Company has obtained the allotment letter in its name and execution of lease deed is in process

## 5. FINANCIAL ASSETS

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Investments</b>		
<b>Investment in equity instruments (unquoted)</b>		
<b>(at cost unless otherwise stated)</b>		
<b>(a) In subsidiary companies</b>		
Usha Martin International Limited		
5,909,388 (31 <sup>st</sup> March, 2021 : 5,909,388) ordinary shares of GBP 1 each, fully paid	6,181	6,181
Usha Siam Steel Industries Public Company Limited #		
13,200,000 (31 <sup>st</sup> March, 2021 : 13,200,000) ordinary shares of Thai Baht 10 each, fully paid	2,620	2,620
Usha Martin Singapore Pte Limited ##		
1,000,000 (31 <sup>st</sup> March, 2021 : 1,000,000) ordinary shares of SGD 1 each, fully paid	268	268
Brunton Wire Rope, FZCO #		
114 (31 <sup>st</sup> March, 2021 : 114 ) ordinary shares of AED 1,00,000 each, fully paid	1,777	1,777
Usha Martin Americas Inc.		
4,000,000 (31 <sup>st</sup> March, 2021 : 4,000,000) shares of USD 1 each, fully paid	1,660	1,660
Gustav Wolf Speciality Cords Limited		
150,000 (31 <sup>st</sup> March, 2021 : 150,000) equity shares of Rs. 10 each, fully paid	168	168
UM Cables Limited ##		
11,129,660 (31 <sup>st</sup> March, 2021 : 11,129,660) equity shares of Rs. 10 each, fully paid	1,271	1,271
Usha Martin Power and Resources Limited		
50,000 (31 <sup>st</sup> March, 2021 : 50,000) equity shares of Rs. 10 each, fully paid [Cost Rs. 5 lakhs (31 <sup>st</sup> March, 2021 : Rs. 5 lakhs), net of impairment Rs. 1 lakhs (31 <sup>st</sup> March, 2021 : Rs. 1 lakhs)]	4	4
Bharat Minex Private Limited		
200,000 (31 <sup>st</sup> March, 2021 : 200,000) equity shares of Rs. 10 each, fully paid [Cost Rs. 20 lakhs (31 <sup>st</sup> March, 2021 : Rs. 20 lakhs), fully impaired]	-	-
<b>Total</b>	<b>13,949</b>	<b>13,949</b>
<b>(b) In joint ventures</b>		
Pengg Usha Martin Wires Private Limited ##		
10,800,000 (31 <sup>st</sup> March, 2021 : 10,800,000) equity shares of Rs. 10 each, fully paid	1,080	1,080
CCL Usha Martin Stressing System Limited		
473,195 (31 <sup>st</sup> March, 2021 : 473,195) equity shares of Rs.10 each, fully paid [Cost Rs. 47 lakhs (31 <sup>st</sup> March, 2021 : Rs. 47 lakhs), net of impairment Rs. 16 lakhs (31 <sup>st</sup> March, 2021 : Rs. 16 lakhs)]	31	31
<b>Total</b>	<b>1,111</b>	<b>1,111</b>



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to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Investment in equity instruments (unquoted)</b>		
<b>(at fair value through profit and loss)</b>		
<b>(c) Investment in other companies</b>		
Adityapur Toll Bridge Company Limited		
100,000 (31 <sup>st</sup> March, 2021 : 100,000) equity shares of Rs. 10 each, fully paid [Cost Rs. 10 lakhs (31 <sup>st</sup> March, 2021 : Rs. 10 lakhs), net of impairment Rs. 5 lakhs (31 <sup>st</sup> March, 2021 : Rs. 5 lakhs)]	5	5
Usha Communications Technology Limited BVI		
12,110,242 (31 <sup>st</sup> March, 2021 : 12,110,242) ordinary shares of USD 0.50 each, fully paid [Cost Rs. 28 lakhs (31 <sup>st</sup> March, 2021 : Rs. 28 lakhs), fully impaired]	-	-
UMI Special Steel Limited (in liquidation)		
18,068,472 (31 <sup>st</sup> March, 2021 : 18,068,472) equity shares of Rs. 10 each, fully paid	*	*
Adityapur Auto Cluster Limited		
1,000 (31 <sup>st</sup> March, 2021 : 1,000) equity shares of Rs. 1,000 each, fully paid [Cost Rs. 10 lakhs (31 <sup>st</sup> March, 2021 : Rs. 10 lakhs), fully impaired]	-	-
<b>Total</b>	<b>5</b>	<b>5</b>
<b>Total investments</b>	<b>15,065</b>	<b>15,065</b>
<b>Aggregate amount of unquoted investments</b>	<b>15,065</b>	<b>15,065</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>80</b>	<b>80</b>

# The Company's stake has been pledged as per terms of loan taken by Usha Siam Steel Industries Public Company Limited and Brunton Wire Rope, FZCO (subsidiaries). Refer note 30C(i).

## Refer note 30C(iv)

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

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(ii) Loans</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loans to related parties [Refer note 32 (iii)]	1,140	1,170
Loans to employees	87	74
<b>Total</b>	<b>1,227</b>	<b>1,244</b>

Loans are financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iii) Other financial assets</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Advance against land-coal mines [refer note 34(i)]	183	183
Bank deposits with more than 12 months maturity #	150	328
Security deposits	870	894
Interest accrued but not due on deposits	97	51
Export incentive receivable		
Considered credit impaired	266	266
Less : allowance for credit impaired	(266)	(266)
<b>Total</b>	<b>1,300</b>	<b>1,456</b>

# Rs. Nil (31<sup>st</sup> March, 2021 : Rs. 63 lakhs) earmarked as margin money against issue of letter of credit and bank guarantee.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 6. INCOME TAXES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Income tax assets</b>		
Advance payment of income tax	2,265	5,033
<b>(ii) Deferred tax assets (net)</b>		
<b>Deferred tax assets (DTA)</b>		
- Expenses allowable as deduction on payment basis	3,597	4,007
- Carry-forward business losses	-	1,370
<b>Total DTA</b>	<b>3,597</b>	<b>5,377</b>
<b>Deferred tax liabilities (DTL)</b>		
- Temporary difference between written down value of property, plant and equipment as per books of account and for tax purposes	3,462	3,466
- Unamortised borrowing costs	18	75
<b>Total DTL</b>	<b>3,480</b>	<b>3,541</b>
<b>Deferred tax assets (net)</b>	<b>117</b>	<b>1,836</b>

(a) The major components of income tax expense for the years ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are:

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>i) Tax charge/(credit) recognised in the Statement of Profit and Loss</b>		
Current tax	2,555	30
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1,658	2,510
<b>Tax charge reported in the Statement of Profit and Loss</b>	<b>4,213</b>	<b>2,540</b>
<b>ii) Tax income recognised in OCI</b>		
Gain/(loss) on remeasurement of defined employee benefit plans	(62)	53
<b>Total tax expense for the year [(i) - (ii)]</b>	<b>4,275</b>	<b>2,487</b>

(b) A reconciliation of income tax expense applicable to accounting profit/(loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated is as follows:

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Profit/(loss) before tax (including discontinued operations)</b>	<b>25,344</b>	<b>12,592</b>
Statutory income tax rate	25.17%	25.17%
<b>Tax expense at statutory income tax rate</b>	<b>6,379</b>	<b>3,169</b>
<b>Adjustments:</b>		
Deferred tax on unabsorbed depreciation and brought forward business losses recognised out of opening balance	(2,522)	(676)
Disallowable expenses/other non-deductible differences	356	17
Tax on dividend received	-	30
<b>Total</b>	<b>4,213</b>	<b>2,540</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### (c) Reconciliation of deferred tax assets (net):

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Opening balance</b>	<b>1,836</b>	<b>4,293</b>
Tax income/(expense) during the period recognised in the Statement of Profit or Loss	(1,658)	(2,510)
Tax income/(expense) during the period recognised in OCI	(62)	53
<b>Closing Balance</b>	<b>117</b>	<b>1,836</b>

## 7. OTHER ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital advances	195	75
Prepaid expenses	84	71
Balances with government authorities		
Excise/service tax	569	569
Sales tax/value added tax	1,095	1,015
Deposit for legal case	1,965	1,965
Deposit for fuel surcharge/other electricity matter	2,954	2,885
Claims receivable		
Considered good	-	35
Considered credit impaired	160	600
Less : allowance for credit impaired	(160)	(600)
Advance against coal mines [refer note 34(i)]	2,851	2,851
Less : allowance for credit impaired	(2,851)	(2,851)
<b>Total</b>	<b>6,862</b>	<b>6,615</b>

## CURRENT ASSETS

### 8. INVENTORIES

(at lower of cost and net realisable value)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw materials (including packing materials)*	16,634	14,124
Raw materials in transit	650	577
	<b>17,284</b>	<b>14,701</b>
Work-in-progress	4,787	4,231
Finished goods	1,767	2,290
Finished goods in transit	2,033	1,423
	<b>3,800</b>	<b>3,713</b>
Stock-in-trade	355	244
Stores and spare parts	2,353	1,984
Loose tools	244	249
Scrap/by-product	813	364
<b>Total</b>	<b>29,636</b>	<b>25,486</b>

\* Including Rs. 205 lakhs lying with a third party (31<sup>st</sup> March, 2021 : Rs. 133 lakhs).

Note: Year end inventories are net of provisions of Rs. 870 lakhs (31<sup>st</sup> March, 2021 : Rs. 438 lakhs) for slow moving and non moving items.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 9. FINANCIAL ASSETS

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Trade Receivables (at amortised cost)</b>		
(Unsecured, considered good unless otherwise stated)		
Trade receivables considered good	24,360	21,416
Trade receivables which have significant increase in credit risk	350	302
Trade receivables considered credit impaired	689	473
Less : allowance for credit impaired	(689)	(473)
	<b>24,710</b>	<b>21,718</b>
<b>Of the above, trade receivables from:</b>		
- related parties [refer note 32 (iii)]	13,898	11,278
- others	10,812	10,440
	<b>24,710</b>	<b>21,718</b>

Trade receivable ageing schedule for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 :

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31<sup>st</sup> March, 2022</b>							
(i) Undisputed Trade Receivables – considered good	21,117	3,519	42	21	-	11	24,710
(ii) Undisputed Trade Receivables – considered credit impaired	-	24	235	105	57	159	580
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered credit impaired	-	-	-	-	55	54	109
<b>Total</b>							<b>25,399</b>
Less: allowance for credit impaired							689
<b>Trade Receivables as at 31<sup>st</sup> March, 2022</b>							<b>24,710</b>

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31<sup>st</sup> March, 2021</b>							
(i) Undisputed Trade Receivables – considered good	19,497	2,114	20	17	70	-	21,718
(ii) Undisputed Trade Receivables – considered credit impaired	-	51	21	73	20	199	364
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered credit impaired	-	-	-	54	30	25	109
<b>Total</b>							<b>22,191</b>
Less: allowance for credit impaired							473
<b>Trade Receivables as at 31<sup>st</sup> March, 2021</b>							<b>21,718</b>

- (i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) Trade receivables are generally on terms of 30 to 120 days.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

- (iii) For lien/charge against trade receivables, refer Note 16(i). Below is the details of trade receivables discounted with recourse available to the bank and hence not meeting de-recognition criteria:

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Transferred trade receivables	1,109	2,531
Associated borrowings [refer note 16(i)]	1,109	2,531

- (iv) Refer Note 33B for information about credit risk and market risk on receivables.

- (v) Set out below is the movement in the allowance for credit impaired trade receivables:

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Opening Balance	473	372
Additional provision for credit impaired trade receivables	216	101
<b>Closing Balance</b>	<b>689</b>	<b>473</b>

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(ii) Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	19	100
Deposits with original maturity of less than 3 months*	9,647	269
Cash on hand	10	16
<b>Total</b>	<b>9,676</b>	<b>385</b>

\* Short term deposits with banks are made for varying periods between one day and three months, depending on cash requirements of the Company and earn interest at the respective short-term deposit rates.

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iii) Other bank balances</b>		
Deposits with original maturity of more than 3 months and up to 12 months #	295	541
<b>Total</b>	<b>295</b>	<b>541</b>

# Rs. 295 lakhs (31<sup>st</sup> March 2021 : Rs. 215 lakhs) lodged with lender against letter of credit and bank guarantee.

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iv) Loans (at amortised cost)</b>		
(Unsecured considered good unless otherwise stated)		
Loans to related party [refer note 32 (iii)]	1,190	665
Loans to employees		
Considered good	62	53
Considered credit impaired	8	10
Less: allowance for credit impaired	(8)	(10)
<b>Total</b>	<b>1,252</b>	<b>718</b>





## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(v) Other financial assets</b>		
(Unsecured considered good unless otherwise stated)		
<b>Derivative contracts not designated as hedges (at fair value through Profit and Loss)</b>		
Foreign exchange forward contracts	11	80
<b>Other financial assets at amortised cost</b>		
Accrued interest on loan to subsidiaries [refer note 32 (iii)]	-	15
Accrued interest on deposits and others	69	44
Consideration receivable from Tata Steel Long Products Limited for transfer of business [refer note 34(ii)]	9,356	16,000
Claims/advances receivable		
Considered good	423	1,422
Considered credit impaired	64	385
Less: allowance for credit impaired	(64)	(385)
Security deposits		
Considered good	41	147
Considered credit impaired	78	27
Less: allowance for credit impaired	(78)	(27)
Export incentive receivables		
Considered good	731	712
Considered credit impaired	66	66
Less: allowance for credit impaired	(66)	(66)
Balances with related parties [refer note 32 (iii)]	23	353
<b>Total</b>	<b>10,654</b>	<b>18,773</b>

Derivative contracts at fair value through profit and loss reflect favourable change in fair value of those foreign exchange forward contracts that are not designated as hedge relationships. Refer note 33B for details regarding the nature and extent of risks arising from financial instruments to which the Company is exposed at the end of the reporting year.

### 10. OTHER CURRENT ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Advances to suppliers*		
Considered good	3,453	2,364
Considered credit impaired	40	144
Less: allowance for credit impaired	(40)	(144)
Balance with statutory/Government authorities		
Considered good	1,611	2,428
Considered credit impaired	604	604
Less: allowance for credit impaired	(604)	(604)
Prepaid expenses	418	331
<b>Total</b>	<b>5,482</b>	<b>5,123</b>

\* Represents advances paid towards purchase of goods that are not interest bearing.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### EQUITY

#### 11. SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Authorised</b>		
500,000,000 (31 <sup>st</sup> March, 2021 : 500,000,000) equity shares of Re. 1 each	5,000	5,000
10,000,000 (31 <sup>st</sup> March, 2021 : 10,000,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid up</b>		
304,741,780 (31 <sup>st</sup> March, 2021 : 304,741,780) equity shares of Re. 1 each	3,047	3,047
Add: Shares forfeited (amount originally paid-up)	7	7
<b>Total</b>	<b>3,054</b>	<b>3,054</b>

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

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Number of equity shares outstanding at the beginning and end of the year	(Numbers)	304,741,780	304,741,780
Amount of equity shares outstanding at the beginning and end of the year	(Amount Rs. in lakhs)	3,047	3,047

(b) 22,865,450 (31<sup>st</sup> March, 2021 : 22,865,450) equity shares of face value of Re. 1 each are represented by Global Depository Receipts (GDRs). Each GDR represents five underlying equity shares.

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

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

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

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

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Equity shares of Re 1 each fully paid-up		
UMIL Share & Stock Broking Services Limited	39,806,236	39,806,236
% holding	13.06%	13.06%
Deutsche Bank Trust Company Americas #	22,865,450	22,865,450
% holding	7.50%	7.50%
Peterhouse Investments India Limited	19,616,529	19,616,529
% holding	6.44%	6.44%
Usha Martin Ventures Limited	20,000,088	20,000,088
% holding	6.56%	6.56%

# As on 31<sup>st</sup> March, 2022, 4,573,090 GDRs (representing 22,865,450 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 6,579,919 equity shares and 1,685,691 GDRs (representing 8,428,455 underlying equity shares) and Kenwyn Overseas Limited holds 14,364,680 equity shares and 1,963,025 GDRs (representing 9,815,125 underlying equity shares).

# As on 31<sup>st</sup> March, 2021, 4,573,090 GDRs (representing 22,865,450 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 11,404,919 equity shares and 1,685,691 GDRs (representing 8,428,455 underlying equity shares) and Kenwyn Overseas Limited holds 14,364,680 equity shares and 1,963,025 GDRs (representing 9,815,125 underlying equity shares).



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

- (e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.
- (f) Shares held by promoters

Sr. No.	Promoter Name	As at 31 <sup>st</sup> March 2022		
		No. of Shares	% of total shares	% Change during the year
1.	Akshay Goenka	37,210	0.01	-
2.	Amisha Jhawar	10,33,500	0.34	-
3.	Anupama Jhawar	-	-	-
4.	Anupama Jhawar – Trustee of Anupriya Welfare Trust	-	-	-
5.	Apurv Jhawar	-	-	-
6.	Basant Kumar Jhawar	-	-	-
7.	Brij Investments Pvt. Ltd.	61,11,823	2.01	-
8.	Brij Kishore Jhawar	9,45,865	0.31	-
9.	Brij Kishore Jhawar – Trustee of Brij Family Trust (PAC)	13,85,328	0.45	-
10.	Jhawar Venture Management Private Limited	-	-	-
11.	Kenwyn Overseas Ltd.	2,41,79,805	7.93	-
12.	Madhushree Goenka	49,460	0.02	-
13.	Netural Publishing House Limited	1,34,29,052	4.41	-
14.	Nidhi Rajgarhia	3,10,000	0.10	(*)
15.	Peterhouse Investments India Limited	1,96,16,529	6.44	-
16.	Peterhouse Investments Ltd.	1,50,08,374	4.92	(1.58)
17.	Prajeev Investments Limited	6,27,000	0.21	-
18.	Prashant Jhawar	-	-	-
19.	Rajeev Jhawar	26,11,969	0.86	-
20.	Shanti Devi Jhawar	2,79,243	0.09	-
21.	Shreya Jhawar	10,13,500	0.33	-
22.	Stuti Raghav Agarwalla	9,54,330	0.31	-
23.	Susmita Jhawar	4,38,195	0.14	-
24.	Uma Devi Jhawar	-	-	-
25.	UMIL Share & Stock Broking Services Ltd.	3,98,06,236	13.06	-
26.	Usha Martin Ventures Ltd.	2,00,00,088	6.56	-
	<b>Total</b>	<b>14,78,37,507</b>	<b>48.51</b>	<b>(1.59)</b>

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



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

### Shares held by promoters (Contd.)

Sr. No.	Promoter Name	As at 31 <sup>st</sup> March 2021		
		No. of Shares	% of total shares	% Change during the year
1.	Akshay Goenka	37,210	0.01	-
2.	Amisha Jhawar	10,33,500	0.34	-
3.	Anupama Jhawar	-	-	(0.01)
4.	Anupama Jhawar – Trustee of Anupriya Welfare Trust	-	-	(*)
5.	Apurv Jhawar	-	-	(*)
6.	Basant Kumar Jhawar	-	-	(0.03)
7.	Brij Investments Pvt. Ltd.	61,11,823	2.01	-
8.	Brij Kishore Jhawar	9,45,865	0.31	-
9.	Brij Kishore Jhawar – Trustee of Brij Family Trust (PAC)	13,85,328	0.45	-
10.	Jhawar Venture Management Private Limited	-	-	(0.28)
11.	Kenwyn Overseas Ltd.	2,41,79,805	7.93	-
12.	Madhushree Goenka	49,460	0.02	-
13.	Netural Publishing House Limited	1,34,29,052	4.41	3.22
14.	Nidhi Rajgarhia	3,21,139	0.11	(*)
15.	Peterhouse Investments India Limited	1,96,16,529	6.44	(0.01)
16.	Peterhouse Investments Ltd.	1,98,33,374	6.51	(3.61)
17.	Prajeev Investments Limited	6,27,000	0.21	-
18.	Prashant Jhawar	-	-	(0.35)
19.	Rajeev Jhawar	26,11,969	0.86	(0.49)
20.	Shanti Devi Jhawar	2,79,243	0.09	-
21.	Shreya Jhawar	10,13,500	0.33	-
22.	Stuti Raghav Agarwalla	9,54,330	0.31	-
23.	Susmita Jhawar	4,38,195	0.14	-
24.	Uma Devi Jhawar	-	-	-
25.	UMIL Share & Stock Broking Services Ltd.	3,98,06,236	13.06	-
26.	Usha Martin Ventures Ltd.	2,00,00,088	6.56	(0.01)
	<b>Total</b>	<b>15,26,73,646</b>	<b>50.10</b>	<b>(1.56)</b>

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



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 12. OTHER EQUITY

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Securities premium*</b>	13,807	85,584
(Securities premium represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013)		
<b>Capital reserve*</b>	-	369
(Capital reserve represents mainly state capital subsidy received from different State Governments)		
<b>Capital redemption reserve*</b>	-	2,285
(Capital redemption reserve is created on redemption of preference shares as per statutory requirement and can be utilised in accordance with the provisions of the Companies Act, 2013)		
<b>General reserve</b>	54,575	54,575
(Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.)		
<b>Retained earnings*</b>	21,316	(80,781)
(Retained earnings represent the cumulative profit/(loss) of the Company and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013)		
<b>Other reserves*</b>	-	6,350
(Represent money received against equity warrants earlier forfeited and can be utilised in accordance with the provisions of the Companies Act, 2013)		
	<b>89,698</b>	<b>68,382</b>

\*Refer note 41.

### NON-CURRENT LIABILITIES

#### 13. FINANCIAL LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Borrowings (Secured- at amortised cost)</b>		
<b>Term loans</b>		
- Banks (Rupee loans) *	12,104	18,629
<b>Total *</b>	<b>12,104</b>	<b>18,629</b>
Aggregate secured borrowings	12,104	18,629

\* Net of unamortised borrowing cost of Rs. 71 lakhs (31<sup>st</sup> March, 2021 : Rs. 296 lakhs) against term loans from banks

Term loans (Secured)	Nature of security	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>From banks</b>			
(i) ICICI Bank Limited [note (a) below]	A, D	-	1,499
(ii) ICICI Bank Limited [note (b) below]	A, B, C, D	6,644	7,604
(iii) ICICI Bank Limited [note (c) below]	A,B	5,460	7,377
(iv) IndusInd Bank Limited [note (d) below]	A,B	-	2,149
<b>Total</b>		<b>12,104</b>	<b>18,629</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### Loan covenants

Bank loans contain certain debt covenants relating to net debt to EBITDA, debt service coverage ratio, fixed assets coverage ratio etc. The Company has complied with all debt covenants stipulated in the terms of bank loan during the year.

### Nature of security

- Secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged in favour of such lenders
- Secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- Secured by personal guarantee of Managing Director of the Company.
- Secured by pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.

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

- Rupee term loan from a bank amounting to Rs. 1,499 lakhs due in two quarterly instalments on 30<sup>th</sup> June, 2022 and 30<sup>th</sup> September, 2022 (31<sup>st</sup> March, 2021: Rs. 1,499 lakhs) has been prepaid during the year.
- Rupee term loan from a bank amounting to Rs. 6,644 lakhs (31<sup>st</sup> March, 2021 : Rs. 7,604 lakhs) is repayable in eleven quarterly instalments from 30<sup>th</sup> June, 2023 to 31<sup>st</sup> December, 2025. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 0.85% p.a.
- Rupee term loan from a bank amounting to Rs. 5,460 lakhs (31<sup>st</sup> March, 2021 : Rs. 7,377 lakhs) is repayable in nine quarterly instalments from 30<sup>th</sup> June, 2023 to 30<sup>th</sup> June, 2025. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 0.85% p.a.
- Rupee term loan from a bank amounting to Rs. 2,149 lakhs (31<sup>st</sup> March, 2021 : Rs. 2,149 lakhs) due in nine quarterly instalments from 8<sup>th</sup> April, 2022 to 8<sup>th</sup> April, 2024 has been prepaid during the year.
- Outstanding balances of loans and terms of repayment as indicated in (a) to (d) are exclusive of current maturities of such loans as disclosed in Note 16(i).

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>13 (ii) Lease liabilities (at amortised cost)</b>		
Total lease liabilities	125	35
Less : shown under current [refer note 16(iii)]	34	14
Non-current lease liability	91	21
<b>Change in liabilities arising in financial activities #</b>		
Beginning of the year	35	29
Addition	79	-
Accretion of interest	24	6
Less: payments	13	-
<b>End of the year</b>	<b>125</b>	<b>35</b>

# Refer note 30A(ii)

## 14. PROVISIONS

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>- For employee benefits</b>		
Gratuity [refer note 31(b)]	3,547	3,721
Long service award [refer note 31(b)]	64	64
<b>Total</b>	<b>3,611</b>	<b>3,785</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 15. OTHER LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Excise/service tax/goods and service tax	1,558	1,457
Sales tax/entry tax	1,558	1,558
<b>Total</b>	<b>3,116</b>	<b>3,015</b>

### CURRENT LIABILITIES

#### 16. FINANCIAL LIABILITIES (AT AMORTISED COST)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Borrowings</b>		
<b>Secured *</b>		
Working capital loans from banks/loans repayable on demand	3,041	2,513
Current maturities of long-term borrowings <sup>##</sup>	-	5,550
<b>Unsecured</b>		
Indian rupee bill discounting <sup>#</sup>	1,109	2,531
<b>Total</b>	<b>4,150</b>	<b>10,594</b>

\* Nature of security - Secured by first charge by way of hypothecation of all current assets of the Company. Further such loans from banks are also secured by charge on certain immovable properties, subject to first charge in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company. Further, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis. The loans are repayable on demand and carry interest @ 7.60% to 8.70% p.a. payable at monthly rests. Apart from securities mentioned above, working capital from a bank is secured by personal guarantee of Managing Director of the Company.

# The Company has discounted trade receivables on recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. These bills are discounted @ 5.50% to 6.00% p.a. and are repayable within 180 days.

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

Term loans (secured)	Nature of security	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
From banks			
(i) ICICI Bank Limited [note (a) below]	A, D	-	3,000
(ii) ICICI Bank Limited [note (b) below]	A, B, C, D	-	800
(iii) ICICI Bank Limited [note (c) below]	A, B	-	1,750
<b>Total</b>		<b>-</b>	<b>5,550</b>
Aggregate secured borrowings		-	5,550

#### Nature of security

- Secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged in favour of such lenders.
- Secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- Secured by personal guarantee of Managing Director of the Company.
- Secured by pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.

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

- Rupee term loan from a bank amounting to Rs. 3,000 lakhs outstanding as on 31<sup>st</sup> March, 2021 has been repaid during the year.
- Rupee term loan from a bank amounting to Rs. 800 lakhs outstanding as on 31<sup>st</sup> March, 2021 has been repaid during the year.
- Rupee term loan from a bank amounting to Rs. 1,750 lakhs outstanding as on 31<sup>st</sup> March, 2021 has been repaid during the year.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

The Company is in compliance with filing of quarterly financial follow up report with State Bank of India and ICICI Bank Limited for cash credit facility and working capital loan. The following table provides a reconciliation of statement filed with the above-mentioned banks and books of accounts :

Name of the Bank	Quarter Ended	Particulars	Amount as per books of accounts	Amount as reported in quarterly return/ statement	Amount of Difference	Reason for material discrepancy
<b>Year ended 31<sup>st</sup> March, 2022</b>						
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> June, 2021	Trade Receivable	23,401	21,340	2,061	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> September, 2021	Trade Receivable	25,078	23,588	1,490	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
		Other Current Assets	23,366	23,738	(372)	Discrepancy is primarily on account of the details being submitted on the basis of provisional books/financial statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> December, 2021	Trade Receivable	28,742	27,033	1,709	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> March, 2022	Trade Receivable	24,710	23,600	1,110	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
<b>Year ended 31<sup>st</sup> March, 2021</b>						
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> June, 2020	Trade Receivable	18,147	17,681	466	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> September, 2020	Trade Receivable	18,528	17,177	1,351	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> December, 2020	Trade Receivable	20,133	17,897	2,236	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
		Other Current Assets	31,039	30,884	155	Discrepancy is primarily on account of the details being submitted on the basis of provisional books/financial statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> March, 2021	Trade Receivable	21,718	19,187	2,531	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements





## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(ii) Trade payables (at amortised cost)</b>		
Total outstanding dues of micro and small enterprises (refer note 36)	777	217
Total outstanding dues of creditors other than micro and small enterprises	9,091	14,033
Dues to related parties [refer note 32(iii)]	104	206
Acceptances	7,548	9,540
	<b>16,743</b>	<b>23,779</b>
<b>Total</b>	<b>17,520</b>	<b>23,996</b>

Trade payables are normally settled up to 365 day terms.

Acceptances represent arrangements whereby banks make direct payments to suppliers of raw materials. The banks are subsequently repaid by the Company at a later date providing working capital timing benefits. Where these arrangements are for raw materials and have a maturity of upto the credit period contracted with suppliers, the economic substance of the transaction is considered to be operating in nature and outstanding Acceptance are reported under "Trade payables".

Acceptances payable to banks carry interest @ 5.50% p.a. and are secured by hypothecation of all current assets of the Company. Further such acceptances are also secured by charge on certain movable & immovable properties, subject to first charge in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company. Further, in respect of acceptances from a bank, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis. In respect of acceptances from another bank, personal guarantee of Managing Director has been given.

Refer note 33B(b) for explanations on the Company's liquidity risk management processes.

Trade payable ageing schedule for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021:

As at 31 <sup>st</sup> March, 2022	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
MSME	-	687	90	-	-	-	777
Others	2,835	5,075	8,430	113	44	21	16,518
Disputed Dues – MSME	-	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	225	225
<b>Total</b>							<b>17,520</b>

As at 31 <sup>st</sup> March, 2021	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
MSME	-	191	26	-	-	-	217
Others	4,547	6,511	12,174	239	16	67	23,554
Disputed Dues – MSME	-	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	225	225
<b>Total</b>							<b>23,996</b>

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iii) Lease liabilities (at amortised cost)</b>	<b>34</b>	<b>14</b>



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to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iv) Other financial liabilities</b>		
<b>Derivatives not designated as hedges (at fair value through Profit and Loss)</b>		
Foreign exchange forward contracts	9	-
<b>Other financial liabilities at amortised cost</b>		
Interest accrued but not due on borrowings	3	17
Interest accrued on trade payables and others	221	224
Security deposits received	208	64
Liability towards project vendors	1,453	2,329
Payable relating to coal mines	1,384	1,384
Payable to a related party [refer note 32 (iii)]	-	103
Employee benefits payable	1,721	1,610
Other payables	18	963
<b>Total</b>	<b>5,017</b>	<b>6,694</b>

Derivative instruments at fair value through profit and loss reflect the adverse change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 33B for details regarding the nature and extent of risks arising from financial instruments to which the Company is exposed at the end of the reporting year.

### Changes in liabilities arising from financing activities

Particulars	31 <sup>st</sup> March, 2021	Cash flows	EIR adjustment	Others	31 <sup>st</sup> March, 2022
Non-Current borrowings	18,629	(6,750)	225	-	12,104
Current maturities of long term borrowings	5,550	(5,550)	-	-	-
Working capital loans from banks/loans repayable on demand	2,513	528	-	-	3,041
Indian rupee bill discounting	2,531	(1,421)	-	-	1,109
<b>Total liabilities from financing activities</b>	<b>29,223</b>	<b>(13,193)</b>	<b>225</b>	<b>-</b>	<b>16,254</b>
Particulars	31 <sup>st</sup> March, 2020	Cash flows	EIR adjustment	Others	31 <sup>st</sup> March, 2021
Non-Current borrowings	25,073	(1,034)	140	(5,550)	18,629
Current maturities of long term borrowings	3,237	(3,237)	-	5,550	5,550
Working capital loans from banks/loans repayable on demand	5,700	(3,187)	-	-	2,513
Indian rupee bill discounting	876	1,655	-	-	2,531
<b>Total liabilities from financing activities</b>	<b>34,886</b>	<b>(5,803)</b>	<b>140</b>	<b>-</b>	<b>29,223</b>

### 17. PROVISIONS

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>- For employee benefits</b>		
Leave encashment	671	703
Long service award [refer note 31(b)]	2	5
<b>Total</b>	<b>673</b>	<b>708</b>

### 18. INCOME TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Provision for income tax [net of taxes paid Rs. 713 lakhs (31<sup>st</sup> March, 2021 : Rs. 713 lakhs)]</b>	<b>2,760</b>	<b>205</b>



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### 19. OTHER LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Contract liabilities *</b>		
- Related parties [refer note 32(iii)]	120	19
- Others	3,954	3,227
Statutory dues payables #	2,204	2,247
Advance received against sale of land	4	-
Renewable power obligation	3,009	2,921
<b>Total</b>	<b>9,291</b>	<b>8,414</b>

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

# Statutory dues primarily includes payable in respect of goods and service tax (GST), tax deducted at source, etc.

### 20. REVENUE FROM OPERATIONS

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Sale of goods	174,546	130,042
Sale/rendering of services	926	367
Other operating revenue:		
Product scrap sales	4,312	2,615
Sale of captive power	449	382
Export incentive	772	1,154
<b>Total</b>	<b>181,005</b>	<b>134,560</b>

#### 20A. Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Wire and Wire ropes	180,770	134,327
Others	235	233
<b>Total</b>	<b>181,005</b>	<b>134,560</b>
<b>Revenue by geographical segment</b>		
India	125,565	98,988
Outside India	55,440	35,572
<b>Total</b>	<b>181,005</b>	<b>134,560</b>

#### 20B. Timing of revenue recognition

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Goods transferred at a point in time	180,079	134,193
Services rendered over time	926	367
<b>Total</b>	<b>181,005</b>	<b>134,560</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 20C. Contract Balances

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Trade receivables [refer note 9(i)]*	24,710	21,718
Contract liabilities (refer note 19)	4,074	3,246

\* Net of allowance of Rs. 689 lakhs (31<sup>st</sup> March, 2021 : Rs. 473 lakhs) towards credit impaired trade receivables. Trade receivables are generally on 30 to 120 days credit period and are entitled to interest @ 18% beyond that period.

Contract liabilities include advances received to deliver goods or services.

### 20D. Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted prices

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Revenue as per contracted prices	182,749	135,896
Less: discount/volume rebates	1,744	1,336
<b>Revenue from contract with customers</b>	<b>181,005</b>	<b>134,560</b>

### 20E. The Company has recognised the following revenue-related contract liabilities and receivables from contract with customers

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Amounts included in contract liabilities at the beginning of the year	3,246	3,595
Less : Revenue recognised against the opening contract liability on satisfaction of performance obligations	2,330	3,224
Add : Advance received during the year	3,158	2,875
<b>Amounts included in contract liabilities at the end of the year (refer note 19)</b>	<b>4,074</b>	<b>3,246</b>

### 20F. Performance obligations

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 120 days from delivery. Some contracts provide eligible customers with volume rebates which give rise to variable consideration subject to constraint.

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 <sup>st</sup> March, 2022 are as follows:	14,483	13,197
0-1 Month	4,383	7,936
1-3 Months	7,352	4,741
3-6 Months	1,244	460
More than 6 months	1,504	60

All the performance obligations are expected to be recognised within one year.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 21. OTHER INCOME

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Dividend income	160	120
Miscellaneous scrap sales	1,168	147
Liabilities no longer required written back	871	419
Allowance for doubtful debts and advances no longer required written back	215	42
Claims received	48	9
Gain on disposal of property, plant and equipment (31 <sup>st</sup> March, 2021 : net of loss on disposal Rs. 2 lakhs)	-	28
Interest income on financial assets carried at amortised cost	617	393
Miscellaneous income	272	281
<b>Total</b>	<b>3,351</b>	<b>1,439</b>

### 22. COST OF MATERIALS CONSUMED

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Opening Stock of raw material (including packing materials)	14,701	9,884
Add : Purchases	109,598	81,427
	<b>124,299</b>	<b>91,311</b>
Less : Closing stock	17,284	14,701
<b>Cost of materials consumed *</b>	<b>107,015</b>	<b>76,610</b>

\* Cost of materials consumed includes packing materials aggregating to Rs. 3,831 lakhs (31<sup>st</sup> March, 2021 : Rs. 3,005 lakhs).

### 23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, STOCK-IN-TRADE AND SCRAP/BY-PRODUCT

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(A) Finished goods</b>		
Opening stock	3,713	5,328
Less : Closing stock	3,800	3,713
	<b>(87)</b>	<b>1,615</b>
<b>(B) Work-in-progress</b>		
Opening stock	4,231	4,992
Less : Closing stock	4,787	4,231
	<b>(556)</b>	<b>761</b>
<b>(C) Stock-in-trade</b>		
Opening stock	244	103
Less : Closing stock	355	244
	<b>(111)</b>	<b>(141)</b>
<b>(D) Scrap/by-product</b>		
Opening stock	364	510
Less : Closing stock	812	364
	<b>(448)</b>	<b>146</b>
<b>Net changes in inventories [(A) + (B) + (C) + (D)]</b>	<b>(1,202)</b>	<b>2,381</b>



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### 24. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Salaries, wages and bonus	10,741	9,997
Contribution to provident and other funds [refer note 31(a) and 31(b)(III)]	883	812
Gratuity expense [refer note 31(b)]	507	474
Staff welfare expenses	532	459
<b>Total</b>	<b>12,663</b>	<b>11,742</b>

### 25. FINANCE COSTS

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Interest expense on financial liabilities measured at amortised cost	2,730	4,059
Interest on lease liabilities [refer note 30A(ii)]	24	6
Other borrowing costs (include letter of credit opening and retirement charges, loan processing fees, etc.)	362	387
<b>Total</b>	<b>3,116</b>	<b>4,452</b>

### 26. DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Depreciation of property, plant and equipment (refer note 3A)	2,855	2,760
Amortization of intangible assets (refer note 3B)	279	297
Amortization of right-of-use assets (refer note 4)	6	7
<b>Total</b>	<b>3,140</b>	<b>3,064</b>

### 27. OTHER EXPENSES

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Consumption of stores and spare/loose tools	2,501	2,257
Operations and maintenance :		
Plant and machinery	3,397	2,894
Buildings	172	102
Power and fuel [refer note (i) below]	9,134	6,910
Freight and forwarding charges	9,796	5,500
Rent and hire charges	71	99
Rates and taxes	369	121
Insurance	356	275
Travelling and conveyance	180	89
Directors' sitting fees	53	21
Remuneration to auditors [refer note (ii) below]	63	47
Allowance for credit impaired debts and advances	317	265
Bad Debts/advances written off [net of write back of allowance for credit impaired of Rs. 702 lakhs (31 <sup>st</sup> March, 2021: Rs. Nil)]	71	47
Material handling charges	203	207
Processing charges	2	22
Loss on sale of property, plant and equipment (net of gain on disposal of property, plant and equipment of Rs. 395 lakhs)	21	-
Miscellaneous expenses [refer note (iii) and (iv) below]	4,861	3,227
<b>Total</b>	<b>31,567</b>	<b>22,083</b>



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### (i) The following expenses are included in power and fuel expenses in the Statement of Profit and Loss :

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Consumption of stores and spares/loose tools	223	182
Material handling charges	113	123
Operations and maintenance : plant and machinery	320	310
Operations and maintenance : buildings	11	7
Miscellaneous expenses	36	31
<b>Total</b>	<b>703</b>	<b>653</b>

### (ii) Remuneration to auditors comprises of :

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>As auditor</b>		
For statutory audit and limited reviews	39	39
Tax audit fee	3	3
For other services	20	5
Reimbursement of expenses	1	*
<b>Total</b>	<b>63</b>	<b>47</b>

(iii) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 335 lakhs (31<sup>st</sup> March, 2021 : Rs. 366 lakhs), and are recognised in miscellaneous expenses.

(iv) The Company did not earn average net profits over the preceding three financial years and hence CSR provisions as per section 135 of the Companies Act, 2013 are not applicable to the Company.

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

## 28. EARNINGS PER EQUITY SHARE (EPS)

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
The following reflects the income and share data used in the basic and diluted EPS computation :		
<b>Net profit before OCI attributable to equity holders for basic and diluted EPS from continuing operations (a)</b>	<b>21,131</b>	10,496
<b>Net loss before OCI attributable to equity holders for basic and diluted EPS from discontinued operations (b)</b>	<b>-</b>	(444)
<b>Profit for the period [(c) = (a) + (b)]</b>	<b>21,131</b>	<b>10,052</b>
Weighted average number of equity shares outstanding for the purpose of basic and diluted EPS	304,741,780	304,741,780
Basic and diluted earnings per equity share from continuing operations (Rs.)	6.94	3.45
Basic and diluted earnings per equity share from discontinued operations (Rs.)	-	(0.15)
Basic and diluted earnings per equity share from continuing and discontinued operations (Rs.)	6.94	3.30
Nominal value per share (Re.)	1.00	1.00

There have been no other transactions involving equity shares between the reporting date and the date of authorisation of these financial statements.

## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 29. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and these are reviewed at each Balance Sheet date.

Other disclosures relating to the Company's exposure to risks and uncertainties include:

- Capital management (refer note 33D)
- Financial risk management objectives and policies (refer note 33B)
- Sensitivity analysis disclosures [refer note 31(J)]

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### (i) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

#### Property lease classification – Company as lessor

The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

#### (ii) Revenue from contracts with customers

The Company applied the judgement of determining method to estimate variable consideration and assessing the constraint that significantly affect the determination of the amount and timing of revenue from contracts with customers.

Certain contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. In estimating the variable consideration for the sale of goods with volume rebates, the Company determined that the most likely amount method is appropriate.

#### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company





## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### (i) Useful economic lives of property, plant and equipment and impairment considerations

Property, plant and equipment/intangible assets are depreciated/amortised over their estimated useful life, after taking into account estimated economic residual value. Management reviews the estimated economic useful life and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful life and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

The Company also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Company's business plans and changes in regulatory environment are taken into consideration. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. The recoverable amount is sensitive to the discount rate used for the DCF model as well

as the expected future cash-inflows and the growth rate used for extrapolation purposes. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### (ii) Taxes

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits and business developments together with future tax planning strategies.

### (iii) Defined benefit plans

The cost and the present value of the defined benefit gratuity plan and long term service award are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of

## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**(iv) Revenue recognition - estimating variable consideration for volume rebates**

The Company estimates variable considerations to be included in the transaction price for the sale of goods with volume rebates. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. Estimates of volume rebates are sensitive to changes in circumstances and the Company's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future.

**(v) Leases - estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using observable inputs (such as market interest rates) when available.

**(vi) Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the

effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has capital commitments in relation to various capital projects which are not recognized on the Balance Sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**(vii) Non-current assets held for sale**

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

**(viii) Valuation of Inventories**

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



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(All amounts in Rs. lakhs unless stated otherwise)

### 30. COMMITMENTS AND CONTINGENCIES

#### A. Leases

##### Company as a lessee

- (i) The Company as a lessee has entered into various lease contracts, which includes lease of land, office space, employee residential accommodation, guest house etc. Generally, the Company is restricted from assigning and subleasing the leased assets. There are lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in aligning with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Company has certain leases of office space, employee residential accommodation, guest house etc with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the net carrying amounts of right-of-use assets recognised in Balance Sheet and the movement during the year :

Particulars	Land
<b>As at 31<sup>st</sup> March, 2020</b>	<b>301</b>
Addition during the year	-
Less : amortisation	7
<b>As at 31<sup>st</sup> March, 2021 (refer note 4)</b>	<b>294</b>
Addition during the year	79
Less : amortisation	6
<b>As at 31<sup>st</sup> March, 2022 (refer note 4)</b>	<b>367</b>

- (ii) Set out below are the carrying amounts of lease liabilities and the movement during the year:

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at beginning of the year	35	29
Addition	79	-
Accretion of interest (refer note 25)	24	6
Payments	13	-
<b>Balance as at the end of the year</b>	<b>125</b>	<b>35</b>
Current [refer note 16(iii)]	34	14
Non-current [refer note 13(ii)]	91	21

The maturity analysis of lease liabilities is disclosed in Note 33B (b).

The effective interest rate for lease liabilities is 10.95%, with maturity between 2021-2095.

- (iii) Amounts recognised in the Statement of Profit and Loss

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Amortisation expense of right-of-use assets (recognised in depreciation and amortization expenses)	6	7
Interest expense on lease liabilities (recognised in finance costs)	24	6
Expense relating to short-term leases (included in rent and hire charges)	71	99
<b>Total amount recognised in Statement of Profit and Loss for the year</b>	<b>101</b>	<b>112</b>



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### B. Commitments

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	304	360
<b>(ii) Other commitments</b>		
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme. During the year, the Company has filed an application to the Directorate General of Foreign Trade (DGFT) for re-fixation of Average Export Obligation (AEO) to exclude certain items that are not required to be considered for ascertaining the Company's AEO. Supported by a legal opinion obtained, the Company is reasonably certain of a favourable outcome and hence it does not anticipate a liability with respect to its obligations. Management believes that in consideration to refixed AEO, no further export obligations are to be met by the Company.	-	117,500

### C. Contingent liabilities

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Guarantees</b>		
Corporate guarantee given by the Company to banks/third parties to secure the financial assistance/accommodation extended on behalf of subsidiaries. Balance outstanding as at year end Rs. 5,497 lakhs (31 <sup>st</sup> March, 2021 : Rs. 3,583 lakhs) The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required [refer note 32(iii)].	7,579	7,311
<b>(ii) Bank guarantees</b>		
The Company has given bank guarantees details of which are as below: in favour of various parties against various contracts The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.	633	441
<b>(iii) Claims against the Company not acknowledged as debt <sup>###</sup></b>		
Demand for income tax matters	1,672	1,672
Demand for sales tax, entry tax <sup>**</sup>	2,827	4,229
Demand for excise duty and service tax	12,627	13,255
Demand for customs duty	1,129	1,129
Demand for Goods and Service Tax	1,017	487
Demand for Land revenue	295	222
Outstanding labour disputes	28	28
Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	10,980	10,980
Demand for mining matter pending with High Court of Jharkand <sup>@</sup>	2,862	2,862
Demand for compensation on account of mining and dump/infrastructure/colony established outside approved mining lease area	1,710	1,710
Demand for financial assurance amount in Escrow account	226	226
Disputed claims by parties not acknowledged as debt by the Company	3,006	3,006

\* Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above mentioned matters and hence no provision against these matters is considered necessary.

\*\* Includes demand aggregating to Rs. 697 lakhs (31<sup>st</sup> March, 2021: Rs. 571 lakhs) and Rs. Nil (31<sup>st</sup> March, 2021: Rs. 1,159 lakhs) received by the Company towards entry tax in Punjab and West Bengal respectively. Subsequent to the decision of the Hon'ble Supreme Court of India, vide order dated 11<sup>th</sup> November, 2016, upholding the rights of State Governments to impose entry tax, the Company has filed petitions before the Hon'ble High Courts of the aforesaid States and also Jharkhand on grounds that entry tax imposed by respective State legislations is discriminatory in nature. The Hon'ble West Bengal Taxation Tribunal vide order dated 25.03.2022 had specifically held that "the State Legislature is denuded of its plenary power to deal with Entry tax related matters on and from 16<sup>th</sup> September 2016 when Constitution (101<sup>st</sup> Amendment) Act 2016 came into effect, and thereby the revalidation of Entry Tax by West Bengal State Govt. on Entry of Goods into Local Area cannot be sustained Pending decisions by the Hon'ble High Court of Jharkhand, the Company's obligation, if any, towards entry tax is not ascertainable. Based on legal opinion obtained, management believes that there will be no resultant adverse impact on the Company.



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© The Company had given an undertaking to deposit Rs. 1,922 lakhs in six instalments in terms of the order of the Hon'ble High Court of Jharkhand. Against the same, the Company has deposited an amount of Rs. 1,922 lakhs upto 31<sup>st</sup> March, 2020.

## Pending necessary clarification, the Company has complied with order of the Hon'ble Supreme Court of India regarding applicability of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 to certain fixed elements of remuneration paid/payable to employees with effect from the date of such order, i.e., February 28, 2019 and has deposited such statutory dues with appropriate authorities. Any additional provision in respect of earlier periods will be recognised as and when further clarifications will be available.

### (iv) Others

- (a) The Company has provided a Letter of Comfort to a bank that has provided credit facilities to its joint venture, Pengg Usha Martin Wires Private Limited. Such facilities have been utilised to the extent of Rs. 3,818 lakhs as at 31<sup>st</sup> March, 2022 (31<sup>st</sup> March, 2021: Rs.2,934 lakhs) by the joint venture company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that joint venture company and to ensure that no losses are suffered by the lender concerned. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required [refer note 32(iii)].
- (b) The Company has provided a Letter of Comfort to a bank that has provided credit facilities to its subsidiary, UM Cables Limited. Such facilities have been utilised to the extent of Rs. 3,437 lakhs as at 31<sup>st</sup> March, 2022 (31<sup>st</sup> March, 2021: Rs. Nil) by the subsidiary company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that subsidiary company and to ensure that no losses are suffered by the lender concerned. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required [refer note 32(iii)].
- (c) The Company has provided a Letter of Comfort to a bank that has provided credit facilities to its subsidiary, Usha Martin Singapore Pte. Limited. Such facilities have been utilised to the extent of Rs. 4,017 lakhs as at 31<sup>st</sup> March, 2022 (31<sup>st</sup> March, 2021: Rs. Nil) by the subsidiary company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that subsidiary company and to ensure that no losses are suffered by the lender concerned. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required [refer note 32(iii)].

## 31. POST EMPLOYMENT DEFINED CONTRIBUTION PLANS AND POST EMPLOYMENT DEFINED BENEFIT PLANS

### (a) Post employment defined contribution plans

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Amount recognised in the Statement of Profit and Loss		
(i) Pension fund paid to the authorities	288	298
(ii) Superannuation fund - Contribution payable/paid to a Trust	208	181
<b>Total</b>	<b>496</b>	<b>479</b>

### (b) Post employment defined benefit plans

#### I. Gratuity plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with an insurance company.

#### II. Long term service award

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

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the above defined benefit plans:



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(All amounts in Rs. lakhs unless stated otherwise)

### A. Expenses recognised in the Statement of Profit and Loss

	Year ended 31 <sup>st</sup> March, 2022		Year ended 31 <sup>st</sup> March, 2021	
	Gratuity	Long term service award	Gratuity	Long term service award
1. Current/past service cost	270	3	269	3
2. Net interest cost	237	5	205	5
<b>3. Amount recognised in Statement of Profit and Loss (i)</b>	<b>507</b>	<b>8</b>	<b>474</b>	<b>8</b>
<b>Expenses recognised in other comprehensive income</b>				
4. Re-measurement (gains)/losses on defined benefit plans				
Arising from changes in experience	(131)	(7)	221	(9)
Arising from changes in financial assumptions	(109)	(1)	-	-
Return on plan assets greater/(lesser) than discount rate	1	-	(2)	-
<b>5. Total (ii)</b>	<b>(239)</b>	<b>(8)</b>	<b>219</b>	<b>(9)</b>
<b>6. Total expense (i)+(ii)</b>	<b>268</b>	<b>-</b>	<b>693</b>	<b>(1)</b>

### B. Net asset/(liability) recognised in the Balance Sheet

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Gratuity	Long term service award	Gratuity	Long term service award
1. Present value of defined benefit obligation	4,606	66	4,720	69
2. Fair value of plan assets	1,059	-	999	-
<b>3. Net asset/(liability)</b>	<b>(3,547)</b>	<b>(66)</b>	<b>(3,721)</b>	<b>(69)</b>

### C. Change in the present value of the defined benefit obligation during the year

	Year ended 31 <sup>st</sup> March, 2022		Year ended 31 <sup>st</sup> March, 2021	
	Gratuity	Long term service award	Gratuity	Long term service award
1. Present value of defined benefit obligation at the beginning of the year	4,720	69	4,481	72
2. Current service cost/plan amendments	270	3	269	3
3. Interest cost	303	5	282	5
4. Benefits paid	(381)	(1)	(533)	(2)
5. Re-measurement (gains)/losses	(240)	(8)	221	(9)
6. Acquisitions (credit)/cost	(66)	(2)	-	-
<b>7. Present value of defined benefit obligation at the end of the year</b>	<b>4,606</b>	<b>66</b>	<b>4,720</b>	<b>69</b>

### D. Change in the fair value of plan assets during the year (gratuity)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Plan assets at the beginning of the year	999	1,391
2. Interest income	66	77
3. Contribution by employer	376	62
4. Actual benefits paid	(381)	(533)
5. Return on plan assets greater/(lesser) than discount rate	(1)	2
<b>6. Plan assets at the end of the year</b>	<b>1,059</b>	<b>999</b>



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(All amounts in Rs. lakhs unless stated otherwise)

- E. In 2022-23, the Company expects to contribute Rs. 3,547 lakhs to gratuity fund.  
 F. The major categories of plan assets as a percentage of the fair value of total plan assets

	Gratuity (funded)	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Investments with insurer	97%	97%
Cash and cash equivalent	3%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### G. Actuarial assumptions

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Gratuity	Long term service award	Gratuity	Long term service award
1. Discount rate	7%	7%	6.70%	6.70%
2. Expected rate of return on plan assets	7%	NA	6.70%	NA
3. Mortality pre retirement	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
4. Mortality post retirement	LIC (1996-98) Ultimate	NA	LIC (1996-98) Ultimate	NA
5. Withdrawal rate	1%	1%	1%	1%
6. Rate of salary increase	6%	6%	6%	6%

- H. The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary. The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

### I. Maturity profile of the defined benefit obligation (undiscounted amount)

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Gratuity	Long term service award	Gratuity	Long term service award
Expected benefit payments for the year ending				
Not later than 1 year (next annual reporting period)	241	2	306	3
Later than 1 year and not later than 5 years	1,614	30	1,476	28
Later than 5 year and not later than 10 years	3,368	47	3,268	46
More than 10 years	12,660	120	13,308	13
<b>Total expected payments</b>	<b>17,883</b>	<b>199</b>	<b>18,358</b>	<b>90</b>
Weighted average duration of defined benefit obligation	8	7	8	7



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(All amounts in Rs. lakhs unless stated otherwise)

### J. Sensitivity analysis

The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

Increase/(decrease) in defined benefit obligation	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Gratuity	Long term service award	Gratuity	Long term service award
<b>Discount rate</b>				
Increase by 1%	(335)	(4)	(351)	(4)
Decrease by 1%	382	5	401	5

Expected rate of increase in compensation level of covered employees	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Gratuity	Long term service award	Gratuity	Long term service award
Increase by 1%	377	*	395	*
Decrease by 1%	(338)	*	(353)	*

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

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

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

### K. Risk analysis

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

(i) Interest risk

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

(ii) Longevity risk/Life expectancy

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





## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### (iii) Salary growth risk

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

### (iv) Investment risk

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

## (III) Provident Fund

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

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using projected unit credit method and deterministic approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the period, the Company's contribution Rs. 387 lakhs (31<sup>st</sup> March, 2021: Rs. 333 lakhs) to the Provident Fund Trust, has been expensed under "Contribution to provident and other funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

### Principal actuarial assumptions

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

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Discount Rate	7%	6.7%
Withdrawal rate	1.0%	1.0%
Expected rate of increase in compensation level of covered employees	6%	6%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate
EPFO Return	8.1%	8.5%



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 32. RELATED PARTY DISCLOSURES

#### (i) Related Parties

##### A. Where control relationships exists

###### Subsidiaries

Usha Martin International Limited  
 Usha Martin UK Limited @  
 European Management and Marine Corporation Limited @  
 Brunton Shaw UK Limited @  
 De Ruiter Staalkabel B.V. @  
 Usha Martin Europe B.V. @  
 Usha Martin Italia S.R.L. @  
 Usha Martin Singapore Pte. Limited  
 Usha Martin Vietnam Co. Limited @  
 Usha Martin Australia Pty Limited @  
 P. T. Usha Martin Indonesia @  
 Usha Martin China Company Limited @  
 Usha Martin Americas Inc.  
 Usha Siam Steel Industries Public Company Limited  
 Brunton Wire Ropes FZCO.  
 U M Cables Limited  
 Usha Martin Power and Resources Limited  
 Bharat Minex Private Limited  
 Gustav Wolf Speciality Cords Limited

###### Other related parties with whom the company had transactions

###### Joint ventures

Pengg Usha Martin Wires Private Limited  
 CCL Usha Martin Stressing Systems Limited  
 Tesac Usha Wirerope Company Limited \*  
 UMI Special Steel Limited (under liquidation)  
 Mr. Mukesh Rambihari Rohatgi, Chairman (till 8<sup>th</sup> December 2021)  
 Mr. Brij K Jhavar, Director (till 23<sup>rd</sup> September 2020)  
 Mr. Venkatachalam Ramakrishna Iyer, Director  
 (till 4<sup>th</sup> Nov 2021 as Nominee Director)  
 (appointed as Independent Director w.e.f. 12<sup>th</sup> Nov 2021)  
 Mr. Vijay Singh Bapna, Director - Chairman  
 (Chairman w.e.f. 11<sup>th</sup> February 2022)  
 Mrs. Ramni Nirula, Director  
 Mr. Rajeev Jhavar, Managing Director  
 Mr. P.K.Jain, Joint Managing Director  
 (Wire and Wire Rope Business) (till 17<sup>th</sup> May 2020)  
 Mr. Dhruv Jyoti Basu - Whole Time Director (w.e.f. 6<sup>th</sup> June 2020)  
 Mr. Devadip Bhowmik - Whole Time Director (w.e.f. 15<sup>th</sup> March 2021)  
 Mr. Sethurathnam Ravi, Director (w.e.f. 12<sup>th</sup> November 2021)  
 Mrs. Shampa Ghosh Ray, Company Secretary  
 Mr. Anirban Sanyal, Chief Financial Officer  
 Usha Martin Employee Provident Fund Trust

(b) Substantial interest in the voting power of the entity

(c) Key managerial personnel

(d) Others

@ Represents step-down subsidiaries

\* Represents step-down joint venture.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### (ii) Particulars of transactions

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial period:

Name of the related party	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(a) Subsidiary Companies</b>		
<b>Sale of products and services</b>		
Usha Martin Americas Inc.	6,410	4,132
Usha Martin UK Limited	12,396	8,573
Usha Martin Vietnam Co. Limited	52	-
Usha Martin Australia Pty Limited	1,623	1,093
Usha Siam Steel Industries Public Company Limited	5,828	2,114
Usha Martin Singapore Pte. Limited	9,131	5,657
Brunton Wire Ropes FZCO.	12,769	8,849
U M Cables Limited	18	19
Gustav Wolf Speciality Cords Limited	2,206	1,427
De Ruyter Staalkabel B.V.	752	-
<b>Total</b>	<b>51,185</b>	<b>31,864</b>
<b>Purchase of goods</b>		
Brunton Wire Ropes FZCO	-	31
U M Cables Limited	3	-
<b>Total</b>	<b>3</b>	<b>31</b>
<b>Interest income</b>		
Usha Siam Steel Industries Public Company Limited	59	62
U M Cables Limited	100	88
<b>Total</b>	<b>159</b>	<b>150</b>
<b>Brokerage and discount on sale of products</b>		
Gustav Wolf Speciality Cords Limited	9	10
<b>Reimbursement/(recoveries) of expenses (net)</b>		
Brunton Wire Ropes FZCO.	13	-
U M Cables Limited	-	(14)
Usha Martin UK Limited	(674)	(63)
Usha Martin Australia Pty Limited	-	15
Usha Martin Singapore Pte. Limited	5	98
Usha Martin Americas Inc.	60	-
<b>Total</b>	<b>(596)</b>	<b>36</b>
<b>Management and other services provided/(received)</b>		
Usha Martin International Limited	246	257
Usha Martin Americas Inc.	(4)	(5)
Usha Siam Steel Industries Public Company Limited	(37)	(66)
Usha Martin Singapore Pte. Limited	(12)	(19)
Brunton Wolf Wire Ropes FZCO.	9	14
U M Cables Limited	(62)	(23)
<b>Total</b>	<b>140</b>	<b>158</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

Name of the related party	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Loans/advances given</b>		
U M Cables Limited	525	868
<b>Total</b>	<b>525</b>	<b>868</b>
<b>Recovery of loans/advances given</b>		
U M Cables Limited	-	753
<b>Total</b>	<b>-</b>	<b>753</b>
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(b) Joint Venture</b>		
<b>Sale of products and services</b>		
Pengg Usha Martin Wires Private Limited	857	479
<b>Dividend received</b>		
Pengg Usha Martin Wires Private Limited	160	120
<b>Reimbursement/(recovery) of expenses (net)</b>		
Pengg Usha Martin Wires Private Limited	(11)	(44)
	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(c) Key managerial personnel</b>		
<b>Key management personnels' remuneration #</b>		
Mr. Rajeev Jhawar	122	123
Mr. P. K. Jain	-	15
Mr. Anirban Sanyal	75	79
Ms. Shampa Ghosh Ray	49	50
Mr. Dhruv Jyoti Basu	66	48
Mr. Devadip Bhowmik	89	4
<b>Total</b>	<b>401</b>	<b>319</b>
<b>Directors' sitting fees</b>		
Mr. Brij K Jhawar	-	1
Mrs. Ramni Nirula	13	4
Mr. Vijay Singh Bapna	14	5
Mr. V. Ramakrishna Iyer	9	3
Mr. Mukesh Rambihari Rohatgi	12	8
Mr. S. Ravi	5	-
<b>Total</b>	<b>53</b>	<b>21</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Remuneration to Key management personnel:</b>		
<b>(c i) Salary, bonus and perquisites</b>		
Mr. Rajeev Jhawar	101	105
Mr. P. K. Jain	-	15
Mr. Anirban Sanyal	70	75
Ms. Shampa Ghosh Ray	46	48
Mr. Dhruv Jyoti Basu	58	41
Mr. Devadip Bhowmik	85	4
<b>Total</b>	<b>360</b>	<b>288</b>
<b>(c ii) Contribution to provident and other funds</b>		
Mr. Rajeev Jhawar	21	18
Mr. Anirban Sanyal	5	4
Ms. Shampa Ghosh Ray	3	2
Mr. Dhruv Jyoti Basu	8	7
Mr. Devadip Bhowmik	4	*
<b>Total</b>	<b>41</b>	<b>31</b>
<b>(d) Others</b>		
<b>Contribution to employees provident fund trust</b>		
Usha Martin Employees Provident Fund Trust	387	333

# Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. As the future liability for gratuity and leave is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

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

### (iii) Balance outstanding at the year end

Name of the related party	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Substantial interest in the voting power of the entity</b>		
<b>Investments in equity shares</b>		
UMI Special Steel Limited	*	*
<b>Subsidiary Companies</b>		
<b>Corporate/other guarantees given</b>		
Usha Siam Steel Industries Public Company Limited	3,268	2,011
Brunton Wire Ropes FZCO.	2,229	1,572
<b>Total</b>	<b>5,497</b>	<b>3,583</b>
<b>Trade receivables</b>		
Usha Martin Americas Inc.	777	2,054
Usha Martin UK Limited	3,593	2,278
Usha Martin Vietnam Co. Limited	52	-
Usha Martin Australia Pty Limited	490	320
Usha Siam Steel Industries Public Company Limited	255	198
Usha Martin Singapore Pte. Limited	4,302	3,345
Brunton Wire Ropes FZCO.	3,776	2,973
Gustav Wolf Speciality Cords Limited	593	61
<b>Total</b>	<b>13,838</b>	<b>11,229</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

Name of the related party	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Other financial assets</b>		
Usha Siam Steel Industries Public Company Limited	9	296
Usha Martin Singapore Pte. Limited	3	6
Brunton Wire Ropes FZCO.	5	2
Usha Martin Americas Inc.	1	4
Usha Martin International Limited	6	33
U M Cables Limited	-	12
<b>Total</b>	<b>23</b>	<b>353</b>
<b>Trade payables</b>		
Usha Martin International Limited	60	135
Usha Martin Americas Inc.	12	11
Usha Martin UK Limited	-	9
Usha Siam Steel Industries Public Company Limited	-	1
Brunton Wire Ropes FZCO.	32	47
<b>Total</b>	<b>104</b>	<b>203</b>
<b>Other liabilities</b>		
Usha Siam Steel Industries Public Company Limited	2	-
Usha Martin Singapore Pte. Limited	-	17
Gustav Wolf Speciality Cords Limited	-	2
<b>Total</b>	<b>2</b>	<b>19</b>
<b>Other financial liabilities</b>		
Gustav Wolf Speciality Cords Limited	-	103
<b>Loans and advances given (long-term/short-term)</b>		
Usha Siam Steel Industries Public Company Limited	1,140	1,170
U M Cables Limited	1,190	665
<b>Total</b>	<b>2,330</b>	<b>1,835</b>
<b>Accrued interest on loan to subsidiaries</b>		
Usha Siam Steel Industries Public Company Limited	-	15
<b>Investments in equity shares</b>		
Usha Martin International Limited	6,181	6,181
Usha Martin Americas Inc.	1,660	1,660
Usha Martin Power and Resources Limited	4	4
Usha Siam Steel Industries Public Company Limited	2,620	2,620
Usha Martin Singapore Pte. Limited	268	268
Brunton Wire Ropes FZCO.	1,777	1,777
U M Cables Limited	1,271	1,271
Gustav Wolf Speciality Cords Limited	168	168
<b>Total</b>	<b>13,949</b>	<b>13,949</b>
<b>Letter of comfort</b>		
U M Cables Limited	3,437	-
Usha Martin Singapore Pte Limited	4,017	-
<b>Total</b>	<b>7,454</b>	<b>-</b>



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

Name of the related party	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Joint venture</b>		
<b>Trade receivables</b>		
Pengg Usha Martin Wires Private Limited	60	49
<b>Letter of comfort</b>		
Pengg Usha Martin Wires Private Limited	3,818	2,934
<b>Investments in equity shares</b>		
Pengg Usha Martin Wires Private Limited	1,080	1,080
CCL Usha Martin Stressing Systems Limited	31	31
<b>Total</b>	<b>1,111</b>	<b>1,111</b>
<b>Trade payable</b>		
Pengg Usha Martin Wires Private Limited	-	3
<b>Other liabilities</b>		
Pengg Usha Martin Wires Private Limited	118	-
<b>Key managerial personnel</b>		
<b>Corporate/other guarantees given</b>		
Mr. Rajeev Jhawar	16,864	22,914
<b>Others</b>		
<b>Contribution to employees provident fund trust</b>		
Usha Martin Employees Provident Fund Trust	115	112

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

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions with third parties. Outstanding balances at the year-end are unsecured and settlement occurs through normal banking channels. For the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 33 A. Fair value measurement

The following table provides the fair value hierarchy of the Company's assets and liabilities:

#### (a) Financial instruments by category

	As at 31 <sup>st</sup> March, 2022				As at 31 <sup>st</sup> March, 2021			
	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value
<b>Financial assets</b>								
Investments	5	15,060	15,065	15,065	5	15,060	15,065	15,065
Trade receivables	-	24,710	24,710	24,710	-	21,718	21,718	21,718
Cash and cash equivalents	-	9,676	9,676	9,676	-	385	385	385
Other bank balances	-	295	295	295	-	541	541	541
Loans	-	2,479	2,479	2,479	-	1,962	1,962	1,962
Other financial assets including derivatives	11	11,943	11,954	11,954	80	20,149	20,229	20,229
<b>Total financial assets</b>	<b>16</b>	<b>64,163</b>	<b>64,179</b>	<b>64,179</b>	<b>85</b>	<b>59,815</b>	<b>59,900</b>	<b>59,900</b>
<b>Financial liabilities</b>								
Borrowings (including current maturities)	-	16,254	16,254	16,254	-	29,223	29,223	29,223
Lease liabilities	-	125	125	125	-	35	35	35
Trade payables	-	17,520	17,520	17,520	-	23,996	23,996	23,996
Derivatives	9	-	9	9	-	-	-	-
Other financial liabilities	-	5,008	5,008	5,008	-	6,694	6,694	6,694
<b>Total financial liabilities</b>	<b>9</b>	<b>38,907</b>	<b>38,916</b>	<b>38,916</b>	<b>-</b>	<b>59,948</b>	<b>59,948</b>	<b>59,948</b>

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The model incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at 31<sup>st</sup> March, 2022, the mark-to-market value of other derivative assets/liabilities positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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





## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### (b) Quantitative disclosures of fair value measurement hierarchy for assets and liabilities

Financial assets and liabilities measured at fair value at 31 <sup>st</sup> March, 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	5	5
Derivative financial assets	-	11	-	11
<b>Financial liabilities</b>				
Derivative financial liabilities	-	9	-	9

Financial assets and liabilities measured at fair value at 31 <sup>st</sup> March, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	5	5
<b>Financial liabilities</b>				
Derivative financial liabilities	-	80	-	80

#### Notes:

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

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

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

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

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

### 33 B. Financial risk management objectives and policies

#### Risk management framework

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

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

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

#### (a) Credit risk

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

The Company controls its own exposure to credit risk. All external customers undergo a creditworthiness check. The Company performs an on-going assessment and monitoring of the financial position and the risk of default. Based on the aforesaid checks, monitoring and historical data, the Company does not perceive any significant credit risk on trade receivables. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

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



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

Trade Receivable aggregating Rs. 8,078 lakhs (31<sup>st</sup> March, 2021: Rs. 6,318) from two customers, each contributes to more than 10% of outstanding trade receivables as at 31<sup>st</sup> March, 2022.

The maximum exposure to the credit risk at the reporting date is the carrying value of all financial assets amounting to Rs. 64,179 lakhs (31<sup>st</sup> March, 2021 : Rs. 59,900 lakhs) as disclosed in note 33A(a).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Movement in the allowance for credit impaired trade receivables is given in Note 9(i).

The details of year-end trade receivables which were past due but not impaired as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is given in Note 9(i).

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations arise when a number of counterparties are engaged in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### (b) Liquidity risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on the due date. The Company has liquidity risk monitoring processes covering short-term, mid-term and long-term funding. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of committed credit facilities and loan funds. Management regularly monitors projected and actual cash flow data, analyses the repayment schedules of the existing financial assets and liabilities and performs annual detailed budgeting procedures coupled with rolling cash flow forecasts.

The contractual maturities of the Company's financial liabilities are presented below:-

31 <sup>st</sup> March, 2022	Contractual cash flows				Total
	Less than 1 year	1-3 years	3-8 years	Above 8 years	
<b>Non-derivative financial liabilities</b>					
Borrowings *	5,201	10,176	3,584	-	18,961
Trade payables	17,520	-	-	-	17,520
Other financial liabilities	5,017	-	-	-	5,017
Lease liabilities	34	9	19	63	125
<b>Derivative financial liabilities</b>	9	-	-	-	9
<b>Total</b>	<b>27,781</b>	<b>10,185</b>	<b>3,603</b>	<b>63</b>	<b>41,632</b>



## Notes

to the standalone financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

31 <sup>st</sup> March, 2021	Contractual cash flows				Total
	Less than 1 year	1-3 years	3-8 years	Above 8 years	
<b>Non-derivative financial liabilities</b>					
Borrowings *	12,791	12,763	9,422	-	34,976
Trade payables	23,996	-	-	-	23,996
Other financial liabilities	6,694	-	-	-	6,694
Lease liabilities	14	4	7	10	35
<b>Derivative financial liabilities</b>	-	-	-	-	-
<b>Total</b>	<b>43,495</b>	<b>12,767</b>	<b>9,429</b>	<b>10</b>	<b>65,701</b>

\* Includes non-current borrowings, current borrowings, current maturities of non-current borrowings and interest obligations.

The amount of guarantees given on behalf of subsidiaries included in note 30C(i) represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

### (c) Market risk

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

#### (c.1) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

A reasonably possible strengthening/weakening of the Indian Rupee against such foreign currency (converted to US Dollars) as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 would have affected profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

	Changes in USD rate	Unhedged foreign currency receivables/ (payables) (net)	Effect on profit/ (loss) before Tax	Impact on Equity
<b>31<sup>st</sup> March, 2022</b>	10%	7,845	785	785
	(10)%		(785)	(785)
31 <sup>st</sup> March, 2021	10%	6,314	631	631
	(10)%	-	(631)	(631)

### Derivative financial instruments

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

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Less than 1 year		
Forward contract to cover both present and future foreign currency exposures :		
Export receivables	6,828	6,265



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(All amounts in Rs. lakhs unless stated otherwise)

### (c.2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

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

The exposure of the Company's financial assets and financial liabilities as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 to interest rate risk is as follows :

Financial Assets	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
<b>31<sup>st</sup> March, 2022</b>	64,179	-	13,292	50,887
31 <sup>st</sup> March, 2021	59,900	-	3,867	56,033

Financial liabilities	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
<b>31<sup>st</sup> March, 2022</b>	38,916	23,802	125	14,989
31 <sup>st</sup> March, 2021	59,948	38,763	35	21,150

If the interest rates applicable to floating rate instruments is increased/decreased by 1%, the profit before tax for the year ended 31<sup>st</sup> March, 2022 (and corresponding impact on equity) would decrease/(increase) by Rs. 238 lakhs (31<sup>st</sup> March, 2021 : Rs. 388 lakhs) on an annualised basis. This assumes that the amount and mix of fixed and floating rate debt remains unchanged during the year from that in place as at year end.

### (c.3) Commodity price risk

The Company's revenue is exposed to the risk of price fluctuations related to the sale of its wire & wire rope products. Market forces generally determine prices for such products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of wire & wire rope products.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices of wire rods, zinc, lead, lubricants, core and other raw material inputs. The Company purchased substantially all of coal requirements from third parties in the open market during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively.

The Company does not have any commodity forward contract for Commodity hedging.

The following table details the Company's sensitivity to a 5% movement in the input price of wire rod and zinc. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity, and the balances below are negative.

Impact for a 5% change on the statement of profit and loss

Particulars	Increase	Decrease
<b>31<sup>st</sup> March, 2022</b>		
Wire Rod	(4,496)	4,496
Zinc	(254)	254
31 <sup>st</sup> March, 2021		
Wire Rod	(3,202)	3,202
Zinc	(177)	177



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(All amounts in Rs. lakhs unless stated otherwise)

### 33 C. Derivative Financial Instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### 33 D. Capital management

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

The Company manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Company may pay dividend or repay debts, raise new debt or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents as follows:

The following table summarises the capital of the Company -

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Cash and cash equivalents [refer note 9 (ii)]	9,676	385
Other bank balances [refer note 9 (iii)]	295	541
<b>Total cash (a)</b>	<b>9,971</b>	<b>926</b>
Non-current borrowings [refer note 13(i)]	12,104	18,629
Current borrowings [refer note 16 (i)]	4,150	10,594
<b>Total borrowings (b)</b>	<b>16,254</b>	<b>29,223</b>
<b>Net debt (c = b-a)</b>	<b>6,283</b>	<b>28,297</b>
Total equity	92,752	71,436
<b>Total capital (equity + net debt) (d)</b>	<b>99,035</b>	<b>99,733</b>
<b>Gearing ratio (c/d)</b>	<b>6%</b>	<b>28%</b>

**34(i)** The Company was allocated two coal blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Hon'ble Supreme Courts' order dated 24<sup>th</sup> 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 were cancelled with effect from 24<sup>th</sup> September, 2014 in case of Lohari Coal Block and 1<sup>st</sup> April, 2015 in the case of Kathautia Coal Block.

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



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(All amounts in Rs. lakhs unless stated otherwise)

At the year-end, the Company is carrying an aggregate amount of Rs. 1,314 lakhs (net provision/impairment charge of Rs. 3,704 lakhs) as assets held for sale/advance against land, which consists of assets in the form of land, movable and immovable properties, advances etc. as follows:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Assets held for sale <sup>#</sup>	1,131	1,131
Advance against Land-coal mines under other non-current assets <sup>##</sup>	Nil	Nil
Advances against land-coal mines under other financial assets <sup>###</sup>	183	183
<b>Total</b>	<b>1,314</b>	<b>1,314</b>

<sup>#</sup> Net of impairment Rs. 809 lakhs (31<sup>st</sup> March, 2021 : Rs. 809 lakhs).

<sup>##</sup> Net of impairment Rs. 2,851 lakhs (31<sup>st</sup> March, 2021 : Rs. 2,851 lakhs).

<sup>###</sup> Net of discounting Rs. 44 lakhs ( 31<sup>st</sup> March 2021: 44 lakhs).

The Company's application before the Hon'ble, Delhi High Court for recovery of Rs. 227 lakhs (31<sup>st</sup> March, 2021 : Rs. 227 lakhs) which after discounting stands at Rs. 183 lakhs (31<sup>st</sup> March, 2021 : Rs. 183 lakhs) as at the year end. Based on its assessment which is supported by a legal opinion obtained, the management is confident of recovery of the amount. Further, the Company is also engaged in ongoing negotiations with the party to whom the aforesaid Coal Blocks were subsequently allotted for realization of compensation/investments in the mines. Land parcels aggregating Rs. 1,131 lakhs are in the process of being transferred in the name of the Company for which necessary proceedings before a Civil Court are ongoing pending completion due to pandemic. Management expects that such proceedings will be completed before end of next year and the Company will be able to transfer such land parcels to new allocatee for recovery of the agreed consideration. Accordingly, this has been disclosed as "Asset held for sale" as at 31<sup>st</sup> March, 2022.

After taking into consideration the reasons as stated above, management is of the opinion that the realizable value of aforesaid assets will not be less than their carrying values.

### Title deeds of Assets held for sale not in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at 31 <sup>st</sup> March, 2022	Gross carrying value as at 31 <sup>st</sup> March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Assets held for sale	Freehold Land	282	282	Mr. V. Mishra, Mr. B. Tiwary, Mr. B. Lal, Mr. D. Agarwal, Mr. V. Kashyap, Mr. S. Verma	No	Various tranches between 2005-2013	Being transferred in the name of the Company through a legal process

### 34(ii) Discontinued operations

Pursuant to the Business Transfer Agreement dated September 22, 2018, Novation agreement on October 24, 2018 and Supplemental Business Transfer Agreements 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 a prior year in accordance with the terms and conditions set out in those agreements. An amount of Rs. 16,000 lakhs (subject to net working capital adjustments) was receivable at the commencement of the year in respect of certain parcels of land for which perpetual lease and license agreements had been executed by the Company in favour of TSLPL pending completion of ongoing formalities for registration of such land in the name of TSLPL. During the year, the Company has received Rs. 5,418 lakhs (net of adjustment of Rs. 1,226 lakhs towards final settlement of net working capital) on transfer of some of those parcels of land in the name of TSLPL. The balance amount receivable as at March 31, 2022 is Rs. 9,356 lakhs in respect of aforesaid land parcels.



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

The details of discontinued operations for the year ended March 31, 2021 are as follows:

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Total income <sup>@</sup>	-	3,222
Total expenses <sup>#</sup>	-	3,666
<b>Loss for the year from discontinued operations before tax</b>	-	<b>(444)</b>
<b>Tax expenses of discontinued operations</b>	-	-
<b>Loss for the year from discontinued operations</b>	-	<b>(444)</b>

<sup>@</sup> Primarily includes liabilities/provisions no longer required written back pertaining to discontinued business

<sup>#</sup> Primarily includes expenses incurred during the year in connection with recovery of dues/settlement of obligations pertaining to the assets/liabilities of the discontinued business and transfer of remaining assets to TSLPL, as mentioned above.

For disclosure on earnings per share from discontinued operations, refer note 28.

### 35A. Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015

Loans and advances in the nature of loans to subsidiaries

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Loans to subsidiaries :</b>		
<b>(a) Usha Siam Steel Industries Public Company Limited</b>		
Balance as at the year end *	1,140	1,170
Maximum amount outstanding at any time during the year	1,189	1,222
<b>(b) UM Cables Limited</b>		
Balance as at the year end	1,190	665
Maximum amount outstanding at any time during the year	1,190	1,265

The aforesaid loanees have not made any investments in the shares of the Company.

All the above loans and advances have been given for business purposes.

Loan amount above does not include interest receivable.

\*No repayment schedule, fall under the category of non-current and are re-payable after more than 1 year

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

### 35B. Details of loans given, investments made and guarantee given covered under section 186 (4) of the Companies Act, 2013 Loans given and investments made are given under the respective heads.

Corporate guarantees given by the Company in respect of loans are stated in note 32(iii). All the said corporate guarantees have been given for business purpose.



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(All amounts in Rs. lakhs unless stated otherwise)

### 36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT 2006 (MSMED)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
(i) Principal amount due to micro and small enterprise	777	217
(ii) Interest due on above	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	5	5
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

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

### 37. COMPANY INFORMATION

(a) The Company has following subsidiaries and joint ventures for which the Company prepares Consolidated Financial Statements as per Ind AS 110: Consolidated Financial Statements.

	Country of incorporation	% of equity interest as on	
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Information about subsidiaries</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	India	100%	100%
<b>Overseas:</b>			
Usha Martin International Limited	United Kingdom	100%	100%
Usha Martin UK Limited <sup>®</sup>	United Kingdom	100%	100%
European Management and Marine Corporation Limited <sup>®</sup>	United Kingdom	100%	100%
Brunton Shaw UK Limited <sup>®</sup>	United Kingdom	100%	100%
De Ruiters Staalkabel B.V. <sup>®</sup>	Netherlands	100%	100%
Usha Martin Europe B.V. <sup>®</sup>	Netherlands	100%	100%
Usha Martin Italia S.R.L. <sup>®</sup>	Italy	100%	100%
Brunton Wire Ropes FZCO. (BWR)	United Arab Emirates, Dubai	100%	100%
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 <sup>®</sup>	Australia	100%	100%
Usha Martin Vietnam Company Limited <sup>®</sup>	Vietnam	100%	100%
PT Usha Martin Indonesia <sup>®</sup>	Indonesia	100%	100%
Usha Martin China Company Limited <sup>®</sup>	China	100%	100%





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	Country of incorporation	% of equity interest as on	
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Information about joint ventures</b>			
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	49.99%	49.99%
Tesac Usha Wirerope Company Limited*	Thailand	50%	50%

@ Represents step-down subsidiaries

\* Represents step-down joint venture

- 38. a)** 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, State of Jharkhand being used by the Company for its business 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 mining 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 has 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. In response to the provisional attachment order, the Company had submitted its reply before the Adjudicating Authority (AA). Subsequently, AA had issued an order by way of which the provisional attachment was 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 which continues till the next date of hearing that is now fixed on August 5, 2022. In May 2021, the ED had filed a complaint before the District and Sessions Judge Cum Special Judge (CBI), Ranchi against the Company and one of its Officers. In response to the said complaint and summons received by the Company and its Officer pursuant to order dated May 20, 2021, the Company had filed a quashing petition before the Hon’ble Jharkhand High Court which has been dismissed vide order dated November 3, 2021 in which the Hon’ble Court has stated that the facts of the case are voluminous and “the Court is not required to make a roving enquiry and discuss the evidences for coming to a conclusion that no prima-facie case is made out, at this stage, which is against the mandate of law.” Subsequently on a Special Leave Petition filed by the Company against the aforesaid order of the Hon’ble Jharkhand High Court, the Hon’ble Supreme Court has vide order dated December 15, 2021 granted interim protection to the Company from arrest and stayed the summoning order dated May 20, 2021. The ongoing operations of the Company have not been affected by the aforesaid proceedings. Supported by a legal opinion obtained, management believes that the Company has a strong case in its favour on merit and law. Accordingly, no adjustment to these financial results in this regard have been considered necessary by the management.



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- b) On October 2, 2020, Central Bureau of Investigation (CBI) had filed a First Information Report (FIR) against the Company, its Managing Director and certain Other Officers under the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860 for allegedly trying to influence ongoing CBI investigation pertaining to the proceedings mentioned in 38(a) above. The Company strongly refutes the aforesaid allegations made by the CBI. During the quarter ended September 2021, the CBI had submitted necessary sanction with the designated CBI Court for cognizance of offence in terms of the interim charge sheet. Such cognizance is yet to be taken and the matter is under investigation. The Company has been providing information sought by the CBI in this regard and intends to take such legal measures as may be considered necessary based on the outcome of the ongoing investigation. Supported by a legal opinion obtained, management believes that the Company has a strong case in its favour on merit and law.
- 39.** Based on the Company's internal structure and information reviewed by the Chief Operating Decision Maker to assesses the Company's financial performance, the Company is engaged solely in the business of manufacture and sale of wire, wire ropes and allied products. Accordingly, the Company has only one operating segment, i.e., "Wire & Wire Ropes".
- 40.** Exceptional item for the year Rs. 3,118 lakhs represents subsidy received by the Company from the Government of Jharkhand under the Jharkhand Industrial and Investment Policy, 2016 in respect of eligible capital investments made by the Company till 2016 pertaining to its erstwhile steel business. The steel business having been sold off in a prior year, as explained in Note 34(ii) above, the aforesaid amount has been considered as income for the year.
- 41.** The National Company Law Tribunal (NCLT), Kolkata has vide order dated March 31, 2022 approved the Scheme of Arrangement filed by the Company in accordance with the provisions of section 230 and other applicable provisions of the Companies Act, 2013. Subsequent to the year-end, the Company has also filed the said order with the Registrar of Companies, West Bengal. In accordance with the said Scheme of Arrangement, accumulated losses/negative balance of retained earnings aggregating Rs. 80,781 lakhs have been adjusted against outstanding balances in Securities Premium Rs. 71,777 lakhs, Capital Redemption Reserve Rs. 2,285 lakhs, Capital Reserve Rs. 369 lakhs and Other Reserves Rs. 6,350 lakhs. The financial position of the Company as at March 31, 2022 reflect the said adjustments.
- 42.** The Board of Directors of the Company have recommended a final dividend of Rs. 2/- per fully paid-up Equity Share of Re 1/- each for the financial year ended 31<sup>st</sup> March, 2022 (31<sup>st</sup> March, 2021: Rs. Nil). The final dividend is subject to the approval of shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### 43. ANALYTICAL RATIOS AS AT 31<sup>ST</sup> MARCH, 2022 AND 31<sup>ST</sup> MARCH, 2021

Ratio	Numerator	Denominator	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	Variance	Reason for variance
(a) Current Ratio	Current Asset	Current Liabilities	2.07	1.44	44%	Increased due to increase in inventory and reduction in trade payable and current borrowings of the Company.
(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.18	0.41	-57%	Decreased due to repayment and prepayment of term loans and increase in profits of the Company.
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	1.67	1.51	10%	Increased due to reduction in overall borrowings of the Company.
(d) Return on Equity Ratio	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	25.74%	15.12%	70%	Increased due to improved profitability and one time exceptional income.
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	4.05	3.37	20%	Increased due to increased cost of goods sold of the Company in line with increased turnover.
(f) Trade Receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	7.80	6.74	16%	Increased due to increase in turnover of the Company.
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	6.95	3.95	76%	Increased due to increase in expenses in line with overall increase in activities and reduction in trade creditors to avail better commercial terms.
(h) Net capital turnover ratio	Net Sales	Working Capital	4.28	6.08	-30%	Decreased due to increase in turnover and decrease in trade creditors and current borrowings of the Company.
(i) Net profit ratio	Net Profit	Net Sales	11.67%	7.47%	56%	Increased due to better product mix, one time exceptional income and reduction in finance costs.
(j) Return on Capital employed	Earning before interest and taxes	Capital Employed	26.15%	17.00%	54%	Increased due to higher volumes, better product mix and one time exceptional income.

Return on Investment is not relevant for the Company.



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(All amounts in Rs. lakhs unless stated otherwise)

### 44. OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

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

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration number: 301003E/E300005

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

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

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737

Place: Kolkata  
Date: 30<sup>th</sup> April, 2022



# Independent Auditor's Report

To the Members of [Usha Martin Limited](#)

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Usha Martin Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2022, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to Note 41(a) 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 Rs 19,037 lakhs allegedly in contravention of terms of the mining 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 and the on-going proceedings before the Hon'ble Supreme Court of India, no adjustment to these consolidated Ind AS financial statements in this regard have been considered necessary by the management.

Further, as explained in Note 41(b), a First Information Report (FIR) has been filed by Central Bureau of Investigation (CBI) against the Company, its Managing Director and certain Other Officers under the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860 for allegedly trying to influence ongoing CBI investigation pertaining to the proceedings mentioned in note 41(a). The matter is currently pending investigation and the Company intends to take such legal measures as necessary based on the outcome of the ongoing investigation.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.



## Independent Auditor's Report (contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition</b> (as described in Note 2A(d) and 24 of the consolidated Ind AS financial statements)</p> <p>For the year ended March 31, 2022, the Group has recognized revenue from operations of Rs. 2,68,807 lakhs. Revenue from contract with customers (hereinafter referred to as 'Revenue') is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group is entitled to in exchange for those goods or services.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. The risk is therefore, that revenue is not recognized in accordance with Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from contracts with customers").</li> <li>Obtained an understanding of revenue process including testing the design and operating effectiveness of controls related to revenue recognition.</li> <li>Performed procedures for a sample of revenue transactions at year end to assess whether they were recognized at the correct period by corroborating terms of sales arrangement and date of revenue recognition to third party support such as bills of lading, lorry receipt etc.</li> <li>Compared revenue with historical trends and where appropriate, conducted further enquiries and testing to corroborate unusual variances noted.</li> <li>Assessed disclosures in financial statements in respect of revenue as specified in Ind AS 115.</li> </ul>
<p><b>Provisions and Contingencies</b> (as described in Note 2A(n), Note 19 and Note 32(c) of the consolidated Ind AS financial statements)</p> <p>The Group has accrued liabilities of Rs. 3,116 lakhs as shown in Note 19 and disclosed in Note 32(c) contingent liabilities of Rs. 39,571 lakhs as at March 31, 2022.</p> <p>Claims and exposures relating to litigation have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the consolidated Ind AS financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p> <p>Accordingly, it has been considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Obtained listing of all disputes pending before various judicial or relevant tax / regulatory authorities.</li> <li>Enquired and discussed the above listing with Head of Legal and Heads of relevant Functions to assess the completeness and management position with regard to the probability of unfavorable outcome of disputes and provision recognised towards matter under disputes.</li> <li>Engaged with our relevant inhouse tax specialists for taxation matters under dispute to assess management's position of outcome of significant cases and provisions recognised. Assessed the objectivity and competence of the in-house and external specialists.</li> <li>Reviewed opinions obtained by the management from relevant external legal experts to assess management's position of outcome of significant matters under dispute and provisions recognized.</li> <li>Assessed the relevant disclosures made within the consolidated Ind AS financial statements as per the requirements of relevant accounting standards.</li> </ul>



### Other Information

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

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

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

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the

consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

## Independent Auditor's Report (contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

We did not audit the financial statements and other financial information, in respect of nineteen subsidiaries, whose financial statements include total assets of Rs. 1,60,313 lakhs as at March 31, 2022, and total revenues of Rs. 1,57,982 lakhs and net cash outflows of Rs. 3,799 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 840 lakhs for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of three joint ventures, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act,





based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'Other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and its joint ventures, incorporated in India, is disqualified as on March 31, 2022 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 with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:



## Independent Auditor's Report (contd.)

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated Ind AS financial statements – Refer Note 19 and 32(c) to the consolidated Ind AS financial statements;
- ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures, incorporated in India during the year ended March 31, 2022.
- iv. a) The respective managements of the Holding Company and its subsidiaries and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- b) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and joint ventures which are companies



incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v) The final dividend paid by a joint venture company incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 44 to the consolidated financial statements, the respective Board of Directors of the Holding Company and a joint venture company, incorporated in India have proposed

final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

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

per **Bhaswar Sarkar**  
Partner  
Membership Number: 055596  
UDIN: 22055596AIEJCW7901  
Place of Signature: Kolkata  
Date: April 30, 2022



## Annexure 1

referred to in paragraph under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

### Re: Usha Martin Limited (the “Holding Company”)

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditors of the subsidiary companies and joint ventures incorporated in India, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the subsidiary companies and joint ventures incorporated in India included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Usha Martin Power & Resources Limited	U74999WB2008PLC126847	Subsidiary	Clause xvii
2	Bharat Minex Private Limited	U13203WB2007PTC168604	Subsidiary	Clause xvii

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership Number: 055596

UDIN: 22055596AIEJCW7901

Place of Signature: Kolkata

Date: April 30, 2022



## Annexure 2

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Usha Martin Limited

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

In conjunction with our audit of the consolidated financial statements of Usha Martin Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the companies included in the Group and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

(the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted



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

#### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

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

#### **Opinion**

In our opinion, the Group and its joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these four subsidiaries and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint ventures incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership Number: 055596

UDIN: 22055596AIEJCW7901

Place of Signature: Kolkata

Date: April 30, 2022



# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Notes	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	80,387	81,692
(b) Capital work-in-progress	3	3,789	4,483
(c) Investment property	4	373	705
(d) Goodwill on consolidation		5,522	5,522
(e) Other intangible assets	5	242	587
(f) Right-of-use assets	6	4,781	4,666
(g) Intangible assets under development	5	55	40
(h) Equity accounted investments	7(i)	5,635	4,842
(i) Financial assets			
(i) Investments	7(ii)	5	5
(ii) Loans	7(iii)	588	633
(iii) Other financial assets	7(iv)	2,844	3,303
(j) Income tax assets (net)	8	3,000	5,212
(k) Deferred tax assets (net)	9	1,254	2,890
(l) Other assets	10	6,862	6,614
<b>Total non-current assets</b>		<b>115,337</b>	<b>121,194</b>
<b>Current assets</b>			
(a) Inventories	11	79,743	67,169
(b) Financial assets			
(i) Trade receivables	12(i)	41,409	32,753
(ii) Cash and cash equivalents	12(ii)	15,438	9,946
(iii) Other bank balances	12(iii)	1,030	1,941
(iv) Loans	12(iv)	103	95
(v) Other financial assets	12(v)	10,848	18,935
(c) Other assets	13	9,090	7,079
<b>Total current assets</b>		<b>157,661</b>	<b>137,918</b>
<b>Assets held for sale</b>	37(i)	<b>1,290</b>	<b>1,417</b>
<b>TOTAL</b>		<b>274,288</b>	<b>260,529</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	3,054	3,054
(b) Other equity	15	166,313	137,296
<b>Equity attributable to equity shareholders of the parent</b>		<b>169,367</b>	<b>140,350</b>
Non-controlling interests		363	357
<b>Total equity</b>		<b>169,730</b>	<b>140,707</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16(i)	18,854	23,739
(ii) Lease liabilities	16(ii)	4,032	3,896
(iii) Other financial liabilities	16(iii)	20	36
(b) Provisions	17	5,588	5,780
(c) Deferred tax liabilities (net)	18	2,461	2,287
(d) Other liabilities	19	3,116	3,015
<b>Total non-current liabilities</b>		<b>34,071</b>	<b>38,753</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20(i)	17,792	24,922
(ii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	20(ii)	861	243
(B) Total outstanding dues of creditors other than micro and small enterprises	20(ii)	28,642	35,987
(iii) Lease liabilities	20(iii)	461	425
(iv) Other financial liabilities	20(iv)	7,963	9,207
(b) Provisions	21	946	933
(c) Income tax liabilities (net)	22	2,978	249
(d) Other liabilities	23	10,844	9,103
<b>Total current liabilities</b>		<b>70,487</b>	<b>81,069</b>
<b>Total liabilities</b>		<b>104,558</b>	<b>119,822</b>
<b>TOTAL</b>		<b>274,288</b>	<b>260,529</b>

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 301003E/E300005

per **Bhaswar Sarkar**

Partner

Membership No.: 055596

Place: Kolkata

Date: 30<sup>th</sup> April 2022

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

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Dhrub Jyoti Basu**

Whole Time Director

DIN: 02498037

**Anirban Sanyal**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS: 16737



# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Notes	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Income</b>			
Revenue from operations	24	268,807	209,728
Other income	25	3,524	2,894
<b>Total income</b>		<b>272,331</b>	<b>212,622</b>
<b>Expenses</b>			
Cost of materials consumed		152,845	115,294
Purchase of stock-in-trade		1,628	819
Changes in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product		(5,755)	963
Employee benefits expense	26	33,023	29,801
Finance costs	27	4,246	5,690
Depreciation and amortisation expense	28	6,975	6,787
Other expenses	29	48,699	34,489
<b>Total expenses</b>		<b>241,661</b>	<b>193,843</b>
<b>Profit before exceptional items and tax from continuing operations</b>		<b>30,670</b>	<b>18,779</b>
Exceptional item	42	3,118	-
<b>Profit before tax from continuing operations</b>		<b>33,788</b>	<b>18,779</b>
<b>Tax expenses of continuing operations</b>	9(a)(i)		
(1) Current tax		3,688	941
(2) Adjustment of tax relating to earlier years		(26)	(1)
(3) Deferred tax		1,823	2,704
		<b>5,485</b>	<b>3,644</b>
<b>Profit before share of profit of joint ventures from continuing operations</b>		<b>28,303</b>	<b>15,135</b>
Share of profit of joint ventures, net of tax		840	459
<b>Profit after share of profit of joint ventures from continuing operations</b>		<b>29,143</b>	<b>15,594</b>
<b>Discontinued operations</b>	37(ii)		
Loss for the year before tax from discontinued operations		-	(444)
Tax expenses of discontinued operations		-	-
<b>Loss for the year from discontinued operations</b>		<b>-</b>	<b>(444)</b>
<b>Profit for the year (from continuing and discontinued operations) (I)</b>		<b>29,143</b>	<b>15,150</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined employee benefit plans		280	(394)
Income tax effect on the above		(67)	53
Items that will be reclassified to profit or loss			
Exchange differences on translation of financial statements of foreign operations		(323)	2,231
<b>Total other comprehensive income/(loss) for the year, net of tax (II)</b>		<b>(110)</b>	<b>1,890</b>
<b>Total comprehensive income for the year (I+II)</b>		<b>29,033</b>	<b>17,040</b>
<b>Profit for the year attributable to:</b>			
Equity shareholders of the parent		29,127	14,959
Non-controlling interest		16	191
<b>Other comprehensive income/(loss) attributable to:</b>			
Equity shareholders of the parent		(110)	1,898
Non-controlling interest		-	(8)
<b>Total comprehensive income for the year attributable to:</b>			
Equity shareholders of the parent		29,017	16,857
Non-controlling interest		16	183
<b>Basic and diluted earnings per equity share [Nominal value per share Re 1 each (31<sup>st</sup> March, 2021 - Re 1 each)]</b>	30		
(a) From continuing operations - (Rs.)		9.56	5.06
(b) From discontinued operations - (Rs.)		-	(0.15)
(c) From continuing and discontinued operations - (Rs.)		9.56	4.91

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S. R. Battiboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration number: 301003E/E300005

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

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

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**Dhruv Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737

Place: Kolkata  
Date: 30<sup>th</sup> April 2022





# Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations before share of profit of joint ventures from continuing operations	33,788	18,779
Loss before tax from discontinued operations	-	(444)
<b>Profit for the year (from continuing and discontinued operations)</b>	<b>33,788</b>	<b>18,335</b>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	6,975	6,787
(Gain) on disposal of property, plant and equipment [net of loss on disposal of property, plant and equipment of Rs. 416 lakhs (31 <sup>st</sup> March, 2021: Rs. 2 lakhs)]	(92)	(73)
Unrealised derivative loss/(gain) [net]	39	(447)
Finance costs	4,246	5,690
Bad Debts/advances written off	79	83
Allowance for credit impaired debts and advances [net of reversal of Rs. 217 lakhs (31 <sup>st</sup> March, 2021: Rs. 42 lakhs)]	259	989
Tangible assets/capital work-in-progress written off	34	1
Interest income on financial assets carried at amortised cost	(489)	(369)
Unrealised foreign exchange differences [net]	(73)	570
Effect of change in foreign exchange translation	(100)	560
Liabilities no longer required written back	(899)	(3,806)
Discounting of financial assets	94	154
Investment subsidy received (refer note 42)	(3,118)	-
<b>Operating profit before changes in non-current/current assets and liabilities</b>	<b>40,743</b>	<b>28,474</b>
Adjustments for:		
(Increase)/decrease in inventories	(12,639)	(5,646)
(Increase)/decrease in trade receivables	(9,019)	(4,593)
(Increase)/decrease in loans and advances	(19)	13
(Increase)/decrease in other financial assets	1,545	(471)
(Increase)/decrease in other assets	(2,176)	1,028
Increase/(decrease) in trade payables	(5,955)	1,731
Increase/(decrease) in provisions	100	348
Increase/(decrease) in other financial liabilities	(95)	593
Increase/(decrease) in other liabilities	2,093	245
<b>Cash generated from operations</b>	<b>14,578</b>	<b>21,722</b>
Direct taxes refund/(paid) (net)	1,279	(352)
<b>Net cash flow from operating activities</b>	<b>15,857</b>	<b>21,370</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(5,112)	(3,707)
Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale including proceeds from sale of Steel and Bright Bar business [refer note 37(ii)]	5,751	90
Refund received/(payment) of margin money and deposit with banks	266	(109)
Redemption/maturity of bank deposits (with original maturity more than 12 months)	178	354
Maturity/(investment) of bank deposits (with original maturity more than 3 months and less than 12 months)	911	(432)
Interest received	462	359
Investment Subsidy received (refer note 42)	3,118	-
<b>Net cash flows from/(used in) investing activities</b>	<b>5,574</b>	<b>(3,445)</b>



# Consolidated Statement of Cash Flows

for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	(11,281)	(4,622)
Repayment of short term borrowings/working capital loan from bank	(1,253)	(5,621)
(Repayment of)/proceeds from short term borrowings	294	852
Interest paid	(3,819)	(5,583)
Dividend to the extent paid by a subsidiary to minority shareholders	-	(3)
Repayment of minority interest	-	(2,772)
<b>Net cash flows (used in)/from financing activities</b>	<b>(16,059)</b>	<b>(17,749)</b>
<b>D. EFFECT OF FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>	<b>120</b>	<b>38</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>5,492</b>	<b>214</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>9,946</b>	<b>9,732</b>
<b>Cash and cash equivalents at the year end</b>	<b>15,438</b>	<b>9,946</b>
<b>Reconciliation of cash and cash equivalent as per statement of cash flows</b>		
Balances with banks:		
On current account	5,736	9,574
Deposits with original maturity less than 3 months	9,647	269
Cheques/drafts on hand	24	59
Cash on hand	31	44
	<b>15,438</b>	<b>9,946</b>

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

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration number: 301003E/E300005

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

per **Bhaswar Sarkar**

Partner

Membership No.: 055596

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Dhrub Jyoti Basu**

Whole Time Director

DIN: 02498037

**Anirban Sanyal**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS: 16737

Place: Kolkata

Date: 30<sup>th</sup> April 2022



# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

## A) EQUITY SHARE CAPITAL (REFER NOTE 14)

Equity shares of Re 1 each issued, subscribed and fully paid-up	Number of shares	Amount
<b>As at 31<sup>st</sup> March, 2020</b>	<b>304,741,780</b>	<b>3,054*</b>
Changes in equity share capital during the year	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>304,741,780</b>	<b>3,054*</b>
Changes in equity share capital during the year	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>304,741,780</b>	<b>3,054*</b>

\* Including share forfeited Rs. 7 lakhs (31<sup>st</sup> March, 2021: Rs. 7 lakhs)

## B) OTHER EQUITY (REFER NOTE 15)

	Attributable to the equity holders of the parent									
	Reserves and surplus							Items of other comprehensive income	Total other equity	Non-controlling interest
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Legal reserve	Retained earnings	Other reserve	Foreign currency translation reserve		
<b>As at 31<sup>st</sup> March, 2020</b>	<b>85,584</b>	<b>668</b>	<b>6,631</b>	<b>54,439</b>	<b>265</b>	<b>(41,352)</b>	<b>6,350</b>	<b>7,110</b>	<b>119,695</b>	<b>3,777</b>
Profit for the year	-	-	-	-	-	14,959	-	-	14,959	191
Buyback of shares of non-controlling interest [refer note 38(a)]	-	-	-	-	-	308	-	-	308	(1,828)
Acquisition of non-controlling interest [refer note 38(a)]	-	444	-	-	-	-	-	-	444	(1,775)
Re-measurement gains/(loss) on defined benefit plans, net of tax	-	-	-	-	-	(341)	-	-	(341)	(8)
Exchange differences on translation	-	-	-	-	-	-	-	2,231	2,231	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>85,584</b>	<b>1,112</b>	<b>6,631</b>	<b>54,439</b>	<b>265</b>	<b>(26,426)</b>	<b>6,350</b>	<b>9,341</b>	<b>137,296</b>	<b>357</b>
Profit for the year	-	-	-	-	-	29,127	-	-	29,127	16
Re-measurement gains/(loss) on defined benefit plans, net of tax	-	-	-	-	-	213	-	-	213	-
Exchange differences on translation	-	-	-	-	-	-	-	(313)	(313)	(10)
Adjustments pursuant to Scheme of Capital Reduction (refer note 43)	(71,777)	(369)	(2,285)	-	-	80,781	(6,350)	-	-	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>13,807</b>	<b>743</b>	<b>4,346</b>	<b>54,439</b>	<b>265</b>	<b>83,695</b>	<b>-</b>	<b>9,018</b>	<b>166,313</b>	<b>363</b>

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration number: 301003E/E300005

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

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

**Rajeev Jawhar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737

Place: Kolkata  
Date: 30<sup>th</sup> April 2022

# Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

## 1. GROUP OVERVIEW

Usha Martin Limited (the 'Company') is a public limited company incorporated and domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company and its subsidiaries and joint ventures (collectively referred as "Group") are principally engaged in the following businesses:

- Wire and Wire ropes – Manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, wire drawing and allied machine, etc.
- Others – Manufacture and sale of jelly filled and optical fibre telecommunication cables

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

## 2A. SIGNIFICANT ACCOUNTING POLICIES

### a1. Basis of preparation and compliance with Ind AS

- (i) These consolidated Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standard (Ind AS) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The accounting policies have been applied consistently over the periods presented in the financial statements.
- (ii) These financial statements were approved for issue by the Board of Directors on 30<sup>th</sup> April, 2022.
- (iii) These Ind AS Financial Statements are prepared in Indian Rupee which is the Group's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs, except when otherwise indicated.

### a2. Basis of consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the results of Usha Martin Limited and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is

exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

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

For non-wholly owned subsidiaries, a share of the profit/loss for the financial year and net assets is attributed to the non-controlling interests as shown in the Consolidated Statement of Profit and Loss and Consolidated Balance Sheet.

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

Intra-Group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated unless cost cannot be recovered.

#### (ii) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group has joint ventures only.

### Joint ventures

The Group accounts for its interest in joint ventures using the equity method (see below), after initially being recognised at cost in the Consolidated Balance Sheet. Goodwill arising on the acquisition of Joint ventures is included in the carrying value of investments in joint ventures.

### Equity method of accounting

Under the equity method of accounting applicable for joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post-acquisition profits or losses of the investee as recognised in the Consolidated Statement of Profit and Loss, and the Group's share of other comprehensive income of the investee as recognised in the consolidated statement of other comprehensive income. Dividend received or receivable from joint ventures is recognised as a reduction in carrying amount of the investment.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, the Group discontinues recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy below.

### a3. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities and advance income taxes paid are classified as non-current assets and liabilities.

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

### b. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit and loss on disposal.

### c. Basis of measurement

#### Fair value measurement

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

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

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

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

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

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

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

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

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

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

### d. Revenue from contract with customers

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

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer. Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

the Government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 30-120 days from the shipment or delivery of goods or services as the case may be. The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified and also accrues discounts to certain customers based on customary business practices.

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

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

### Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment.

#### Trade receivables

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

#### Contract liabilities

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

### Interest income

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

### Dividends

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

### e1. Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Property, plant and equipment which are significant to the total cost of that item of Property, plant and equipment and having different useful life are accounted separately.

Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital work-in-progress.

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

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

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

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

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

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

### (ii) Depreciation

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

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

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

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

Particulars	Useful economic life
Buildings*	30-60 years
Plant and equipment**	10-41 years
Electrical installations	10-40 years
Water treatment and supply plant	15-30 years
Office equipment	3-5 years
Furniture and fixtures	5-10 years
Vehicles	8 years

\* Roads included under buildings are depreciated considering useful life of 3-10 years.

\*\* Stores and spares, with useful life more than one year, included under plant and equipment are depreciated considering useful life of 2-9 years.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment, electrical installation and water treatment and supply over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

### e2. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost net of recoverable taxes, trade discount and rebates. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use attributable to the intangible assets. Following initial recognition, intangible assets are carried at cost





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less any accumulated amortisation and accumulated impairment losses, if any.

The Group has intangible assets with finite useful lives.

Computer softwares are amortised on straight-line method at the rates determined based on estimated useful lives which vary from 3 years to 6 years.

Trademarks are amortised on straight-line method at the rates determined based on estimated useful lives of 15 years.

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

### Research and development costs

Research costs are expensed to the Consolidated Statement of Profit and Loss as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

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

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

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

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

### f. Investment properties

Investment properties are measured initially at cost, including transaction costs.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Consolidated Statement of Profit and Loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Consolidated Statement of Profit and Loss in the period of disposal.

The Group depreciates the building over estimated useful lives of 30 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

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

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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

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

Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

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

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

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

The Group has considered profit / loss from discontinued operations together with profit/loss of continuing operations to determine the Group's total tax liability and disclosed the same as tax expense from continuing operations.

Additional disclosures in respect of discontinued operations are provided in note 37(ii) to the financial statements.

### h1. Foreign currencies

In the financial statements of the Group, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in other currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or profit and loss are also recognised in OCI or profit and loss, respectively).

For the purposes of the consolidated financial statements, items in the Consolidated Statement of Profit and Loss of those operations for which the Indian Rupees is not the functional currency are translated into Indian Rupees at the average rates of exchange during the year. The related consolidated balance sheet is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entities, the deferred cumulative exchange differences recognised in equity relating to that particular



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foreign operation are recognised in the Consolidated Statement of Profit and Loss.

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

### h2. Government grants

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

### i. Taxes

#### Current income tax

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

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

#### Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

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

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

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

### j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to

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get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### k. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term (30-99 years).

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

#### ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



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### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

### L. Inventories

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

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

- Raw materials and packing materials, stores and spares parts and loose tools: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Work-in-progress and finished goods : Cost includes cost of direct materials and cost of conversion and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Scrap / by products are valued at net realisable value.

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

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

### m. Impairment of non-financial assets

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

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

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



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### n. Provisions, contingent liabilities and contingent assets

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

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

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

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

### o. Employee benefit schemes

#### (i) Short-term employee benefits

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

Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

#### (ii) Post-employment benefits

##### Defined contribution plan

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

Contribution towards provident fund for employees of UM Cables Limited (UMCL) are made to the regulatory authorities. Such provident fund benefit is classified as defined contribution scheme as the UMCL does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the Consolidated Statement of Profit and Loss.

#### Defined benefit plans – gratuity, provident fund and long term service award

##### Gratuity

The Group has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides for a lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service depending upon the tenure of service subject to maximum limit of 20 months' salary. Vesting occurs upon completion of five continuous years of service.



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

The liability or asset recognised in the Balance Sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method and spread over the period during which the benefit is expected to be derived from employees' services.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

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

### Provident fund

Eligible employees (other than employees of UM Cables Limited) of the Group receive benefits from a

provided fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the 'Usha Martin Employees Provident Fund Trust'. The trust invests in specific designated instruments as prescribed by the Government. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

### Long term service award

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

### p. Financial instrument

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

### Financial assets

#### Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115 : Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through

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OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### Subsequent measurement

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

(i) **Financial assets at amortised cost (debt instruments)**

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at

amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

(ii) **Financial assets at fair value through Other Comprehensive Income (FVOCI) with recycling of cumulative gains and losses (debt instruments)**

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

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

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Consolidated Statement of Profit and Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

(iii) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL. Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those





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financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value recognised in the Consolidated Statement of Profit and Loss.

Dividends on listed equity investments are recognised in the Consolidated Statement of Profit and Loss when the right of payment has been established.

- (iv) **Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)**

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Consolidated Statement of Profit and Loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when the contractual rights to receive cash flows from the financial asset have expired or it transfers the financial asset and the

transfer qualifies for derecognition under Ind AS 109: Financial Instruments.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all financial instruments and receivables not held at fair value through profit or loss in accordance with Ind AS 109: Financial Instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months from the reporting date (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (very good and good) by the good credit rating agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the good credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Consolidated Statement of Profit and Loss, borrowings (net of directly attributable cost), payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Fees of recurring nature are directly recognised in the Consolidated Statement of Profit and Loss as finance cost.

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

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

#### Subsequent measurement

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

#### Financial Liabilities at fair value through profit or loss (FVTPL)

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

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

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

For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Financial liabilities at amortised cost (loans and borrowings)

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



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to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

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

### Financial guarantee contracts

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

### Derecognition

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

### Offsetting of financial instruments

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

### q. Derivative financial instruments

#### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign exchange contracts to hedge its exposure

to movements in foreign exchange rates relating to the underlying transactions. The Group does not hold derivative financial instruments for speculation purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and the resulting profit or loss is taken to the Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Consolidated Statement of Profit and Loss.

### r. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### s. Cash dividend distributions to equity holders

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

### t. Earnings per share

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



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### u. Segment reporting

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

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

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements

and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

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

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years. (refer note 31)

## 2B. RECENT ACCOUNTING PRONOUNCEMENTS

### Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's financial statements



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to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### NON-CURRENT ASSETS

#### 3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land [Refer Note IV(i) below]	Buildings [Refer Note IV(ii) below]	Plant and equipment	Electrical installations	Water treatment and supply plant	Office equipment	Furniture and fixtures	Vehicles	Total	Capital work-in progress [Refer Note III below]
<b>Gross block</b>										
<b>As at 31<sup>st</sup> March, 2020</b>	<b>9,124</b>	<b>33,269</b>	<b>66,154</b>	<b>1,631</b>	<b>338</b>	<b>919</b>	<b>369</b>	<b>1,210</b>	<b>113,014</b>	<b>3,270</b>
Additions/adjustments	-	22	1,755	7	-	148	13	122	2,067	1,583
Disposals/adjustments	3	1	48	-	-	63	3	84	202	367
Exchange difference on consolidation	68	852	1,160	4	-	55	(3)	25	2,161	(3)
<b>As at 31<sup>st</sup> March, 2021</b>	<b>9,189</b>	<b>34,142</b>	<b>69,021</b>	<b>1,642</b>	<b>338</b>	<b>1,059</b>	<b>376</b>	<b>1,273</b>	<b>117,040</b>	<b>4,483</b>
Additions/adjustments	-	747	4,050	182	-	198	135	319	5,631	1,930
Disposals/adjustments	-	-	716	-	-	31	-	303	1,050	2,062
Exchange difference on consolidation	(119)	(233)	(474)	(2)	-	(17)	5	(1)	(841)	(562)
<b>As at 31<sup>st</sup> March, 2022</b>	<b>9,070</b>	<b>34,656</b>	<b>71,881</b>	<b>1,822</b>	<b>338</b>	<b>1,209</b>	<b>516</b>	<b>1,288</b>	<b>120,780</b>	<b>3,789</b>
<b>Accumulated depreciation</b>										
<b>As at 31<sup>st</sup> March, 2020</b>	<b>-</b>	<b>5,221</b>	<b>22,352</b>	<b>217</b>	<b>57</b>	<b>487</b>	<b>233</b>	<b>516</b>	<b>29,083</b>	
Charge for the year (refer note 28)	-	1,250	4,161	77	11	147	40	222	5,908	
Disposals/adjustments	-	*	7	-	-	62	3	68	140	
Exchange difference on consolidations	-	106	337	2	-	41	(3)	14	497	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>6,577</b>	<b>26,843</b>	<b>296</b>	<b>68</b>	<b>613</b>	<b>267</b>	<b>684</b>	<b>35,348</b>	
Charge for the year (refer note 28)	-	1,295	4,286	48	11	166	43	233	6,082	
Disposals/adjustments	-	(100)	650	-	-	22	(11)	267	828	
Exchange difference on consolidation	-	(30)	(161)	(2)	-	(11)	1	(6)	(209)	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>-</b>	<b>7,942</b>	<b>30,318</b>	<b>342</b>	<b>79</b>	<b>746</b>	<b>322</b>	<b>644</b>	<b>40,393</b>	
<b>Net block</b>										
<b>As at 31<sup>st</sup> March, 2022</b>	<b>9,070</b>	<b>26,714</b>	<b>41,563</b>	<b>1,480</b>	<b>259</b>	<b>463</b>	<b>194</b>	<b>644</b>	<b>80,387</b>	<b>3,789</b>
As at 31 <sup>st</sup> March, 2021	9,189	27,565	42,178	1,346	270	446	109	589	81,692	4,483

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

- I) For lien/charge against property, plant and equipment refer note 16(i), note 20(i) and note 20(ii).
- II) On transition to Ind AS (i.e. 1 April 2015), the Group has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment



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(All amounts in Rs. lakhs unless stated otherwise)

III)

The capital work in progress ageing schedule for the year ended 31<sup>st</sup> March, 2022 is as follows:

As at 31 <sup>st</sup> March, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	1,248	1,881	89	474	3,692
Projects temporarily suspended	-	-	24	73	97
<b>Total</b>					<b>3,789</b>

Capital Work in Progress (whose completion is overdue or has exceeded its cost compared to its original plan)

As at 31 <sup>st</sup> March, 2022	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Elevator ropes project - Phase 1	1,111	-	-	-	1,111
Elevator ropes project - Phase 2	829	-	-	-	829
Rotor tube	138	-	-	-	138
Wire/Strand rewinder	-	11	-	-	11

The capital work in progress ageing schedule for the year ended 31<sup>st</sup> March, 2021 is as follows:

As at 31 <sup>st</sup> March, 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	1,500	2,110	126	650	4,386
Projects temporarily suspended	-	24	12	61	97
<b>Total</b>					<b>4,483</b>

Capital Work in Progress (whose completion is overdue or has exceeded its cost compared to its original plan)

As at 31 <sup>st</sup> March, 2021	To be completed in				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Elevator ropes project - Phase 1	-	1,549	-	-	1,549
Elevator ropes project - Phase 2	-	1,605	-	-	1,605
Rotor tube	-	30	-	-	30
Wire/Strand rewinder	-	11	-	-	11



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to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### IV) Title deeds of immovable property not held in the name of the Company

#### i) Freehold Land

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at 31 <sup>st</sup> March, 2022	Gross carrying value as at 31 <sup>st</sup> March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
<b>i) Freehold Land</b>							
Property, plant and equipment	Freehold Land	29	29	Usha Beltron Limited	No	18-02-1998	The property was purchased through an agreement of sale dated 18-2-1998 by Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Freehold Land	42	42	Usha Martin Industries Limited	No	18-01-1990	The property was purchased through an agreement of sale dated 18-01-1990 by Usha Martin Industries Limited which merged with Usha Beltron Limited. The name of Usha Beltron Limited was changed to Usha Martin Limited with effect from 1-5-2003.
Property, plant and equipment	Freehold Land	2,063	2,063	Usha Martin Black Wire Ropes Limited	No	02-05-1972 and 24-04-1974	The property was purchased through registered deeds dated 02-05-1972 & 24-04-1974 respectively by Usha Martin Black Wire Ropes Limited which merged with Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Freehold Land	50	50	Usha Ismal Limited	No	21-04-1980	The property was purchased through registered deeds dated 21-04-1980 by Usha Ismal Limited which merged with Usha Martin Industries Limited which further merged with Usha Beltron Limited which is the erstwhile name of the Company.
<b>ii) Building</b>							
Property, plant and equipment	Building	1	1	Usha Beltron Limited	No	18-02-1998	The property was purchased through an agreement of sale dated 18-2-1998 by Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Building	8	8	Usha Martin Industries Limited	No	18-01-1990	The property was purchased through an agreement of sale dated 18-01-1990 by Usha Martin Industries Limited which had merged with Usha Beltron Limited which is the erstwhile name of the Company.
Property, plant and equipment	Building	7	7	Usha Ismal Limited	No	16-10-1990	The property was purchased through a registered deed dated 16-10-1990 by Usha Ismal Limited which was merged with Usha Martin Industries Limited which further merged with Usha Beltron Limited which is the erstwhile name of the Company.



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### 4. INVESTMENT PROPERTY

Particulars	Building
<b>Gross block</b>	
<b>As at 31<sup>st</sup> March, 2020</b>	<b>958</b>
Exchange difference on consolidation	(32)
<b>As at 31<sup>st</sup> March, 2021</b>	<b>926</b>
Disposal/adjustments	410
Exchange difference on consolidation	26
<b>As at 31<sup>st</sup> March, 2022</b>	<b>542</b>
<b>Accumulated depreciation</b>	
<b>As at 31<sup>st</sup> March, 2020</b>	<b>188</b>
Charge for the year (refer note 28)	40
Exchange difference on consolidation	(7)
<b>As at 31<sup>st</sup> March, 2021</b>	<b>221</b>
Disposal/adjustments	100
Charge for the year (refer note 28)	40
Exchange difference on consolidation	(192)
<b>As at 31<sup>st</sup> March, 2022</b>	<b>169</b>
<b>Net block</b>	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>373</b>
As at 31 <sup>st</sup> March, 2021	705

#### a) Information regarding income and expenditure of investment property

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Rental income derived from investment property	186	195
Direct operating expenses (including repairs and maintenance) arising from investment property generating rental income	12	9
<b>Profit arising from investment property before depreciation and indirect expenses</b>	<b>174</b>	<b>186</b>
Less : depreciation	40	40
<b>Profit arising from investment property before indirect expenses</b>	<b>134</b>	<b>146</b>

#### b) Information regarding investment property

The Group's investment property consist of a commercial building in Singapore of Usha Martin Singapore Pte. Limited, which is leased to third party. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

#### c) Fair valuation of investment property

The valuation is based on valuations performed by an independent valuer in accordance with the valuation standards and practice guidelines issued by the Singapore Institute of Surveyors and Valuers.

The fair value of the investment property amounting to Rs. 1,325 lakhs (31<sup>st</sup> March, 2021: Rs.2,058 lakhs) was derived using the recent sales of similar properties in the comparable locations. The valuer has adopted the Comparison method and Income Approach method for arriving at the market value of the investment property. Since the valuation is based on valuation techniques which maximise the use of observable market data, the Group has classified the same under level 2.





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(All amounts in Rs. lakhs unless stated otherwise)

### 5. OTHER INTANGIBLE ASSETS

Particulars	Computer software	Trademarks	Total intangible assets	Intangible assets under development
<b>Gross block</b>				
<b>As at 31<sup>st</sup> March, 2020</b>	<b>2,174</b>	<b>180</b>	<b>2,354</b>	-
Additions	57	12	69	40
Disposals/adjustments	11	-	11	-
Exchange difference on consolidation	(2)	(3)	(5)	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>2,218</b>	<b>189</b>	<b>2,407</b>	<b>40</b>
Additions	25	*	25	15
Disposals/adjustments	15	-	15	-
Exchange difference on consolidation	8	7	15	-
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2,236</b>	<b>196</b>	<b>2,432</b>	<b>55</b>
<b>Accumulated amortization</b>				
<b>As at 31<sup>st</sup> March, 2020</b>	<b>1,348</b>	<b>98</b>	<b>1,446</b>	
Charge for the year (refer note 28)	373	12	385	
Disposals/adjustments	11	-	11	
Exchange difference on consolidation	(4)	4	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>1,706</b>	<b>114</b>	<b>1,820</b>	
Charge for the year (refer note 28)	355	14	369	
Disposals/adjustments	10	-	10	
Exchange difference on consolidation	6	5	11	
<b>As at 31<sup>st</sup> March, 2022</b>	<b>2,057</b>	<b>133</b>	<b>2,190</b>	
<b>Net block</b>				
<b>At 31<sup>st</sup> March, 2022</b>	<b>179</b>	<b>63</b>	<b>242</b>	<b>55</b>
At 31 <sup>st</sup> March, 2021	512	75	587	40

The Intangible assets under development ageing schedule for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is as follows:

#### Amount in Intangibles under development for a period of

As at 31 <sup>st</sup> March, 2022	less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	15	40	-	-	55
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>55</b>

#### Amount in Intangibles under development for a period of

As at 31 <sup>st</sup> March, 2021	less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	40	-	-	-	40
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>					<b>40</b>



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 6. RIGHT-OF-USE ASSETS

Particulars	Land	Building#	Plant & Equipment##	Office Equipment	Vehicles @	Total
<b>Gross block</b>						
<b>As at 31<sup>st</sup> March, 2020</b>	<b>3,620</b>	<b>941</b>	<b>78</b>	<b>6</b>	<b>394</b>	<b>5,039</b>
Additions/adjustments	137	729	-	-	374	1,240
Disposals/adjustments	24	820	41	-	146	1,031
Exchange difference on consolidation	121	(10)	2	-	(15)	98
<b>As at 31<sup>st</sup> March, 2021</b>	<b>3,853</b>	<b>840</b>	<b>39</b>	<b>6</b>	<b>607</b>	<b>5,345</b>
Additions/adjustments	296	149	-	-	150	595
Disposals/adjustments	-	-	14	3	32	49
Exchange difference on consolidation	10	19	(1)	*	23	51
<b>As at 31<sup>st</sup> March, 2022</b>	<b>4,159</b>	<b>1,008</b>	<b>24</b>	<b>3</b>	<b>748</b>	<b>5,942</b>
<b>Accumulated amortization / depreciation</b>						
<b>As at 31<sup>st</sup> March, 2020</b>	<b>275</b>	<b>115</b>	<b>20</b>	<b>-</b>	<b>150</b>	<b>560</b>
Charge for the year (refer note 28)	164	181	8	1	100	454
Disposals/adjustments	-	211	11	-	124	346
Exchange difference on consolidation	(1)	16	-	-	(4)	11
<b>As at 31<sup>st</sup> March, 2021</b>	<b>438</b>	<b>101</b>	<b>17</b>	<b>1</b>	<b>122</b>	<b>679</b>
Charge for the year (refer note 28)	168	185	5	1	125	484
Disposals/adjustments	-	-	8	(1)	16	23
Exchange difference on consolidation	9	9	*	*	6	24
<b>As at 31<sup>st</sup> March, 2022</b>	<b>615</b>	<b>295</b>	<b>14</b>	<b>*</b>	<b>237</b>	<b>1,161</b>
<b>Net block</b>						
<b>At 31<sup>st</sup> March, 2022</b>	<b>3,544</b>	<b>713</b>	<b>10</b>	<b>3</b>	<b>511</b>	<b>4,781</b>
At 31 <sup>st</sup> March, 2021	3,415	739	22	5	485	4,666

#### Lease deeds of right-of use assets not held in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at 31 <sup>st</sup> March, 2022	Gross carrying value as at 31 <sup>st</sup> March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Right-of-use assets	Leasehold Land	8	8	Ranchi Industrial Area Development Authority	No	06-12-1984	Company has obtained the allotment letter in its name and execution of lease deed is in process

# Represents office space taken on lease.

## Represents equipments such as forklift, hydra etc taken on lease.

@ Represents vehicles taken on lease.

\* Amount is below rounding off adopted by the Group



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>7(i) Equity accounted investments</b>		
<b>Investment in equity instruments (unquoted) (at cost unless otherwise stated)</b>		
<b>In joint ventures</b>		
Pengg Usha Martin Wires Private Limited #		
10,800,000 (31 <sup>st</sup> March, 2021 : 10,800,000) equity shares of Rs. 10 each, fully paid	3,748	2,942
CCL Usha Martin Stressing System Limited		
473,195 (31 <sup>st</sup> March, 2021 : 473,195) equity shares of Rs. 10 each, fully paid	47	45
Tesac Usha Wires Pvt Limited (Joint Venture of Usha Siam Steel Industries Public Group Limited, a subsidiary of the Company)		
1,250,000 (31 <sup>st</sup> March, 2021 : 1,250,000) equity shares of THB 100 each, fully paid	1,840	1,855
<b>Total</b>	<b>5,635</b>	<b>4,842</b>
<b>Aggregate amount of unquoted investments</b>	<b>5,635</b>	<b>4,842</b>

# Refer note 32C(iv)(a).

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(ii) Investments</b>		
<b>Investment in equity instruments (unquoted) (at fair value through profit and loss)</b>		
<b>Investment in other companies</b>		
Adityapur Toll Bridge Company Limited		
100,000 (31 <sup>st</sup> March, 2021: 100,000) equity shares of Rs. 10 each, fully paid [Cost Rs. 10 lakhs (31 <sup>st</sup> March, 2021 : Rs. 10 lakhs), net of impairment Rs. 5 lakhs (31 <sup>st</sup> March, 2021 : Rs. 5 lakhs)]	5	5
Usha Communications Technology Limited BVI		
12,110,242 (31 <sup>st</sup> March, 2021 : 12,110,242) ordinary shares of USD 0.50 each, fully paid [Cost Rs. 28 lakhs (31 <sup>st</sup> March, 2021 : Rs. 28 lakhs), fully impaired]	-	-
UMI Special Steel Limited (in liquidation)		
18,068,472 (31 <sup>st</sup> March, 2021 : 18,068,472) equity shares of Rs. 10 each, fully paid	*	*
Adityapur Auto Cluster Limited		
1,000 (31 <sup>st</sup> March, 2021 : 1,000) equity shares of Rs.1,000 each, fully paid [Cost Rs. 10 lakhs (31 <sup>st</sup> March, 2021 : Rs. 10 lakhs), fully impaired]	-	-
<b>Total</b>	<b>5</b>	<b>5</b>
<b>Aggregate amount of unquoted investments</b>	<b>5</b>	<b>5</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>43</b>	<b>43</b>

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

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iii) Loans</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Loans to employees	87	75
Loan to others *	501	558
<b>Total</b>	<b>588</b>	<b>633</b>

\* Represents interest bearing loan to a body corporate carrying interest @15% p.a. [net of impairment loss of Rs. 271 lakhs (31<sup>st</sup> March, 2021 : Rs. 213 lakhs)].

Loans are financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iv) Other financial assets</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Bank deposits with more than 12 months maturity #	150	328
Security deposits	870	894
Export incentive receivable		
Considered credit impaired	266	266
Less: allowance for credit impaired	(266)	(266)
Margin money ##	1,223	1,488
Interest accrued but not due on deposits	418	410
Advance against land-coal mines [refer note 37(i)]	183	183
<b>Total</b>	<b>2,844</b>	<b>3,303</b>

# Rs. Nil (31<sup>st</sup> March, 2021: Rs. 63 lakhs) earmarked as margin money against issue of letter of credit and bank guarantee.

## Earmarked as margin money against issuance of letter of guarantee.

### 8. INCOME TAX ASSETS (NET)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Advance payment of income tax [net of provision for tax - Rs. Nil (31<sup>st</sup> March, 2021 : Rs. 113 lakhs)]</b>	<b>3,000</b>	<b>5,212</b>

### 9. DEFERRED TAX ASSETS (NET)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Deferred tax assets (DTA)</b>		
- expenses allowable as deduction on payment basis	3,417	4,058
- carry-forward unabsorbed depreciation	-	1,109
- carry-forward business losses	1,412	1,370
<b>Total DTA</b>	<b>4,829</b>	<b>6,537</b>
<b>Deferred tax liabilities (DTL)</b>		
- temporary difference between written down value of property, plant and equipment as per books of account and for tax purpose	3,557	3,572
- unamortised borrowing costs	18	75
<b>Total DTL</b>	<b>3,575</b>	<b>3,647</b>
<b>Deferred tax assets (net)</b>	<b>1,254</b>	<b>2,890</b>

Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

**(a) The major components of income tax expense for the years ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are:**

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>i) Tax charge/(credit) recognised in the Statement of Profit and Loss</b>		
<b>Current income tax:</b>		
Current income tax charge	3,688	941
Adjustments in respect of current income tax of previous year	(26)	(1)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1,823	2,704
<b>Tax charge reported in the Statement of Profit and Loss</b>	<b>5,485</b>	<b>3,644</b>
<b>ii) Tax income recognised in OCI:</b>		
Gain/(loss) on remeasurement of defined benefit plans	(67)	53
<b>Tax income reported in OCI</b>	<b>(67)</b>	<b>53</b>
<b>Total tax expense for the year [(i) - (ii)]</b>	<b>5,552</b>	<b>3,591</b>

**(b) A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated is as follows:**

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Profit/(loss) before tax (including share of profit of joint ventures and discontinued operations)	34,628	18,794
Statutory income tax rate	25.17%	25.17%
<b>Tax expense at statutory income tax rate</b>	<b>8,716</b>	<b>4,730</b>
<b>Adjustments:</b>		
Deferred tax on unabsorbed depreciation and brought forward business losses recognised out of opening balance	(2,885)	(676)
Effect of tax rate differences of subsidiaries operating in other jurisdictions	(728)	(421)
Tax on dividend received	-	30
Adjustment of tax relating to earlier periods	(26)	(1)
Disallowable expenses/other non-deductible differences	433	-
Other differences	(25)	(18)
<b>Total</b>	<b>5,485</b>	<b>3,644</b>

**(c) Reconciliation of deferred tax assets/(liabilities) [net]:**

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Opening deferred tax assets (net) balance	2,890	5,493
Opening deferred tax liabilities (net) balance	(2,287)	(2,044)
Deferred tax charge/(credit) during the year recognised in Statement of Profit and Loss and OCI	1,890	2,651
Exchange difference	80	(195)
<b>Closing balance of deferred tax assets/(liabilities) [net]</b>	<b>(1,207)</b>	<b>603</b>



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 10. OTHER ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Capital advances	195	75
Prepaid expenses	84	70
Balances with government authorities		
Excise/service tax	569	569
Sales tax/value added tax	1,095	1,015
Deposit for legal case	1,965	1,965
Deposit for fuel surcharge/other electricity matter	2,954	2,885
Claims receivable		
Considered good	-	35
Considered credit impaired	160	600
Less : allowance for credit impaired	(160)	(600)
Advance against land-coal mines [refer note 37(i)]	2,851	2,851
Less : allowance for credit impaired	(2,851)	(2,851)
<b>Total</b>	<b>6,862</b>	<b>6,614</b>

### CURRENT ASSETS

#### 11. INVENTORIES

(at lower of cost and net realisable value)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Raw materials (including packing materials) #	26,397	21,561
Raw materials in transit	6,544	5,204
	<b>32,941</b>	<b>26,765</b>
Work-in-progress	10,754	9,805
Finished goods	26,785	25,004
Finished Goods in transit	5,000	2,289
	<b>31,785</b>	<b>27,293</b>
Stock-in-trade	355	244
Stores and spare parts	2,773	2,370
Loose tools	245	251
Scrap/by-product	890	441
<b>Total</b>	<b>79,743</b>	<b>67,169</b>

# Including Rs. 205 lakhs lying with a third party (31<sup>st</sup> March, 2021 : Rs. 133 lakhs).

Note: Year end inventories are net of Rs. 3,670 lakhs (31<sup>st</sup> March, 2021 : Rs. 3,470 lakhs) towards write-downs to net realisable value and provision for slow moving.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 12. FINANCIAL ASSETS

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Trade receivables (at amortised cost)</b>		
(Unsecured, considered good unless otherwise stated)		
Trade receivables considered good	41,132	31,998
Trade receivables which have significant increase in credit risk	277	755
Trade receivables considered credit impaired	1367	998
Less : allowance for credit impaired	(1367)	(998)
<b>Total</b>	<b>41,409</b>	<b>32,753</b>

Trade receivable ageing schedule for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021:

As at 31 <sup>st</sup> March, 2022	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	31,800	9,212	236	64	46	51	41,409
(ii) Undisputed Trade Receivables – considered credit impaired	-	317	297	207	72	356	1,249
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered credit impaired	-	-	-	-	54	64	118
<b>Total</b>							<b>42,776</b>
Less : allowance for credit impaired							1,367
<b>Trade Receivable as at 31<sup>st</sup> March, 2022</b>							<b>41,409</b>

As at 31 <sup>st</sup> March, 2021	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables – considered good	23,760	8,726	41	93	82	51	32,753
(ii) Undisputed Trade Receivables – considered credit impaired	-	331	22	109	20	384	866
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered credit impaired	-	-	-	54	30	48	132
<b>Total</b>							<b>33,751</b>
Less : allowance for credit impaired							998
<b>Trade Receivable as at 31<sup>st</sup> March, 2021</b>							<b>32,753</b>

- (i) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) Trade receivables are generally on terms of 30 to 120 days.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

- (iii) For lien/charge against trade receivables, refer note 20(i). Below is the details of trade receivables discounted with recourse available to the bank and hence not meeting de-recognition criteria :

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Transferred receivables	1,109	2,531
Associated borrowings [refer note 20(i)]	1,109	2,531

- (iv) Refer note 36B for information about credit risk and market risk on receivables.

- (v) Set out below is the movement in the allowance for credit impaired trade receivables:

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
As at 1 <sup>st</sup> April	998	928
Additional provision for credit impaired trade receivables	369	70
<b>As at 31<sup>st</sup> March</b>	<b>1,367</b>	<b>998</b>

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(ii) Cash and cash equivalents</b>		
Balances with banks		
On current account	5,736	9,574
Deposits with original maturity of less than 3 months *	9,647	269
Cheques/drafts on hand	24	59
Cash on hand	31	44
<b>Total</b>	<b>15,438</b>	<b>9,946</b>

\* Short term deposits with banks are made for varying periods between one day and three months, depending on cash requirements of the Company and earn interest at the respective short-term deposit rates.

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iii) Other bank balances</b>		
Deposits with original maturity of more than 3 months and up to 12 months #	1,030	1,941
<b>Total</b>	<b>1,030</b>	<b>1,941</b>

# Rs. 295 lakhs (31<sup>st</sup> March 2021: Rs. 215 lakhs) lodged with lender against letter of credit and bank guarantee.

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iv) Loans (at amortised cost)</b>		
(Unsecured considered good unless otherwise stated)		
Loans to employees		
Considered good	103	95
Considered credit impaired	8	10
Less: allowance for credit impaired	(8)	(10)
<b>Total</b>	<b>103</b>	<b>95</b>





## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(v) Other financial assets</b>		
(Unsecured considered good unless otherwise stated)		
<b>Derivative contracts not designated as hedges (at fair value through Profit and Loss)</b>		
Foreign exchange forward contracts	42	80
<b>Other financial assets at amortised cost</b>		
Consideration receivable from Tata Steel Long Products Limited for transfer of business [refer note 37(ii)]	9,356	16,000
Accrued interest on deposits and others	74	56
Claims/advances receivable		
Considered good	423	1,688
Considered credit impaired	64	385
Less: allowance for credit impaired	(64)	(385)
Security deposits		
Considered good	190	344
Considered credit impaired	78	27
Less: allowance for credit impaired	(78)	(27)
Export incentive receivables		
Considered good	763	758
Considered credit impaired	66	66
Less: allowance for credit impaired	(66)	(66)
Other receivables	-	9
<b>Total</b>	<b>10,848</b>	<b>18,935</b>

Derivative contracts at fair value through profit and loss reflect the favourable change in fair value of those foreign exchange forward contracts that are not designated as hedge relationships. Refer note 36B(c1) for details regarding the nature and extent of risks arising from financial instruments to which the Group is exposed at the end of the reporting year.

### 13. OTHER ASSETS

(Unsecured, considered good unless otherwise stated)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Advances to suppliers*		
Considered good	4,670	2,996
Considered credit impaired	40	144
Less: allowance for credit impaired	(40)	(144)
Balance with statutory/government authorities		
Considered good	3,498	3,493
Considered credit impaired	604	604
Less: allowance for credit impaired	(604)	(604)
Prepaid expenses	897	578
Other assets	25	12
<b>Total</b>	<b>9,090</b>	<b>7,079</b>

\* Represents advances paid towards purchase of goods that are not interest bearing.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### EQUITY

#### 14. SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Authorised</b>		
500,000,000 (31 <sup>st</sup> March, 2021 : 500,000,000) equity shares of Re. 1 each	5,000	5,000
10,000,000 (31 <sup>st</sup> March, 2021 : 10,000,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid up</b>		
304,741,780 (31 <sup>st</sup> March, 2021 : 304,741,780) equity shares of Re. 1 each	3,047	3,047
Add: Shares forfeited (amount originally paid-up)	7	7
<b>Total</b>	<b>3,054</b>	<b>3,054</b>

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

		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Number of equity shares outstanding at the beginning and end of the year	(Numbers)	304,741,780	304,741,780
Amount of equity shares outstanding at the beginning and end of the year	(Amount Rs. in lakhs)	3,047	3,047

(b) 22,865,450 (31<sup>st</sup> March, 2021: 22,865,450) equity shares of face value of Re 1 each are represented by Global Depository Receipts (GDRs). Each GDR represents five underlying equity shares.

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

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

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

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

Name of the shareholder		As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Equity shares of Re 1 each fully paid-up			
UMIL Share & Stock Broking Services Limited	(Numbers)	39,806,236	39,806,236
% holding		13.06%	13.06%
Deutsche Bank Trust Company Americas <sup>#</sup>	(Numbers)	22,865,450	22,865,450
% holding		7.50%	7.50%
Peterhouse Investments India Limited	(Numbers)	19,616,529	19,616,529
% holding		6.44%	6.44%
Usha Martin Ventures Limited	(Numbers)	20,000,088	20,000,088
% holding		6.56%	6.56%

<sup>#</sup> As on 31<sup>st</sup> March, 2022, 4,573,090 GDRs (representing 22,865,450 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 6,579,919 equity shares and 1,685,691 GDRs (representing 8,428,455 underlying equity shares) and Kenwyn Overseas Limited holds 14,364,680 equity shares and 1,963,025 GDRs (representing 9,815,125 underlying equity shares).

<sup>#</sup> As on 31<sup>st</sup> March, 2021, 4,573,090 GDRs (representing 22,865,450 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 11,404,919 equity shares and 1,685,691 GDRs (representing 8,428,455 underlying equity shares) and Kenwyn Overseas Limited holds 14,364,680 equity shares and 1,963,025 GDRs (representing 9,815,125 underlying equity shares).



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

- (e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.
- (f) Shares held by promoters

Sr. No.	Promoter Name	As at 31 <sup>st</sup> March, 2022		
		No. of Shares	% of total shares	% Change during the year
1.	Akshay Goenka	37,210	0.01	-
2.	Amisha Jhawar	10,33,500	0.34	-
3.	Anupama Jhawar	-	-	-
4.	Anupama Jhawar - Trustee of Anupriya Welfare Trust	-	-	-
5.	Apurv Jhawar	-	-	-
6.	Basant Kumar Jhawar	-	-	-
7.	Brij Investments Pvt. Ltd.	61,11,823	2.01	-
8.	Brij Kishore Jhawar	9,45,865	0.31	-
9.	Brij Kishore Jhawar - Trustee of Brij Family Trust (PAC)	13,85,328	0.45	-
10.	Jhawar Venture Management Private Limited	-	-	-
11.	Kenwyn Overseas Ltd.	2,41,79,805	7.93	-
12.	Madhushree Goenka	49,460	0.02	-
13.	Netural Publishing House Limited	1,34,29,052	4.41	-
14.	Nidhi Rajgarhia	3,10,000	0.10	(*)
15.	Peterhouse Investments India Limited	1,96,16,529	6.44	-
16.	Peterhouse Investments Ltd.	1,50,08,374	4.92	(1.58)
17.	Prajeev Investments Limited	6,27,000	0.21	-
18.	Prashant Jhawar	-	-	-
19.	Rajeev Jhawar	26,11,969	0.86	-
20.	Shanti Devi Jhawar	2,79,243	0.09	-
21.	Shreya Jhawar	10,13,500	0.33	-
22.	Stuti Raghav Agarwalla	9,54,330	0.31	-
23.	Susmita Jhawar	4,38,195	0.14	-
24.	Uma Devi Jhawar	-	-	-
25.	UMIL Share & Stock Broking Services Ltd.	3,98,06,236	13.06	-
26.	Usha Martin Ventures Ltd.	2,00,00,088	6.56	-
	<b>Total</b>	<b>14,78,37,507</b>	<b>48.51</b>	<b>(1.59)</b>

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



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

### Shares held by promoters (Contd.)

Sr. No.	Promoter Name	As at 31 <sup>st</sup> March, 2021		
		No. of Shares	% of total shares	% Change during the year
1.	Akshay Goenka	37,210	0.01	-
2.	Amisha Jhawar	10,33,500	0.34	-
3.	Anupama Jhawar	-	-	(0.01)
4.	Anupama Jhawar - Trustee of Anupriya Welfare Trust	-	-	(*)
5.	Apurv Jhawar	-	-	(*)
6.	Basant Kumar Jhawar	-	-	(0.03)
7.	Brij Investments Pvt. Ltd.	61,11,823	2.01	-
8.	Brij Kishore Jhawar	9,45,865	0.31	-
9.	Brij Kishore Jhawar - Trustee of Brij Family Trust (PAC)	13,85,328	0.45	-
10.	Jhawar Venture Management Private Limited	-	-	(0.28)
11.	Kenwyn Overseas Ltd.	2,41,79,805	7.93	-
12.	Madhushree Goenka	49,460	0.02	-
13.	Netural Publishing House Limited	1,34,29,052	4.41	3.22
14.	Nidhi Rajgarhia	3,21,139	0.11	(*)
15.	Peterhouse Investments India Limited	1,96,16,529	6.44	(0.01)
16.	Peterhouse Investments Ltd.	1,98,33,374	6.51	(3.61)
17.	Prajeev Investments Limited	6,27,000	0.21	-
18.	Prashant Jhawar	-	-	(0.35)
19.	Rajeev Jhawar	26,11,969	0.86	(0.49)
20.	Shanti Devi Jhawar	2,79,243	0.09	-
21.	Shreya Jhawar	10,13,500	0.33	-
22.	Stuti Raghav Agarwalla	9,54,330	0.31	-
23.	Susmita Jhawar	4,38,195	0.14	-
24.	Uma Devi Jhawar	-	-	-
25.	UMIL Share & Stock Broking Services Ltd.	3,98,06,236	13.06	-
26.	Usha Martin Ventures Ltd.	2,00,00,088	6.56	(0.01)
	<b>Total</b>	<b>15,26,73,646</b>	<b>50.10</b>	<b>(1.56)</b>

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



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 15. OTHER EQUITY

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Securities premium *</b>	13,807	85,584
(Securities premium represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013)		
<b>Capital reserve *</b>	743	1,112
(Capital reserve represents mainly state capital subsidy received from different State Governments)		
<b>Capital redemption reserve *</b>	4,346	6,631
(Capital redemption reserve is created on redemption of preference shares as per statutory requirement and can be utilised in accordance with the provisions of the Companies Act, 2013)		
<b>General reserve</b>	54,439	54,439
(Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.)		
<b>Legal reserve</b>	265	265
(Represents statutory amount set aside as per Limited Public Company Act, Thailand and can be utilised in accordance with the provisions of the said Act)		
<b>Retained earnings *</b>	83,695	(26,426)
(Retained earnings represent the cumulative profit/(loss) of the Group and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013)		
<b>Foreign currency translation reserve</b>	9,018	9,341
(This reserve contains accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities. Such foreign exchange differences are recognised in OCI. Exchange differences previously recognised in this reserve are reclassified to profit and loss on disposal of foreign operations)		
<b>Other reserves *</b>	-	6,350
(Represent money received against equity warrants earlier forfeited and can be utilised in accordance with the provisions of the Companies Act, 2013)		
	<b>166,313</b>	<b>137,296</b>

\* Refer note 43.

### NON-CURRENT LIABILITIES

#### 16. FINANCIAL LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Borrowings (Secured, at amortised cost)</b>		
<b>Term loans</b>		
- Banks (Rupee loans)	12,104	18,629
- Banks/Financial Institution (Foreign currency loans)	6,750	5,110
<b>Total *</b>	<b>18,854</b>	<b>23,739</b>
<b>Aggregate secured borrowings</b>	<b>18,854</b>	<b>23,739</b>

\* Net of unamortised borrowing cost of Rs. 71 lakhs (31<sup>st</sup> March, 2021 : Rs. 296 lakhs) against term loans from banks.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

Term loans (secured)	Nature of security	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>From Banks (Rupee loans)</b>			
(i) ICICI Bank Limited [note (a) below]	A, D	-	1,499
(ii) ICICI Bank Limited [note (b) below]	A, B, C, D	6,644	7,604
(iii) ICICI Bank Limited [note (c) below]	A, B	5,460	7,377
(iv) IndusInd Bank Limited [note (d) below]	A, B	-	2,149
<b>Total</b>		<b>12,104</b>	<b>18,629</b>
<b>From Banks/Financial Institution (Foreign currency loans)</b>			
(v) Rabo Bank [note (e) below]	E	2,105	2,350
(vi) CIMB Bank [note (f) below]	F	-	2,743
(vii) Acura Financial Services [note (g) below]	G	9	17
(viii) ICICI Bank Limited [note (h) below]	H	4,017	-
(ix) Export-Import Bank of India [note (i) below]	I	570	-
(x) Export-Import Bank of India [note (j) below]	J	49	-
<b>Total</b>		<b>6,750</b>	<b>5,110</b>
<b>Total</b>		<b>18,854</b>	<b>23,739</b>

### Loan covenants

Bank loans contain certain debt covenants relating to net debt to EBITDA, debt service coverage ratio, fixed assets coverage ratio etc. The Company has complied with all debt covenants stipulated in the terms of bank loans during the year.

### Nature of security

- A. Secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged in favour of such lenders
- B. Secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- C. Secured by personal guarantee of Managing Director of the Company.
- D. Secured by pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.
- E. Secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of De Ruiter Staalkabel B.V., subsidiary of Usha Martin International Limited.
- F. Secured by a portion of land, buildings and structures, plant and machinery and equipment of Usha Martin Singapore Pte. Limited.
- G. Secured against assets procured from proceeds of borrowings.
- H. Secured by a portion of land, buildings and structures, plant and machinery and equipment of Usha Martin Singapore Pte. Limited.
- I. Secured by Thai Credit Guarantee Corporation under a credit guarantee scheme according to emergency decree on the provision of assistance and rehabilitation of business operators impacted by the spread of the COVID-19 pandemic.
- J. Secured against assets procured from proceeds of borrowings.

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

- (a) Rupee term loan from a bank amounting to Rs. 1,499 lakhs due in two quarterly installments on 30<sup>th</sup> June, 2022 and 30<sup>th</sup> September, 2022 (31<sup>st</sup> March, 2021 : Rs. 1,499 lakhs) has been prepaid during the year.
- (b) Rupee term loan from a bank amounting to Rs. 6,644 lakhs (31<sup>st</sup> March, 2021 : Rs. 7,604 lakhs) is repayable in eleven quarterly instalments from 30<sup>th</sup> June, 2023 to 31<sup>st</sup> December, 2025. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 0.85% p.a.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

- (c) Rupee term loan from a bank amounting to Rs. 5,460 lakhs (31<sup>st</sup> March, 2021 : Rs. 7,377 lakhs) is repayable in nine quarterly instalments from 30<sup>th</sup> June, 2023 to 30<sup>th</sup> June, 2025. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 0.85% p.a.
- (d) Rupee term loan from a bank amounting to Rs. 2,149 lakhs (31<sup>st</sup> March, 2021 : Rs. 2,149 lakhs) due in nine quarterly instalments from 8<sup>th</sup> April, 2022 to 8<sup>th</sup> April, 2024 has been prepaid during the year .
- (e) Foreign currency term loan from a bank amounting to Rs. 2,105 lakhs (31<sup>st</sup> March, 2021 : Rs. 2,350 lakhs) is repayable in one hundred and thirty four monthly instalments upto 31<sup>st</sup> May, 2034. Interest is payable on monthly basis at three month EURIBOR plus 2.1% p.a.
- (f) Foreign currency term loan from a bank amounting to Rs. Nil (31<sup>st</sup> March, 2021 : Rs. 2,743 lakhs) has been repaid during the year.
- (g) Foreign currency loan from bank amounting to Rs. 9 lakhs (31<sup>st</sup> March, 2021 : Rs. 17 lakhs) is repayable in twenty five monthly instalments upto 30<sup>th</sup> April, 2025. Interest is payable on monthly basis at 5.54% p.a.
- (h) Foreign currency term loan from a bank amounting to Rs. 4,017 lakhs is repayable in ten half-yearly instalments from 30<sup>th</sup> April, 2023 to 31<sup>st</sup> October, 2027. Interest is payable on half yearly basis at six months LIBOR plus 3.25% p.a.
- (i) Foreign currency term loan from a bank amounting to Rs. 570 lakhs is repayable on May, 2026. Interest on the loan will be paid at i) 2% till May-2023 ii) 4% between June, 2023 to May, 2024 iii) 6% between June 2024 to May-2026.
- (j) Foreign currency term loan from a bank amounting to Rs. 49 lakhs is repayable in thirteen monthly instalments from 30<sup>th</sup> April, 2023 to 30<sup>th</sup> April, 2024.
- (k) Outstanding balances of loans and terms of repayment as indicated in (a) to (j) above are exclusive of current maturities of such loans as disclosed in Note 20(i).

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>16 (ii) Lease liabilities (at amortised cost)</b>	<b>4,032</b>	<b>3,896</b>
Total lease liabilities	4,493	4,321
Less : shown under current [refer note 20 (iii)]	461	425
Non-current lease liability	4,032	3,896
<b>Change in liabilities arising in financial activities</b>		
Beginning of the year	4,321	4,108
On adoption of Ind AS 116	-	1,194
Addition	595	-
Accretion of interest	229	175
Less: payments	677	1,278
Exchange difference on consolidation	25	122
<b>End of the year</b>	<b>4,493</b>	<b>4,321</b>
<b>16 (iii) Other financial liabilities</b>	<b>20</b>	<b>36</b>

## 17. PROVISIONS

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>- for employee benefits</b>		
Gratuity [refer note 33(b)]	4,565	4,712
Leave encashment	86	73
Long service award [refer note 33(b)]	116	98
Retirement compensation [refer note 33(b)]	821	897
<b>Total</b>	<b>5,588</b>	<b>5,780</b>



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 18. DEFERRED TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>Deferred tax assets (DTA)</b>		
On expenses allowable against taxable income in future years	222	207
Others	302	146
<b>Total DTA</b>	<b>524</b>	<b>353</b>
<b>Deferred tax liabilities (DTL)</b>		
Arising out of temporary difference in depreciable assets	2,985	2,640
<b>Total DTL</b>	<b>2,985</b>	<b>2,640</b>
<b>Deferred tax liabilities (net)</b>	<b>2,461</b>	<b>2,287</b>

Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise.

At 31<sup>st</sup> March, 2022, a deferred tax liability of Rs. 15,526 lakhs (31<sup>st</sup> March, 2021 : Rs. 13,131 lakhs) in respect of temporary differences related to undistributed profit in subsidiaries has not been recognised because the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

Refer note 9 for reconciliation in respect of income tax expense applicable to accounting profits/(loss) before tax at the statutory income tax rate to recognised income tax expense for the year.

### 19. OTHER LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Excise/service tax/goods and service tax	1,558	1,457
Sales tax/entry tax	1,558	1,558
<b>Total</b>	<b>3,116</b>	<b>3,015</b>

### CURRENT LIABILITIES

#### 20. FINANCIAL LIABILITIES (AT AMORTISED COST)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Borrowings</b>		
<b>Secured *</b>		
Loans repayable on demand	582	839
Working capital loans from banks #	10,369	11,621
Buyer's credit including acceptance from banks ##	5,517	3,566
Current maturities of long -term borrowings @	215	6,365
<b>Unsecured loans</b>		
Bill discounting ###	1,109	2,531
<b>Total</b>	<b>17,792</b>	<b>24,922</b>

\* *Nature of security*

Secured by first charge by way of hypothecation of all current assets of the Company. Further such loans from banks are also secured by charge on certain immovable properties, subject to first charge in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company. Further, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis. The loans are repayable on demand and carry interest @ 7.60% to 8.70% p.a. payable at monthly rests. Apart from securities mentioned above, working capital from a bank is secured by personal guarantee of Managing Director of the Company.

# Working capital loans from banks by a subsidiary company, Usha Siam Steel Industries Public Company Limited, covers promissory notes, packing credits and trust receipts. Working capital loans bears interest at the rate referenced to minimum overdraft rate per annum. Promissory notes bear interest at minimum lending rate per annum. Liabilities under trust receipt agreements carry interest at 4.00% per annum. The loan is secured by the mortgage of a portion of the Company's land, building and structures and property, plant and equipment. Further, savings deposits and fixed deposits have been pledged as collaterals against such credit facilities.

## Borrowings under buyer's credit of a subsidiary company, Usha Siam Steel Industries Public Company Limited, represents short-term loans from a bank for settlements of raw materials acquired from the Company. Such loan bears interest (inclusive of withholding tax) at the 6-month LIBOR plus 4.5% per annum. These loans have been guaranteed by the Company.





## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### The Company has discounted trade receivables on recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. These bills are discounted @ 5.50% to 6.00% p.a. and are repayable within 180 days.

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

Term loans (secured)	Nature of security	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>From banks</b>			
(i) ICICI Bank Limited [note (a) below]	A, D	-	800
(ii) ICICI Bank Limited [note (b) below]	A, B, C, D	-	3,000
(iii) ICICI Bank Limited [note (c) below]	A, B	-	1,750
		-	<b>5,550</b>
<b>From banks</b>			
(iv) CIMB Bank [note (d) below]	E	-	622
(v) Rabo Bank [note (e) below]	F	189	193
(vi) Acura Financial Services [note (f) below]	G	4	-
(vii) Export-Import Bank of India [note (g) below]	G	22	-
		<b>215</b>	<b>815</b>
<b>Total</b>		<b>215</b>	<b>6,365</b>
Aggregate secured borrowings		<b>215</b>	<b>6,365</b>

### Nature of security

- Secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged in favour of such lenders
- Secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- Secured by personal guarantee of Managing Director of the Company.
- Secured by pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.
- Secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of De Ruiter Staalkabel B.V., subsidiary of Usha Martin International Limited.
- Secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of Usha Martin Singapore Pte. Limited.
- Secured against assets of Usha Siam Steel Industries Public Company Limited procured from proceeds of borrowings.

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

- Rupee term loan from a bank amounting to Rs. 3,000 lakhs outstanding as on 31<sup>st</sup> March, 2021 has been repaid during the year.
- Rupee term loan from a bank amounting to Rs. 800 lakhs outstanding as on 31<sup>st</sup> March, 2021 has been repaid during the year.
- Rupee term loan from a bank amounting to Rs. 1,750 lakhs outstanding as on 31<sup>st</sup> March, 2021 has been repaid during the year.
- Foreign currency term loan from a bank amounting to Rs. 622 lakhs as on 31<sup>st</sup> March, 2021 has been repaid during the year
- Foreign currency term loan from a bank amounting to Rs. 189 lakhs (31<sup>st</sup> March, 2021 : Rs. 193 lakhs) is repayable in twelve monthly instalments from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2023. Interest was payable on monthly basis at three month EURIBOR plus 2.1% p.a.
- Foreign currency loan from bank amounting to Rs. 4 lakhs is repayable in twelve instalments upto 31<sup>st</sup> March, 2023. Interest is payable on monthly basis at 5.54% p.a.
- Foreign currency term loan from a bank amounting to Rs. 22 lakhs is repayable in eleven monthly instalments from 30<sup>th</sup> April, 2022 to 30<sup>th</sup> Mar, 2023.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

The Company is in compliance with filing of quarterly financial follow up report with State Bank of India and ICICI Bank Limited for cash credit facility and working capital loan. The following table provides a reconciliation of statement filed with the above-mentioned banks and books of accounts:

Name of the Bank	Quarter Ended	Particulars	Amount as per books of accounts	Amount as reported in quarterly return/statement	Amount of Difference	Reason for material discrepancy
<b>Year ended 31<sup>st</sup> March, 2022</b>						
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> June, 2021	Trade Receivable	23,401	21,340	2,061	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> September, 2021	Trade Receivable	25,078	23,588	1,490	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
		Other Current Assets	23,366	23,738	(372)	Discrepancy is primarily on account of the details being submitted on the basis of provisional books/financial statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> December, 2021	Trade Receivable	28,742	27,033	1,709	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> March, 2022	Trade Receivable	24,710	23,600	1,110	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
<b>Year ended 31<sup>st</sup> March, 2021</b>						
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> June, 2020	Trade Receivable	18,147	17,681	466	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	30 <sup>th</sup> September, 2020	Trade Receivable	18,528	17,177	1,351	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> December, 2020	Trade Receivable	20,133	17,897	2,236	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements
		Other Current Assets	31,039	30,884	155	Discrepancy is primarily on account of the details being submitted on the basis of provisional books/financial statements
State Bank of India & ICICI Bank Limited	31 <sup>st</sup> March, 2021	Trade Receivable	21,718	19,187	2,531	Bills discounted with recourse have been reclassified as borrowings in the books of account as per generally accepted accounting principles in India whereas the same have been netted off while submitting the return to bank against trade receivable in the quarterly returns/statements



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(ii) Trade payables (at amortised cost)</b>		
Total outstanding dues of micro and small enterprises (refer note 39)	861	243
Total outstanding dues of creditors other than micro and small enterprises	19,083	23,891
Acceptances	9,559	12,096
	<b>28,642</b>	<b>35,987</b>
<b>Total</b>	<b>29,503</b>	<b>36,230</b>

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

Acceptances represent arrangements whereby banks make direct payments to suppliers of raw materials. The banks are subsequently repaid by the Company at a later date providing working capital timing benefits. Where these arrangements are for raw materials and have a maturity of upto the credit period contracted with the suppliers, the economic substance of the transaction is considered to be operating in nature and outstanding acceptance are reported under "Trade payables".

Acceptances payable to banks carry interest @ 5.50% p.a. and are secured by hypothecation of certain current assets of the Group. Further such acceptances are also secured by charge on certain movable & immovable properties, subject to first charge 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 Group. Further, in respect of acceptances from a bank, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis. In respect of acceptances from another bank, personal guarantee of Managing Director has been given.

Refer note 36B(b) for explanations on the Group's liquidity risk management processes.

Trade payable ageing schedule for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021

As at 31 <sup>st</sup> March, 2022	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
MSME	-	754	107	-	-	-	861
Others	3,683	14,910	9,596	163	50	15	28,417
Disputed Dues – MSME	-	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	225	225
<b>Total</b>							<b>29,503</b>

As at 31 <sup>st</sup> March, 2021	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
MSME	-	217	26	-	-	-	243
Others	5,220	16,791	13,429	222	16	84	35,762
Disputed Dues – MSME	-	-	-	-	-	-	-
Disputed Dues – Others	-	-	-	-	-	225	225
<b>Total</b>							<b>36,230</b>

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iii) Lease liabilities (at amortised cost)</b>	<b>461</b>	<b>425</b>



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(iv) Other financial liabilities</b>		
<b>Derivatives not designated as hedges (at fair value through Profit and Loss)</b>		
Foreign exchange forward contracts	9	8
<b>Other financial liabilities at amortised cost</b>		
Interest accrued but not due on borrowings	86	108
Interest accrued on trade payables and others	239	243
Security deposits received	210	508
Liability towards project vendors	1,468	2,347
Payable relating to coal mines	1,384	1,384
Employees benefits payable	2,195	2,100
Other payables	2,372	2,509
<b>Total</b>	<b>7,963</b>	<b>9,207</b>

Derivative contracts at fair value through profit and loss reflect the adverse change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 36B(c1) for details regarding the nature and extent of risks arising from financial instruments to which the Group is exposed at the end of the reporting year.

### 21. PROVISIONS

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>- for employee benefits</b>		
Gratuity [refer note 33(b)]	87	25
Leave encashment	825	798
Long service award [refer note 33(b)]	2	5
Retirement compensation [refer note 33(b)]	32	105
<b>Total</b>	<b>946</b>	<b>933</b>

### 22. CURRENT TAX LIABILITIES (NET)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Provision for income tax [net of taxes paid Rs. 713 lakhs (31 <sup>st</sup> March, 2021 : Rs. 713 lakhs)]	2,978	249

### 23. OTHER LIABILITIES

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Contract liabilities *	4,857	3,501
Statutory tax payables #	2,974	2,677
Advance received against sale of land	4	-
Renewable power obligation	3,009	2,925
<b>Total</b>	<b>10,844</b>	<b>9,103</b>

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

# Statutory dues primarily includes payable in respect of goods and service tax (GST), excise duty, tax deducted at source etc.



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(All amounts in Rs. lakhs unless stated otherwise)

### Changes in liabilities arising from financing activities

Particulars	1 <sup>st</sup> April, 2021	Cash flows	EIR adjustment	Others*	31 <sup>st</sup> March, 2022
Non Current borrowings	23,739	(4,895)	225	(215)	18,854
Current maturities of long term borrowings	6,365	(6,365)	-	215	215
Loans repayable on demand	839	(257)	-	-	582
Working capital loans from banks	11,621	(1,252)	-	-	10,369
Buyer's credit including acceptances from banks	3,566	1,951	-	-	5,517
Indian rupee bill discounting	2,531	(1,422)	-	-	1,109
<b>Total liabilities from financing activities</b>	<b>48,661</b>	<b>(12,240)</b>	<b>225</b>	<b>-</b>	<b>36,646</b>

Particulars	1 <sup>st</sup> April, 2020	Cash flows	EIR adjustment	Others*	31 <sup>st</sup> March, 2021
Non Current borrowings	30,518	(554)	140	(6,365)	23,739
Current maturities of long term borrowings	4,068	(4,068)	-	6,365	6,365
Loans repayable on demand	975	(136)	-	-	839
Working capital loans from banks	17,242	(5,621)	-	-	11,621
Buyer's credit including acceptances from banks	4,233	(667)	-	-	3,566
Indian rupee bill discounting	876	1,655	-	-	2,531
<b>Total liabilities from financing activities</b>	<b>57,912</b>	<b>(9,391)</b>	<b>140</b>	<b>-</b>	<b>48,661</b>

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

## 24. REVENUE FROM OPERATIONS

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Sale of goods	257,191	201,857
Sale/rendering of services	5,187	3,028
Other operating revenue:		
Product scrap sales	5,184	3,273
Sale of captive power	449	382
Export incentive	796	1,188
<b>Total</b>	<b>268,807</b>	<b>209,728</b>

### 24A. Disaggregated Revenue Information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Wire and Wire ropes	258,412	200,408
Others	10,395	9,320
<b>Total</b>	<b>268,807</b>	<b>209,728</b>

For reconciliation of the revenue from operations with the amounts disclosed in the segment information, refer note 35



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

Revenue by geographical segment	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
India	132,183	106,302
Outside India	136,624	103,426
<b>Total</b>	<b>268,807</b>	<b>209,728</b>

### 24B. Timing of revenue recognition

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Goods transferred at a point in time	263,620	206,700
Services rendered over time	5,187	3,028
<b>Total</b>	<b>268,807</b>	<b>209,728</b>

### 24C. Contract balances

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Trade receivables [refer note 12(i)] *	41,409	32,753
Contract liabilities (refer note 23)	4,857	3,501

\* Net of allowance of Rs. 1,367 lakhs (31<sup>st</sup> March, 2021 : Rs. 998 lakhs) towards credit impaired trade receivables. Trade receivables are generally on 30 to 120 days credit period and are entitled to interest @ 18% beyond that period.

Contract liabilities include advances received to deliver goods or services.

### 24D. Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted prices

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Revenue as per contracted prices	270,725	211,243
Less: Discount/volume rebates	1,918	1,515
<b>Revenue from contract with customers</b>	<b>268,807</b>	<b>209,728</b>

### 24E. The Group has recognised the following revenue-related contract liabilities and receivables from contract with customers

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Amounts included in contract liabilities at the beginning of the year	3,501	3,873
Less : Revenue recognised against the opening contract liability on satisfaction of performance obligations	7,154	6,605
Add: Advance received during the year	8,508	6,237
Exchange difference	2	(4)
<b>Amounts included in contract liabilities at the end of the year (refer note 23)</b>	<b>4,857</b>	<b>3,501</b>



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to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 24F. Performance obligations

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 120 days from delivery. Some contracts provide eligible customers with volume rebates which give rise to variable consideration subject to constraint.

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 <sup>st</sup> March, 2022 are, as follows:	31,095	30,213
0-1 Month	14,128	14,428
1-3 Months	7,032	10,514
3-6 Months	4,173	2,991
More than 6 Months	5,762	2,280

All the performance obligations are expected to be recognised within one year.

### 25. OTHER INCOME

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Miscellaneous scrap sales	1,179	156
Liabilities no longer required written back	899	604
Allowance for credit impaired debts and advances no longer required written back	217	64
Claims received	74	476
Gain on disposal of property, plant and equipment [net of loss on disposal of property, plant and equipment of Rs. 416 lakhs (31 <sup>st</sup> March, 2021: Rs. 2 lakhs)]	92	73
Rent received	200	234
Interest income on financial assets carried at amortised cost	489	369
Miscellaneous income	374	918
<b>Total</b>	<b>3,524</b>	<b>2,894</b>

### 26. EMPLOYEE BENEFITS EXPENSES

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Salaries, wages and bonus	30,166	27,134
Contributions to provident and other funds [refer note 33(a) and 33(b)(V)]	1,557	1,413
Gratuity expense [refer note 33 (b)]	612	558
Staff welfare expenses	688	696
<b>Total</b>	<b>33,023</b>	<b>29,801</b>

### 27. FINANCE COSTS

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Interest expense on financial liabilities measured at amortised cost	3,608	5,046
Interest on lease liabilities	229	175
Other borrowing costs (includes letter of credit opening and retirement charges, loan processing fees, etc.)	409	469
<b>Total</b>	<b>4,246</b>	<b>5,690</b>



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(All amounts in Rs. lakhs unless stated otherwise)

### 28. DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Depreciation of property, plant and equipment (refer note 3)	6,082	5,908
Depreciation on investment properties (refer note 4)	40	40
Amortization of intangible assets (refer note 5)	369	385
Amortization of right-of-use assets (refer note 6)	484	454
<b>Total</b>	<b>6,975</b>	<b>6,787</b>

### 29. OTHER EXPENSES

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Consumption of stores and spare/loose tools	4,083	3,532
Operations and maintenance :		
Plant and machinery	4,009	3,372
Buildings	348	227
Power and fuel [refer note (i) below]	12,580	10,002
Freight and forwarding charges	16,342	9,119
Rent and hire charges	555	635
Rates and taxes	807	502
Insurance	877	722
Travelling and conveyance	437	561
Directors' sitting fees	53	21
Remuneration to auditors [refer note (ii) below]	302	303
Allowance for credit impaired debts and advances	476	208
Bad Debts/advances written off [net of write back of allowance for credit impaired of Rs. 702 lakhs (31 <sup>st</sup> March, 2021: Rs. Nil)]	79	83
Material handling charges	457	366
Processing charges	2	22
Consultants and professional fees	2,190	900
Miscellaneous expenses [refer note (iii) below]	5,102	3,914
<b>Total</b>	<b>48,699</b>	<b>34,489</b>

#### (i) The following expenses are included in power and fuel expenses in the Statement of Profit and Loss :

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Consumption of stores and spares/loose tools	223	182
Material handling charges	113	123
Operations and maintenance : plant and machinery	320	310
Operations and maintenance : buildings	11	7
Miscellaneous expenses	36	31
<b>Total</b>	<b>703</b>	<b>653</b>





## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### (ii) Remuneration to auditors comprises of :

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>As auditor</b>		
As auditor - for statutory audit and limited reviews	209	227
Tax audit fee	14	24
Other matters	77	45
Reimbursement expenses	2	7
<b>Total</b>	<b>302</b>	<b>303</b>

(iii) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 335 lakhs (31<sup>st</sup> March, 2021 : Rs. 366 lakhs), and they are recognised in miscellaneous expenses.

(iv) The Company did not earn average net profits over the preceding three financial years and hence CSR provisions as per section 135 of the Companies Act, 2013 are not applicable to the Company.

### 30. EARNINGS PER EQUITY SHARE (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations :

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Net profit before OCI attributable to equity holders for basic and diluted EPS from continuing operations (a)</b>	<b>29,143</b>	15,403
<b>Loss before OCI attributable to equity holders for basic and diluted EPS from discontinued operations (b)</b>	<b>-</b>	(444)
<b>Profit for the period [(c) = (a) + (b)]</b>	<b>29,143</b>	<b>14,959</b>
<b>Weighted average number of equity shares for the year</b>	<b>304,741,780</b>	304,741,780
Basic and diluted earnings per equity share (Rs.) from continuing operations	9.56	5.06
Basic and diluted earnings per equity share (Rs.) from discontinued operations	-	(0.15)
Basic and diluted earnings per equity share (Rs.) from continuing and discontinued operations	9.56	4.91
Nominal value per share (Re.)	1	1

There have been no other transactions involving equity shares between the reporting date and the date of authorisation of these financial statements.

### 31. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and the disclosures. The Group based its assumptions and estimates on parameters available when the financial statements were prepared and these are reviewed at each Balance Sheet date.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management (refer note 36 D)
- Financial risk management objectives and policies (refer note 36B)
- Sensitivity analysis disclosures (refer note 33J)

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

## Notes

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### (i) Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

### Property lease classification – Group as lessor

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

### (ii) Revenue from contracts with customers

The Group applied the judgement of determining method to estimate variable consideration and assessing the constraint that significantly affect the

determination of the amount and timing of revenue from contracts with customers.

Certain contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. In estimating the variable consideration for the sale of goods with volume rebates, the Group determined that the most likely amount method is appropriate.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### (i) Useful economic lives of property, plant and equipment and impairment considerations

Property, plant and equipment are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the carrying values of assets. The Group also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Group's business plans and changes in regulatory environment are taken into consideration.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The



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value in use calculation is based on a DCF model. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### (ii) Taxes

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits and business developments together with future tax planning strategies.

### (iii) Defined benefit plans

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

### (iv) Revenue recognition - estimating variable consideration for volume rebates

The Group estimates variable considerations to be included in the transaction price for the sale of goods with volume rebates. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. Estimates of volume rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future.

### (v) Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in



## Notes

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a similar economic environment. The Group estimates the IBR using observable inputs (such as market interest rates) when available.

### (vi) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has capital commitments in relation to various capital projects which are not recognized on the Balance Sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### (vii) Non-current assets held for sale

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

### (viii) Valuation of Inventories

The Group follows suitable provisioning norms for writing down the value of slow-moving, non-moving and surplus inventory. This involves various judgements and assumptions that may differ from actual developments in the future.

## 32. COMMITMENTS AND CONTINGENCIES

### A. Leases

#### Group as a lessee

- (i) The Group as a lessee has entered into various lease contracts, which includes lease of land, office space, employee residential accommodation, equipments such as forklift, hydra etc, vehicles, guest house etc. Generally, the Group is restricted from assigning and subleasing the leased assets. There are lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in aligning with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group has certain leases of office space, employee residential accommodation, guest house etc with lease terms of 12 months or less. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.



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(All amounts in Rs. lakhs unless stated otherwise)

Set out below are the net carrying amounts of right-of-use assets recognised in Balance Sheet and the movement during the year:

Particulars	Land	Building #	Plant & Equipment ##	Office Equipment ##	Vehicle @	Total
<b>As at 31<sup>st</sup> March, 2020</b>	<b>3,345</b>	<b>826</b>	<b>58</b>	<b>6</b>	<b>244</b>	<b>4,479</b>
Addition during the year	137	729	-	-	374	1,240
Adjustment/disposal	(24)	(609)	(30)	-	(22)	(685)
Exchange difference on consolidation	121	(26)	2	-	(11)	86
Less : amortisation	164	181	8	1	100	454
<b>As at 31<sup>st</sup> March, 2021</b>	<b>3,415</b>	<b>739</b>	<b>22</b>	<b>5</b>	<b>485</b>	<b>4,666</b>
Addition during the year	296	149	-	-	150	595
Adjustment/disposal	-	-	(6)	(2)	(16)	(23)
Exchange difference on consolidation	1	10	(1)	*	17	27
Less : amortisation	168	185	5	1	125	484
<b>As at 31<sup>st</sup> March, 2022 (refer note 6)</b>	<b>3,544</b>	<b>713</b>	<b>10</b>	<b>3</b>	<b>511</b>	<b>4,781</b>

# Represents office space taken on lease.

## Represents equipments such as forklift, hydra etc taken on lease.

@ Represents vehicles purchased on lease.

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

(ii) Set out below are the carrying amounts of lease liabilities and the movement during the year:

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Balance as at beginning of the year	4,321	4,108
Addition	595	1,194
Accretion of interest (refer note 27)	229	175
Less : payments	677	1,278
Exchange difference on consolidation	25	122
<b>Balance as at the end of the year</b>	<b>4,493</b>	<b>4,321</b>
Current [refer note 20(iii)]	461	425
Non-current [refer note 16(ii)]	4,032	3,896

The maturity analysis of lease liabilities is disclosed in Note 36B (b).

(iii) Amounts recognised in the Statement of Profit and Loss

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Amortisation expense of right-of-use assets (recognised in depreciation and amortization expenses)	484	454
Interest expense on lease liabilities (recognised in finance costs)	229	175
Expense relating to short-term leases (included in rent and hire charges)	639	635
<b>Total amount recognised in Statement of Profit and Loss for the year</b>	<b>1,352</b>	<b>1,264</b>

### B. Commitments

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	896	401
<b>(ii) Other commitments</b>		



## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme. During the year, the Company has filed an application to the Directorate General of Foreign Trade (DGFT) for re-fixation of Average Export Obligation (AEO) to exclude certain items that are not required to be considered for ascertaining the Company's AEO. Supported by a legal opinion obtained, the Company is reasonably certain of a favourable outcome and hence it does not anticipate a liability with respect to its obligations. Management believes that in consideration to re-fixed AEO, no further export obligations are to be met by the Company.	-	117,500
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### C. Contingent liabilities

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(i) Guarantees</b>		
Corporate guarantee given by the Company to banks/third parties to secure the financial assistance/accommodation extended on behalf of subsidiaries.	7,579	7,311
Balance outstanding as at year end Rs 5,497 lakhs (31 <sup>st</sup> March, 2021: Rs 3,583 lakhs).		
<b>(ii) Bank guarantees</b>		
The Group has given bank guarantees details of which are as below:		
In favour of various parties against various contracts	2,140	1,927
The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required.		
<b>(iii) Claims against the Group not acknowledged as debt * ##</b>		
Demand for income tax matters	1,744	1,822
Demand for sales tax, entry tax and electricity duty **	2,827	4,229
Demand for excise duty and service tax	13,256	13,884
Demand for customs duty	1,620	1,620
Demand for Goods and Service Tax	1,017	487
Demand for land revenue	295	222
Outstanding labour disputes	28	28
Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	10,980	10,980
Demand for mining matter is pending with appropriate authority @	2,862	2,862
Demand for compensation on account of mining and dump/infrastructure/colony established outside approved mining lease area	1,710	1,710
Demand for financial assurance amount in Escrow account	226	226
Disputed claims by parties not acknowledged as debt by the Company	3,006	3,006

\* Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Group, the management believes that the Group has a good chance of success in above mentioned matters and hence no provision against these matters are considered necessary.

\*\* Includes demand aggregating to Rs. 697 lakhs (31<sup>st</sup> March, 2021: Rs. 571 lakhs) and Rs Nil (31<sup>st</sup> March, 2021: Rs. 1,159 lakhs) received by the Company towards entry tax in Punjab and West Bengal respectively. Subsequent to the decision of the Hon'ble Supreme Court of India, vide order dated 11<sup>th</sup> November, 2016, upholding the rights of State Governments to impose entry tax, the Company has filed petitions before the Hon'ble High Courts of the aforesaid States and also Jharkhand on grounds that entry tax imposed by respective State legislations is discriminatory in nature. The Hon'ble West Bengal Taxation Tribunal vide order dated 25<sup>th</sup> March 2022 had specifically held that "the State Legislature is denuded of its plenary power to deal with Entry tax related matters on and from 16<sup>th</sup> September 2016 when Constitution (101<sup>st</sup> Amendment) Act 2016 came into effect, and thereby the revalidation of Entry Tax by West Bengal State Govt on Entry of Goods into Local Area cannot be sustained. Pending decisions by the Hon'ble High Court of Jharkhand, the Company's obligation, if any, towards entry tax is not ascertainable. Based on legal opinion obtained, management believes that there will be no resultant adverse impact on the Company.

@ The Company had given an undertaking to deposit Rs. 1,922 lakhs in six instalments in terms of the order of the Hon'ble High Court of Jharkhand. Against the same, the Company has deposited an amount of Rs. 1,922 lakhs upto 31<sup>st</sup> March, 2020.

## Pending necessary clarification, the Company has complied with order of the Hon'ble Supreme Court of India regarding applicability of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 to certain fixed elements of remuneration paid/payable to employees with effect from the date of such order, i.e., 28<sup>th</sup> February 2019 and has deposited such statutory dues with appropriate authorities. Any additional provision in respect of earlier periods will be recognised as and when further clarifications will be available.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### (iv) Others

- a) The Company has provided a Letter of Comfort to a bank that has provided credit facilities to its joint venture, Pengg Usha Martin Wires Private Limited. Such facilities have been utilised to the extent of Rs. 3,818 lakhs as at 31<sup>st</sup> March, 2022 (Rs. 2,934 lakhs as at 31<sup>st</sup> March, 2021) by the joint venture company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that joint venture company and to ensure that no losses are suffered by the lender concerned. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.
- b) The Company has provided a Letter of Comfort to a bank that has provided credit facilities to its subsidiary, UM Cables Limited. Such facilities have been utilised to the extent of Rs. 3,437 lakhs as at 31<sup>st</sup> March, 2022 (Rs. Nil lakhs as at 31<sup>st</sup> March, 2021) by the subsidiary company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that subsidiary company and to ensure that no losses are suffered by the lender concerned. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.
- c) The Company has provided a Letter of Comfort to a bank that has provided credit facilities to its subsidiary, Usha Martin Singapore Pte. Limited. Such facilities have been utilised to the extent of Rs. 4,017 lakhs as at 31<sup>st</sup> March, 2022 (Rs. Nil lakhs as at 31<sup>st</sup> March, 2021) by the subsidiary company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that subsidiary company and to ensure that no losses are suffered by the lender concerned. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

### 33. POST EMPLOYMENT DEFINED CONTRIBUTION PLANS AND POST EMPLOYMENT DEFINED BENEFIT PLANS

#### (a) Post employment defined contribution plans

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund paid to the authorities *	165	148
(ii) Pension fund paid to the authorities	749	697
(iii) Superannuation fund - Contribution payable/paid to a Trust	256	235
<b>Total</b>	<b>1,170</b>	<b>1,080</b>

\* Contribution towards Provident Fund for certain employees is made to the regulatory authorities. Such provident fund benefit is classified as defined contribution scheme as the Group does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the Statement of Profit and Loss, as indicated above.

#### (b) Post employment defined benefit plans

##### I. Gratuity plan (funded)

The Company and UM Cables Limited, an Indian subsidiary of the Company, has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

##### II Gratuity plan (unfunded)

Brunton Wire Ropes FZCO. Limited, an overseas subsidiary of the Company, 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.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### III Long term service award (unfunded)

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

### IV Retirement compensation (unfunded)

Usha Siam Steel Industries Public Company Limited, an overseas subsidiary of the Company, provides for retirement compensation, a defined benefit plan, covering its employees. Pursuant to the plan, retirement compensation is paid to employees based on last drawn salary and length of service upon retirement, death or resignation. Vesting occurs upon completion of 120 days of service.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the above defined benefit plans:

#### A Expenses recognised in the Statement of Profit and Loss

	Year ended 31 <sup>st</sup> March, 2022				Year ended 31 <sup>st</sup> March, 2021			
	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)
1. Current/past service cost	285	66	3	119	283	46	3	153
2. Net Interest cost	237	24	5	22	206	23	5	23
3. Amount recognised in Statement of Profit and Loss (i)	522	90	8	141	489	69	8	176
Expenses recognised in other comprehensive income								
4. Remeasurement (gains)/losses on defined benefit plans								
Arising from changes in experience	(144)	11	(7)	-	227	46	(9)	-
Arising from changes in financial assumptions	(115)	(26)	(1)	-	1	131	-	-
Return on plan assets greater/(lesser) than discount rate	1	-	-	-	(2)	-	-	-
5. Total (ii)	(258)	(16)	(8)	-	226	177	(9)	-
6. Total expense (i)+(ii)	264	74	-	141	715	246	(1)	176

#### B Net asset/(liability) recognised in the Balance Sheet

	As at 31 <sup>st</sup> March, 2022		As at 31 <sup>st</sup> March, 2021	
	Gratuity (funded)	Long term service award (unfunded)	Gratuity (funded)	Long term service award (unfunded)
1. Present value of defined benefit obligation	4,815	66	4,924	69
2. Fair value of plan assets	1,278	-	1,184	-
3. Net asset/(liability) #	(3,537)	(66)	(3,740)	(69)

# Net of Rs. 11 lakhs plan assets of a subsidiary.





## Notes

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(All amounts in Rs. lakhs unless stated otherwise)

### C Change in the present value of the defined benefit obligation during the year

	Year ended 31 <sup>st</sup> March, 2022				Year ended 31 <sup>st</sup> March, 2021			
	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)
1. Present value of defined benefit obligation at the beginning of the year	4,924	690	69	1,002	4,655	466	72	1,147
2. Current service cost/plan amendments	285	66	3	119	283	46	3	153
3. Interest cost	316	23	5	22	294	23	5	23
4. Benefits paid	(385)	(5)	(1)	(256)	(536)	(2)	(2)	(333)
5. Remeasurement (gains)/losses	(259)	(16)	(8)	-	228	177	(9)	-
6. Exchange differences on foreign plans	-	30	-	(34)	-	(20)	-	12
7. Acquisitions (credit)/cost	66	-	2	-	-	-	-	-
8. Present value of defined benefit obligation at the end of the year	4,815	788*	66 <sup>#</sup>	853	4,924	690*	69 <sup>#</sup>	1,002

\* Excludes liability for gratuity amounting to Rs. 316 lakhs (31<sup>st</sup> March, 2021 : Rs. 307 lakhs) of Usha Martin Singapore Pte Limited, a subsidiary of the Company. The liability has been provided on actual basis for the unfunded gratuity plan.

<sup>#</sup> Excludes liability for long term service award amounting to Rs. 52 lakhs (31<sup>st</sup> March, 2021 : Rs. 34 lakhs) of Usha Martin Singapore Pte Limited, a subsidiary of the Company. The liability has been provided on actual basis for the unfunded long term service award.

### D Change in the fair value of plan assets during the year

	Gratuity	
	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1. Plan assets at the beginning of the year	1,184	1,540
2. Interest income	79	88
3. Contributions by employer	401	90
4. Actual benefits paid	(385)	(536)
5. Return on plan assets greater/(lesser) than discount rate	(1)	2
6. Plan assets at the end of the year	1,278	1,184

**E In 2022-23, the Group expects to contribute Rs. 3,547 lakhs to gratuity fund.**

### F The major categories of plan assets as a percentage of the fair value of total plan assets (gratuity)

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Investments with insurer	97%	97%
Cash and cash equivalent	3%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>



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### G Actuarial assumptions

	Year ended 31 <sup>st</sup> March, 2022				Year ended 31 <sup>st</sup> March, 2021			
	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)
1. Discount rate	7.00% / 7.10%	3.57%	7.00%	2.07%	6.70% / 6.80%	5.25%	6.70%	1.86%
2. Expected rate of return on plan assets	7.00% / 7.10%	NA	NA	NA	6.70% / 6.80%	NA	NA	NA
3. Mortality pre retirement	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	100% of the Male and Female Thai Mortality Ordinary Tables of 2008	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	100% of the Male and Female Thai Mortality Ordinary Tables of 2008
4. Mortality post retirement	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate	NA	TMO 2008	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate	NA	TMO 2008
5. Withdrawal rate	1.00%	1.00%	1.00%	0% - 49.00%	1.00%	1.00%	1.00%	2.00% - 48.00%
6. Rate of salary increases	6.00% / 7.00%	6.00% / 7.00%	6.00%	1.00%	6.00%	6.00%	6.00%	6.00%

H The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Group's policy for plan assets management.

### I Maturity profile of the defined benefit obligation (undiscounted amount)

	Year ended 31 <sup>st</sup> March, 2022				Year ended 31 <sup>st</sup> March, 2021			
	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)
Expected benefit payments for the year ending								
Not later than 1 year(next annual reporting period)	245	88	2	113	309	25	3	116
Later than 1 year and not later than 5 years	1,641	153	30	519	1,503	211	28	532
Later than 5 year and not later than 10 years	3,553	339	47	595	3,453	163	46	610
More than 10 years	12,660	-	120	1,396	13,308	-	13	1,433
<b>Total expected payments</b>	<b>18,099</b>	<b>580</b>	<b>199</b>	<b>2,622</b>	<b>18,573</b>	<b>399</b>	<b>90</b>	<b>2,691</b>
Weighted average duration of defined benefit obligation	9	9	7	7	9	9	7	7



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### J Sensitivity analysis

The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

Increase/(decrease) in defined benefit obligation	Year ended 31 <sup>st</sup> March, 2022				Year ended 31 <sup>st</sup> March, 2021			
	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)	Gratuity (funded)	Gratuity (unfunded)	Long term service award (unfunded)	Retirement compensation (unfunded)
<b>Discount rate</b>								
Increase by 0.5%/1%	(353)	(82)	(4)	(42)	(371)	(76)	(5)	(47)
Decrease by 0.5%/1%	403	98	5	46	424	91	5	52
<b>Expected rate of increase in compensation level of covered employees</b>								
Increase by 0.5%/1%	397	-	*	68	416	-	-	63
Decrease by 0.5%/1%	(356)	-	*	(63)	(372)	-	-	(58)

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

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

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

### K Risk analysis

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

#### (i) Interest risk

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

#### (i) Longevity risk/Life expectancy

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

#### (i) Salary growth risk

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

#### (i) Investment risk

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

### V Provident fund

Provident fund contributions in respect of employees other than those covered in (a) above are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. Both the employer and the employees contribute to this Fund and such contributions together with interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefit vests immediately



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on rendering of services by the employee. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. In terms of the guidance on implementing Indian Accounting Standard 19 on Employee Benefits, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using projected unit credit method and deterministic approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date. Further during the period, the Company's contribution Rs. 387 lakhs (31<sup>st</sup> March, 2021: Rs. 333 lakhs) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

### Principal actuarial assumptions

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

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Discount Rate	7.00%	6.70%
Withdrawal Rate	1.00%	1.00%
Expected rate of increase in compensation level of covered employees	6.00%	6.00%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate
EPFO Return	8.10%	8.50%

## 34. RELATED PARTY DISCLOSURES

### (i) Related Parties

#### A. Related Parties with whom the Company had transactions

(a) Joint ventures	Pengg Usha Martin Wires Private Limited CCL Usha Martin Stressing Systems Limited Tesac Usha Wirerope Company Limited*
(b) Substantial interest in the voting power of the entity	UMI Special Steel Limited (under liquidation)
(c) Key managerial personnel	Mr. Mukesh Rambhari Rohatgi, Chairman (till 8 <sup>th</sup> December 2021) Mr. Brij K. Jhawar, Director (till 23 <sup>rd</sup> September 2020) Mr. Venkatachalam Ramakrishna Iyer, Director (till 4 <sup>th</sup> Nov 2021 as Nominee Director) (appointed as Independent Director w.e.f. 12 <sup>th</sup> Nov 2021) Mr. Vijay Singh Bapna, Director - Chairman (Chairman w.e.f. 11 <sup>th</sup> February 2022) Mrs. Ramni Nirula, Director Mr. Rajeev Jhawar, Managing Director Mr. P. K. Jain, Joint Managing Director (Wire and Wire Rope Business) (til 17 <sup>th</sup> May, 2020) Mr. Dhruv Jyoti Basu - Whole Time Director (w.e.f. 6 <sup>th</sup> June 2020) Mr. Devadip Bhowmik - Whole Time Director (w.e.f. 15 <sup>th</sup> March 2021) Mr. Sethurathnam Ravi, Director (w.e.f. 12 <sup>th</sup> November 2021) Mrs. Shampa Ghosh Ray, Company Secretary Mr. Anirban Sanyal, Chief Financial Officer
(d) Others	Usha Martin Employee Provident Fund Trust Joh Pengg Austria AG (Holding Company of Pengg Usha Martin Wires Private Limited)

\* Represents step-down joint venture.





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	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>(b) Others</b>		
<b>Sale of products and services</b>		
Joh Pengg Austria AG	40	-
<b>Total</b>	<b>40</b>	<b>-</b>
<b>Purchases</b>		
Joh Pengg Austria AG	70	-
<b>Total</b>	<b>70</b>	<b>-</b>
<b>Dividend received</b>		
Joh Pengg Austria AG	240	180
<b>Total</b>	<b>240</b>	<b>180</b>
<b>Contribution to employees provident fund trust</b>		
Usha Martin Employees provident Fund Trust	387	333
<b>Total</b>	<b>387</b>	<b>333</b>

# Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. As the future liability for gratuity and leave is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

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

### (iii) Balance outstanding at the year end

Name of the related party	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>(a) Substantial interest in the voting power of the entity</b>		
<b>Investments in equity shares</b>		
UMI Special Steel Limited	*	*
<b>Total</b>	<b>*</b>	<b>*</b>
<b>(b) Key managerial personnel</b>		
<b>Corporate/other guarantees given</b>		
Mr. Rajeev Jhawar	16,864	22,914
<b>Total</b>	<b>16,864</b>	<b>22,914</b>
<b>(c) Others</b>		
<b>Trade receivables</b>		
Joh Pengg Austria AG	39	-
<b>Total</b>	<b>39</b>	<b>-</b>
<b>Advances</b>		
Joh Pengg Austria AG	1	1
<b>Total</b>	<b>1</b>	<b>1</b>
<b>Investments in equity shares</b>		
Joh Pengg Austria AG	1,620	1,620
<b>Total</b>	<b>1,620</b>	<b>1,620</b>
<b>Contribution to employees provident fund trust</b>		
Usha Martin Employees Provident Fund Trust	115	112
<b>Total</b>	<b>115</b>	<b>112</b>

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



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### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions with third parties. Outstanding balances at the year-end are unsecured and settlement occurs through normal banking channels. For the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Group routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

### 35. SEGMENT INFORMATION

Based on evaluation of the Group's business performance by the Chief Operating Decision Maker (CODM), the Group's businesses are organised in the following reportable segments :

- The wire and wire ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, related accessories, wire drawing and allied machine, etc.
- Others include manufacturing and selling of jelly filled and optical fibre telecommunication cables.

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

The CODM monitors the operating results of the business segment for the purpose of making decisions about resource allocation and performance assessment.

The following table presents revenue and profit information and certain asset information regarding the Group's business segment as at and for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

#### I Business Segment Analysis

Year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021

	Business segments		Total
	Wire and wire ropes	Others	
<b>Segment Revenue</b>			
External revenue	2,58,412	10,395	2,68,807
	2,00,408	9,320	2,09,728
Segment results before exceptional items, finance cost and tax expenses from continuing operations	37,676	970	38,646
	27,374	730	28,104
Depreciation and amortisation expense	6,566	142	6,708
	6,313	376	6,689
Depreciation and amortisation expense-Unallocated			267
			98
Total depreciation and amortisation expense			6,975
			6,787
Total assets-segments	2,31,783	8,359	2,40,142
	2,16,848	7,541	2,24,389
Total assets-unallocated			34,146
			36,140
Total assets			2,74,288
			2,60,529
Total liabilities-segments	48,156	3,322	51,478
	52,602	3,525	56,127



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(All amounts in Rs. lakhs unless stated otherwise)

	Business segments		Total
	Wire and wire ropes	Others	
Total liabilities-unallocated			<b>53,080</b>
			63,695
Total liabilities			<b>1,04,558</b>
			1,19,822
<b>Reconciliation to profit for the year :</b>			
Segment profit before exceptional items, finance cost and tax expenses from continuing operations	<b>37,676</b>	<b>970</b>	<b>38,646</b>
	27,374	730	28,104
Less : Finance costs			<b>4,246</b>
			5,690
Less : Other unallocated expenses net of unallocated income			<b>3,730</b>
			3,635
Profit before exceptional item and tax for the year from continuing operations			<b>30,670</b>
			18,779
Exceptional item (refer note 42)			<b>3,118</b>
			-
Profit before tax and share of profit of joint ventures for the year from continuing operations			<b>33,788</b>
			18,779
Loss for the period from discontinued operations before tax and finance costs			-
			(444)
Total Profit before tax and share of profit of joint ventures			<b>33,788</b>
			18,335

Note: Figures in bold type relate to 31<sup>st</sup> March, 2022 and normal type relate to 31<sup>st</sup> March, 2021.

### II Geographical segment analysis

The revenue information below is based on the locations of the customers. The following table provides an analysis of Group's sales by region in which the customer is located, irrespective of the origin of the goods.

#### Revenue by geographical segment

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
India	<b>132,183</b>	106,302
Outside India	<b>136,624</b>	103,426
Total revenue from operations as per Statement of Profit and Loss	<b>268,807</b>	209,728

Details of non-current assets (property, plant and equipment, capital work-in-progress, investment property, goodwill on consolidation, other intangible assets, intangible assets under development and right-of-use assets) based on geographical area is as below:

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
India	<b>45,463</b>	46,309
Outside India	<b>49,686</b>	51,346
Total	<b>95,149</b>	97,695





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(All amounts in Rs. lakhs unless stated otherwise)

### Segment capital expenditure

	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
India	2,349	1,528
Outside India	2,061	1,350
<b>Total</b>	<b>4,410</b>	<b>2,878</b>

### 36 A. Fair value measurement

The following table provides the fair value hierarchy of the Group's assets and liabilities:

#### (a) Financial instruments by category

	As at 31 <sup>st</sup> March, 2022				As at 31 <sup>st</sup> March, 2021			
	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value
<b>Financial assets</b>								
Investments	5	-	5	5	5	-	5	5
Trade receivables	-	41,409	41,409	41,409	-	32,753	32,753	32,753
Cash and cash equivalents	-	15,438	15,438	15,438	-	9,946	9,946	9,946
Other bank balances	-	1,030	1,030	1,030	-	1,941	1,941	1,941
Loans	-	691	691	691	-	728	728	728
Other financial assets including derivatives	42	13,650	13,692	13,692	80	22,158	22,238	22,238
<b>Total financial assets</b>	<b>47</b>	<b>72,218</b>	<b>72,265</b>	<b>72,265</b>	<b>85</b>	<b>67,526</b>	<b>67,611</b>	<b>67,611</b>
<b>Financial liabilities</b>								
Borrowings (including current maturities)	-	36,646	36,646	36,646	-	48,661	48,661	48,661
Lease liabilities	-	4,493	4,493	4,493	-	4,321	4,321	4,321
Trade payables	-	29,503	29,503	29,503	-	36,230	36,230	36,230
Derivatives	9	-	9	9	8	-	8	8
Other financial liabilities	-	7,974	7,974	7,974	-	9,235	9,235	9,235
<b>Total financial liabilities</b>	<b>9</b>	<b>78,616</b>	<b>78,625</b>	<b>78,625</b>	<b>8</b>	<b>98,447</b>	<b>98,455</b>	<b>98,455</b>

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The model incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity. As at 31<sup>st</sup> March, 2022, the mark-to-market value of other derivative assets/liabilities positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



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(All amounts in Rs. lakhs unless stated otherwise)

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

### (b) Fair value measurement hierarchy for assets and liabilities

Financial assets and liabilities measured at fair value at 31 <sup>st</sup> March, 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	5	5
Derivative financial assets not designated as hedges	-	42	-	42
<b>Financial liabilities</b>				
Derivative financial liabilities not designated as hedges	-	9	-	9
<b>Financial assets and liabilities measured at fair value at 31<sup>st</sup> March, 2021</b>				
<b>Financial assets</b>				
Investments	-	-	5	5
Derivative financial assets not designated as hedges	-	80	-	80
<b>Financial liabilities</b>				
Derivative financial liabilities not designated as hedges	-	8	-	8

#### Notes:

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

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

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

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

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

### 36 B. Financial risk management

#### Risk management framework

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

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

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



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### (a) Credit risk

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

The Group controls its own exposure to credit risk. All external customers undergo a creditworthiness check. The Group performs an on-going assessment and monitoring of the financial position and the risk of default. Based on the aforesaid checks, monitoring and historical data, the Group does not perceive any significant credit risk on trade receivables. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, as part of its cash management and credit risk function, the Group regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash and performs trade finance operations. The Group primarily has banking relationships with the public sector, private and large international banks with good credit rating.

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

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively.

The maximum exposure to the credit risk at the reporting date is the carrying value of all financial assets amounting to Rs. 72,265 lakhs (31<sup>st</sup> March, 2021 : Rs. 67,611 lakhs) as disclosed in note 36A(a).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Movement in the allowance for credit impaired trade receivables is given in Note 12 (i).

The details of year-end trade receivables which were past due but not impaired as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is given in note 12(i)

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board of Directors of the respective Companies on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations arise when a number of counterparties are engaged in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### (b) Liquidity risk

Liquidity risk arises from the Group's inability to meet its cash flow commitments on the due date. The Group has liquidity risk monitoring processes covering short-term, mid-term and long-term funding. The Group's objective is to maintain a balance



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between continuity of funding and flexibility through the use of committed credit facilities and loan funds. Management regularly monitors projected and actual cash flow data, analyses the repayment schedules of the existing financial assets and liabilities and performs annual detailed budgeting procedures coupled with rolling cash flow forecasts.

The contractual maturities of the Group's financial liabilities are presented below:-

31 <sup>st</sup> March, 2022	Contractual cash flows				Total
	Less than 1 year	1-3 years	3-8 years	Above 8 years	
<b>Non-derivative financial liabilities</b>					
Borrowings (including current maturities)*	19,034	12,106	8,278	813	40,231
Trade payables	29,503	-	-	-	29,503
Other financial liabilities	7,974	-	-	-	7,974
Lease liabilities	461	817	941	2,274	4,493
<b>Derivative financial liabilities</b>	9	-	-	-	9
<b>Total</b>	<b>56,981</b>	<b>12,923</b>	<b>9,219</b>	<b>3,087</b>	<b>82,210</b>

31 <sup>st</sup> March, 2021	Contractual cash flows				Total
	Less than 1 year	1-3 years	3-8 years	Above 8 years	
<b>Non-derivative financial liabilities</b>					
Borrowings (including current maturities)*	27,267	14,578	12,047	1,044	54,936
Trade payables	36,230	-	-	-	36,230
Other financial liabilities	9,235	-	-	-	9,235
Lease liabilities	425	3,878	8	10	4,321
<b>Derivative financial liabilities</b>	8	-	-	-	8
<b>Total</b>	<b>73,165</b>	<b>18,456</b>	<b>12,055</b>	<b>1,054</b>	<b>104,730</b>

\* Includes non-current borrowings, current borrowings, current maturities of non-current borrowings and interest obligations.

The amount of guarantees given on behalf of subsidiaries included in note 32C (i) represents the maximum amount the Group could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Group considers that it is more likely that such an amount will not be payable under the arrangement.

### (c) Market risk

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

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

#### (c.1) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

A reasonably possible strengthening/weakening of the Indian Rupee against such foreign currency (converted to US Dollars) as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 would have affected profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.



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(All amounts in Rs. lakhs unless stated otherwise)

	Changes in USD rate	Unhedged foreign currency receivables/ (payables) (net)	Effect on profit/ (loss) before Tax	Impact on Equity
<b>31<sup>st</sup> March, 2022</b>	10%	9,673	967	967
	(10)%		(967)	(967)
31 <sup>st</sup> March, 2021	10%	22,711	2,271	2,271
	(10)%		(2,271)	(2,271)

### Derivative financial instruments

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

	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Less than 1 year		
Forward contract to cover both present and future foreign currency exposures :		
Import payables	5,160	2,710
Export receivables	13,348	11,342

### (c.2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

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

The exposure of the Group's financial assets and financial liabilities as at 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 to interest rate risk is as follows :

Financial Assets	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
<b>31<sup>st</sup> March, 2022</b>	72,265	-	12,197	60,068
31 <sup>st</sup> March, 2021	67,611	-	3,990	63,621

Financial liabilities	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
<b>31<sup>st</sup> March, 2022</b>	78,625	46,206	4,493	27,926
31 <sup>st</sup> March, 2021	98,455	60,757	4,321	33,377

If the interest rates applicable to floating rate instruments is increased/decreased by 1%, the profit before tax for the year ended 31<sup>st</sup> March, 2022 would decrease/increase by Rs 462 lakhs (31<sup>st</sup> March, 2021 : Rs 608 lakhs) on an annualised basis. This assumes that the amount and mix of fixed and floating rate debt remains unchanged during the year from that in place as at year end.



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### (c.3) Commodity price risk

The Group's revenue is exposed to the risk of price fluctuations related to the sale of its wire & wire rope products. Market forces generally determine prices for such products sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of wire & wire rope products.

The Group primarily purchases its raw materials in the open market from third parties. The Group is therefore subject to fluctuations in prices of wire rods, zinc, lead, lubricants, core and other raw material inputs. The Group purchased substantially all of coal requirements from third parties in the open market during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively.

The Group does not have any commodity forward contract for Commodity hedging.

The following table details the Group's sensitivity to a 5% movement in the input price of wire rod and zinc. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity, and the balances below are negative.

Impact for a 5% change on the statement of profit and loss

Particulars	Increase	Decrease
<b>31<sup>st</sup> March, 2022</b>		
Wire Rod	(4,496)	4,496
Zinc	(254)	254
<b>31<sup>st</sup> March, 2021</b>		
Wire Rod	(3,202)	3,202
Zinc	(177)	177

### 36 C. Derivative Financial Instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### 36 D. Capital management

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

The Group manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Group may pay dividend or repay debts, raise new debt or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. No major changes were made in the objectives, policies or



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processes for managing capital during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively. The Group includes within net debt, total borrowings less total cash as follows:

The following table summarises the capital of the Group -

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Cash and cash equivalents [refer note 12 (ii)]	15,438	9,946
Other bank balances [refer note 12 (iii)]	1,030	1,941
<b>Total cash (a)</b>	<b>16,468</b>	<b>11,887</b>
Non-current borrowings [refer note 16(i)]	18,854	23,739
Current borrowings [refer note 20 (i)]	17,792	24,922
<b>Total borrowings (b)</b>	<b>36,646</b>	<b>48,661</b>
<b>Net debt (c = b-a)</b>	<b>20,178</b>	<b>36,774</b>
Total equity	169,367	140,350
<b>Total capital (equity + net debt) (d)</b>	<b>189,545</b>	<b>177,124</b>
<b>Gearing ratio (c/d)</b>	<b>11%</b>	<b>21%</b>

**37(i)** The Company was allocated two coal blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Hon'ble Supreme Courts' order dated 24<sup>th</sup> 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 were cancelled with effect from 24<sup>th</sup> September, 2014 in case of Lohari Coal Block and 1<sup>st</sup> April, 2015 in the case of Kathautia Coal Block.

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

At the year-end, the Company is carrying an aggregate amount of Rs. 1,314 lakhs (net of provision/impairment charge of Rs. 3,704 lakhs) as assets held for sale/ advance against land, which consists of assets in the form of land, movable and immovable properties, advances etc. as follows:

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Assets held for sale #	1,131	1,131
Advances against land-coal mines under other non-current assets ##	-	-
Advances against land-coal mines under other financial assets ###	183	183
<b>Total</b>	<b>1,314</b>	<b>1,314</b>

# Net of impairment Rs. 809 lakhs (31<sup>st</sup> March, 2021 : Rs. 809 lakhs)

## Net of impairment Rs. 2,851 lakhs (31<sup>st</sup> March, 2021 : Rs. 2,851 lakhs)

### Net of discounting Rs. 44 lakhs (31<sup>st</sup> March, 2021 : Rs. 44 lakhs)

The Company's application before the Hon'ble, Delhi High Court for recovery of Rs. 227 lakhs (31<sup>st</sup> March, 2021: Rs. 227 lakhs) which after discounting stands at Rs. 183 lakhs (31<sup>st</sup> March, 2021: Rs. 183 lakhs) as at the year end. Based on its assessment which is supported by a legal opinion obtained, the management is confident of recovery of the amount. Further, the Company is also engaged in ongoing negotiations with the party to whom the aforesaid Coal Blocks were subsequently allotted for realization of compensation/investments in the mines. Land parcels aggregating Rs. 1,131 lakhs are in the process of being transferred in the name of the Company for which necessary proceedings before a Civil Court are ongoing pending completion due to pandemic. Management expects that such proceedings will be completed before end of next year and the Company will be able to transfer such land parcels to new allocatee for recovery of the agreed consideration. Accordingly, this has been disclosed as "Asset held for sale" as at 31<sup>st</sup> March, 2022.



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After taking into consideration the reasons as stated above, management is of the opinion that the realizable value of aforesaid assets will not be less than their carrying values.

### Title deeds of Assets held for sale not in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at 31 <sup>st</sup> March, 2022	Gross carrying value as at 31 <sup>st</sup> March, 2021	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Assets held for sale	Freehold Land	282	282	Mr. V. Mishra, Mr. B. Tiwary, Mr. B. Lal, Mr. D. Agarwal, Mr. V. Kashyap, Mr. S. Verma	No	Various tranches between 2005-2013	Being transferred in the name of the Company through a legal process

### 37(ii) Discontinued operations

Pursuant to the Business Transfer Agreement dated September 22, 2018 Novation agreement on October 24, 2018 and Supplemental Business Transfer agreements 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 a prior year in accordance with the terms and conditions set out in those agreements. An amount of Rs. 16,000 lakhs (subject to net working capital adjustments) was receivable at the commencement of the year in respect of certain parcels of land for which perpetual lease and license agreements had been executed by the Company in favour of TSLPL pending completion of ongoing formalities for registration of such land in the name of TSLPL. During the year, the Company has received Rs. 5,418 lakhs (net of adjustment of Rs. 1,226 lakhs towards final settlement of net working capital) on transfer of some of those parcels of land in the name of TSLPL. The balance amount receivable as at March 31, 2022 is Rs. 9,356 lakhs in respect of aforesaid land parcels.

I. The details of discontinued operations for the year ended March 31, 2021 are as follows:

Particulars	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
Total income @	-	3,222
Total expenses #	-	3,666
<b>Loss for the year from discontinued operations before tax</b>	-	<b>(444)</b>
<b>Tax expenses of discontinued operations</b>	-	-
<b>Loss for the year from discontinued operations</b>	-	<b>(444)</b>

@ Primarily includes liabilities/provisions no longer required written back pertaining to discontinued business.

# Primarily includes expenses incurred during the period/year in connection with recovery of dues/settlement of obligations pertaining to the assets/liabilities of the discontinued business and transfer of remaining assets to TSLPL, as mentioned above.

For disclosure on earnings per share from discontinued operations, refer note 30.





## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### 38. GROUP INFORMATION

(a) The Group consists of Parent Company, Usha Martin Limited, incorporated in India and a number of subsidiaries and joint ventures held directly and indirectly by the Group which operate and are incorporated around the world. Following are the details of shareholdings in the subsidiaries and joint ventures.

	Principal place of business	% of equity interest as on	
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
<b>Information about subsidiaries</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	India	100%	100%
<b>Overseas:</b>			
Usha Martin International Limited (UMIL)	United Kingdom	100%	100%
<b>Subsidiaries of UMIL</b>			
Usha Martin UK Limited <sup>®</sup>	United Kingdom	100%	100%
European Management and Marine Corporation Limited <sup>®</sup>	United Kingdom	100%	100%
Brunton Shaw UK Limited <sup>®</sup>	United Kingdom	100%	100%
De Ruiter Staalkabel B.V. <sup>®</sup>	Netherlands	100%	100%
Usha Martin Europe B.V. <sup>®</sup>	Netherlands	100%	100%
Usha Martin Italia S.R.L. <sup>®</sup>	Italy	100%	100%
Brunton Wire Ropes FZCO (BWR).[formerly known as Brunton Wolf Wire ropes FZCO (BWWR)](refer note below)	United Arab Emirates, Dubai	100%	100%
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 (UMSPL)	Singapore	100%	100%
<b>Subsidiaries of UMSPL</b>			
Usha Martin Australia Pty Limited <sup>®</sup>	Australia	100%	100%
Usha Martin Vietnam Company Limited <sup>®</sup>	Vietnam	100%	100%
PT Usha Martin Indonesia <sup>®</sup>	Indonesia	100%	100%
Usha Martin China Company Limited <sup>®</sup>	China	100%	100%
<b>Information about joint ventures</b>			
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	49.99%	49.99%
Tesac Usha Wire Rope Company Limited*	Thailand	50%	50%

<sup>®</sup> Represents step-down subsidiaries

\* Represents step-down joint venture

The Board of Directors of Brunton Wire Ropes FZCO (BWR), a subsidiary of the Company, in their meeting held on September 8, 2020 had approved the sale of 38 shares of AED 1 lac each by Gustav Wolf GmbH to Usha Martin Americas, a subsidiary of the Company, for an aggregate consideration of USD 18 lacs (Rs. 1,317 lakhs) and buy-back of 38 shares of BWWR from Klas International Limited for an aggregate amount of USD 20 lacs (Rs. 1,455 lakhs). BWR had entered into share purchase and joint venture termination agreement (SPJVTA) and buy-back agreement with aforesaid parties on July 15, 2020 and August 12, 2020 respectively. Subsequently, on receipt of necessary regulatory approvals relating to transfer of shares, extinguishment formalities of the shares bought back and fulfilment of conditions precedents to above agreements, the aforesaid sale and buy back was completed and consequent to which BWR had become a wholly owned subsidiary of the Company.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

### (b) Non-controlling interests

The non-controlling interests of the Group relate to the following:

Non-controlling interests	Principal place of business	% of ownership interest as on	
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Usha Siam Steel Industries Public Company Limited	Thailand	2.02%	2.02%

### (c) Interest in joint ventures

Set out below are the joint ventures of the group as at 31<sup>st</sup> March, 2022. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Joint ventures	Principal place of business	% of ownership interest as on	
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	49.99%	49.99%
Tesac Usha Wirerope Company Limited*	Thailand	50%	50%

\*Represents step-down joint venture

The table below shows summarised financial information of joint venture of the Group, Pengg Usha Martin Wires Private Limited, that is material to the Group. In the opinion of the management, other joint ventures are not material to the Group.

Particulars	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Non-current assets	7,174	5,935
Current assets	8,180	6,554
Non-current liabilities	2,796	1,786
Current liabilities	3,188	3,347
Equity attributable to owners of the Group	9,369	7,356

Particulars	For year ended	For year ended
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Revenue	17,335	11,393
Expenses	13,990	9,827
Profit after tax	2,388	1,209
Other comprehensive income during the year	26	7
Total comprehensive income during the year	2,414	1,216

### 39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT 2006 (MSMED)

	As at	As at
	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
(i) Principal amount due to micro and small enterprise	861	243
(ii) Interest due on above	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	5	5
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

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



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

(All amounts in Rs. lakhs unless stated otherwise)

**40.** Pursuant to the requirement of Schedule III of Companies Act, 2013, additional information of the group considered in preparation of Consolidated Financial Statements are set out below:

Name of the entity in the group	Net assets (total assets less total liabilities)		Share in profit or (loss)		Share in Other comprehensive Income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Usha Martin Limited	<b>54.65</b>	<b>92,752</b>	<b>72.50</b>	<b>21,131</b>	<b>(168.18)</b>	<b>185</b>	<b>73.40</b>	<b>21,316</b>
	50.77	71,436	65.35	10,052	(8.32)	(157)	57.72	9,895
<b>Subsidiaries</b>								
<b>Indian</b>								
UM Cables Limited	<b>1.74</b>	<b>2,947</b>	<b>2.65</b>	<b>772</b>	<b>(12.73)</b>	<b>14</b>	<b>2.72</b>	<b>786</b>
	1.54	2,160	1.84	278	(0.32)	(6)	1.61	272
Usha Martin Power and Resources Limited	*	<b>2</b>	*	*	-	-	*	*
	*	2	*	*	-	-	*	*
Bharat Minex Private Limited	-	<b>(2)</b>	*	<b>(1)</b>	-	-	*	<b>(1)</b>
	-	(1)	*	(2)	-	-	(0.01)	(2)
Gustav Wolf Speciality Cords Limited	<b>0.16</b>	<b>277</b>	<b>0.06</b>	<b>17</b>	-	-	<b>0.06</b>	<b>17</b>
	0.18	260	0.04	6	-	-	0.04	6
<b>Foreign</b>								
Usha Martin International Limited \$	<b>25.65</b>	<b>43,530</b>	<b>5.23</b>	<b>1,523</b>	-	-	<b>5.25</b>	<b>1,523</b>
	30.34	42,692	22.31	3,383	-	-	19.83	3,383
Usha Martin Singapore Pte Limited \$	<b>6.83</b>	<b>11,590</b>	<b>8.44</b>	<b>2,459</b>	-	-	<b>8.47</b>	<b>2,459</b>
	6.27	8,822	4.78	725	-	-	4.24	725
Usha Siam Steel Industries Public Company Limited	<b>9.85</b>	<b>16,724</b>	<b>2.60</b>	<b>757</b>	-	-	<b>2.61</b>	<b>757</b>
	11.62	16,354	0.77	116	-	-	0.67	116
Usha Martin Americas Inc	<b>3.69</b>	<b>6,262</b>	<b>4.35</b>	<b>1,267</b>	-	-	<b>4.36</b>	<b>1,267</b>
	3.41	4,796	0.41	63	-	-	0.36	63
Brunton Wire Ropes FZCO	<b>5.42</b>	<b>9,204</b>	<b>5.43</b>	<b>1,582</b>	<b>(13.64)</b>	<b>15</b>	<b>5.50</b>	<b>1,597</b>
	5.20	7,310	2.32	353	(9.37)	(177)	1.02	176
<b>Non-controlling interests in all subsidiaries</b>	<b>(0.21)</b>	<b>(363)</b>	<b>0.05</b>	<b>16</b>	-	-	<b>0.06</b>	<b>16</b>
	(0.25)	(357)	1.26	191	0.42	(8)	1.07	183
<b>Joint ventures (Investment as per equity method)</b>								
<b>Indian</b>								
Pengg Usha Martin Wires Private Limited	<b>2.21</b>	<b>3,748</b>	<b>2.77</b>	<b>806</b>	-	-	<b>2.78</b>	<b>806</b>
	2.09	2,944	2.41	367	-	-	2.14	367
CCL Usha Martin Stressing Systems Limited	<b>0.03</b>	<b>47</b>	<b>0.01</b>	<b>2</b>	-	-	<b>0.01</b>	<b>2</b>
	0.03	46	0.02	2	-	-	0.01	2
<b>Foreign</b>								
Tesac Usha Wire rope Company Limited #	<b>1.08</b>	<b>1,840</b>	<b>0.11</b>	<b>32</b>	-	-	<b>0.11</b>	<b>32</b>
	1.32	1,855	0.59	90	-	-	0.53	90
Elimination/adjustment due to consolidation	<b>(11.10)</b>	<b>(18,828)</b>	<b>(4.20)</b>	<b>(1,220)</b>	<b>294.55</b>	<b>(324)</b>	<b>(5.33)</b>	<b>(1,544)</b>
	(12.52)	(17,612)	(3.14)	(476)	117.11	2,238	10.35	1,762
<b>Total</b>	<b>100</b>	<b>169,730</b>	<b>100</b>	<b>29,143</b>	<b>100</b>	<b>(110)</b>	<b>100</b>	<b>29,033</b>
	100	140,707	100	15,150	100	1,890	100	17,040

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

# Represents step-down joint venture.

\$ Financial information is inclusive of its subsidiaries.

Figures in normal type relate to previous year 2020-21.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

- 41. a)** 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, State of Jharkhand being used by the Company for its business 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 mining 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 has 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. In response to the provisional attachment order, the Company had submitted its reply before the Adjudicating Authority (AA). Subsequently, AA had issued an order by way of which the provisional attachment was 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 which continues till the next date of hearing that is now fixed on August 5, 2022. In May 2021, the ED had filed a complaint before the District and Sessions Judge Cum Special Judge (CBI), Ranchi against the Company and one of its Officers. In response to the said complaint and summons received by the Company and its Officer pursuant to order dated May 20, 2021, the Company had filed a quashing petition before the Hon’ble Jharkhand High Court which has been dismissed vide order dated November 3, 2021 in which the Hon’ble Court has stated that the facts of the case are voluminous and “the Court is not required to make a roving enquiry and discuss the evidences for coming to a conclusion that no prima-facie case is made out, at this stage, which is against the mandate of law.” Subsequently on a Special Leave Petition filed by the Company against the aforesaid order of the Hon’ble Jharkhand High Court, the Hon’ble Supreme Court has vide order dated December 15, 2021 granted interim protection to the Company from arrest and stayed the summoning order dated May 20, 2021. The ongoing operations of the Company have not been affected by the aforesaid proceedings. Supported by a legal opinion obtained, management believes that the Company has a strong case in its favour on merit and law. Accordingly, no adjustment to these financial results in this regard have been considered necessary by the management
- b)** On October 2, 2020, Central Bureau of Investigation (CBI) had filed a First Information Report (FIR) against the Company, its Managing Director and certain Other Officers under the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860 for allegedly trying to influence ongoing CBI investigation pertaining to the proceedings mentioned in 41(a) above. The Company strongly refutes the aforesaid allegations made by the CBI. During the quarter ended September 2021, the CBI had submitted necessary sanction with the designated CBI Court for cognizance of offence in terms of the interim charge sheet. Such cognizance is yet to be taken and the matter is under investigation. The Company has been providing information sought by the CBI in this regard and intends to take such legal measures as may be considered necessary based on the outcome of the ongoing investigation. Supported by a legal opinion obtained, management believes that the Company has a strong case in its favour on merit and law.
- 42.** Exceptional item for the year Rs. 3,118 lakhs represents subsidy received by the Company from the Government of Jharkhand under the Jharkhand Industrial and Investment Policy, 2016 in respect of eligible capital investments made by the Company till 2016 pertaining to its erstwhile steel business. The steel business having been sold off in a prior year, as explained in Note 37(ii) above, the aforesaid amount has been considered as income for the year.
- 43.** The National Company Law Tribunal (NCLT), Kolkata has vide order dated March 31, 2022 approved the Scheme of Arrangement filed by the Company in accordance with the provisions of section 230 and other applicable provisions of the Companies Act, 2013. Subsequent to the year-end, the Company has also filed the said order with the Registrar of Companies, West Bengal. In accordance with the said Scheme of Arrangement, accumulated losses/negative balance of retained earnings aggregating Rs. 80,781 lakhs have been adjusted against outstanding balances in Securities Premium Rs. 71,777 lakhs, Capital Redemption Reserve Rs. 2,285 lakhs, Capital Reserve Rs. 369 lakhs and Other Reserves Rs. 6,350 lakhs. The financial position of the Company as at March 31, 2022 reflect the said adjustments.



## Notes

to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2022

44. a) The Board of Directors of the Company have recommended a final dividend of Rs. 2/- per fully paid-up Equity Share of Re 1/- each for the financial year ended 31<sup>st</sup> March, 2022 (31<sup>st</sup> March, 2021: Rs. Nil). The final dividend is subject to the approval of shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.
- b) The Board of Directors of a joint venture company, Pengg Usha Martin Wires Private Limited have recommended a final dividend of Rs. 3.33/- per fully paid-up Equity Share of Rs 10/- each for the financial year ended 31<sup>st</sup> March, 2022 (31<sup>st</sup> March, 2021: Rs 1.48/-). The final dividend is subject to the approval of shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

### 45. OTHER STATUTORY INFORMATION

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration number: 301003E/E300005

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

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

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Dhrub Jyoti Basu**  
Whole Time Director  
DIN: 02498037

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS: 16737

Place: Kolkata  
Date: 30<sup>th</sup> April 2022

# Notice to the Shareholders

## USHA MARTIN LIMITED

CIN: L31400WB1986PLC091621

Registered Office: 2A, Shakespeare Sarani, Kolkata – 700 071, India

Phone: 033- 71006300, Fax: 033-71006415

Website: <https://www.ushamartin.com>, Email: [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in)

NOTICE is hereby given that the THIRTY-SIXTH ANNUAL GENERAL MEETING of the members and shareholders of USHA MARTIN LIMITED will be held on Friday, the 29<sup>th</sup> July 2022 at 11:30 A.M. (IST), through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact following business:

### ORDINARY BUSINESS:

1. Proposed to be passed as an Ordinary Resolution  
To receive and adopt the Financial Statements of the Company (both standalone and consolidated) for the year ended 31<sup>st</sup> March 2022 together with Directors' and Auditors' Reports thereon.
2. Proposed to be passed as an Ordinary Resolution  
To declare Dividend of Rs. 2 per Equity Share of Re. 1 each for the Financial Year ended 31<sup>st</sup> March 2022.
3. Proposed to be passed as an Ordinary Resolution  
To appoint a Director in place of Mr. Devadip Bhowmik [DIN: 08656505], who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Resolutions:

4. As a Special Resolution  
**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Rules made thereunder read with Schedule V of the said Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re - enactments thereof, for the time being in force) and in terms of the recommendations of the Nomination & Remuneration Committee (“Committee”) and as approved by Board of Directors (“Board”) and subject to such approvals if any, as may be necessary, approval is hereby accorded for payment of revised remuneration of an amount not exceeding Rs.6 Crore per annum including perquisites as “minimum remuneration” within the meaning of Schedule V of the Act (as amended) and that Board of the Company be and is hereby empowered to decide remuneration of any amount and other retirement or other benefits or components as may be recommended by the Committee, within such overall ceiling payable to Mr. Rajeev Jhawar, Managing Director [DIN: 00086164] for

remaining period of his term as Managing Director i.e. from 1<sup>st</sup> May 2022 to 18<sup>th</sup> May 2023 (both days inclusive) with liberty to the Board / Committee to alter and vary the terms and conditions of his re-appointment in such manner as may be agreed between the Board and Mr. Jhawar within such overall ceiling.”

**“FURTHER RESOLVED THAT** the Board (including any Committee thereof) of the Company be and is hereby authorized to do all acts and take all such steps as may be proper or necessary to give effect to this resolution.”

5. As a Special Resolution

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), Rules made thereunder read with Schedule V of the said Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re - enactments thereof, for the time being in force) and in terms of the recommendations of the Nomination & Remuneration Committee (“Committee”) and as approved by Board of Directors (“Board”) and subject to such approvals if any, as may be necessary, approval is hereby accorded for payment of revised remuneration of an amount not exceeding Rs.1.75 Crore per annum to Mr. Devadip Bhowmik [DIN: 08656505] for the period commencing from 1<sup>st</sup> May 2022 to 30<sup>th</sup> April 2025 (both days inclusive) with liberty to the Board / Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Bhowmik within such overall ceiling.”

**“FURTHER RESOLVED THAT** during the aforementioned tenure of Mr. Devadip Bhowmik’s appointment as Whole Time Director of the Company, if the Company incurs a loss or its profits are inadequate, subject to the other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof) and subject to such approvals if any, as may be required, consent is hereby accorded to pay Mr. Bhowmik, the above remuneration including perquisites as “minimum remuneration” within the meaning of Schedule V of the Act (as amended) and that Board of the Company be and is hereby empowered to decide remuneration of any amount and other retirement or other benefits or components as may be recommended by the Committee, within such overall ceiling.”

Notice to the Shareholders (contd.)

**"FURTHER RESOLVED THAT** the Board (including any Committee thereof) of the Company be and is hereby authorized to do all acts and take all such steps as may be proper or necessary to give effect to this resolution."

6. As an Ordinary Resolution

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Rules made thereunder and read with Schedule V of the said Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof, for the time being in force) and in terms of recommendations of the Nomination and Remuneration Committee ("Committee") and as approved by the Board of Directors ("Board") and subject to such approvals if any, as may be necessary, approval is hereby accorded for the payment of remuneration of Rs. 10 Lakh to each of the Non-Executive Independent Directors of the Company during the Financial Year 2022-2023, which shall be in addition to sitting fees payable to such Directors under Section 197 (5) of the Act and reimbursement of expenses for participation in the meetings of the Board/Committee of the Company."

**"FURTHER RESOLVED THAT** the Board (including any Committee thereof) of the Company be and is hereby authorized to do all acts and take all such steps as may be proper or necessary to give effect to this resolution."

7. As an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.1,50,000 per annum (plus taxes as applicable and reimbursement of actual out of pocket expenses) payable to M/s. Mani & Co., Cost Auditors for conducting the cost audit of the manufacturing facilities of the Company as may be required under the Act and Rules made thereunder for the Financial Year ending 31<sup>st</sup> March 2023, be and is hereby ratified and confirmed."

By Order of the Board

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place: Kolkata  
Date: 30<sup>th</sup> April 2022

**NOTES:**

- 1) In view of COVID-19 pandemic social distancing norms and pursuant to various circulars issued by Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India (SEBI) from time to time the Company is convening the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, participation in the AGM through VC/OAVM facility and e-voting during the AGM. The Registered Office of the Company situated at 2A, Shakespeare Sarani, Kolkata – 700071 shall be deemed to be the venue of the Meeting.
  - 2) **Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.** Institutional/ Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorised representatives in terms of Section 113 of the Act to attend the AGM through VC/OAVM and participate thereat and cast their votes through remote e-voting or e-voting during the AGM.
  - 3) The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.
  - 4) Since the meeting is being held through VC/OAVM, the route map, proxy form and attendance slip are not annexed to the notice.
  - 5) The Explanatory Statement pursuant to Section 102 of the Act setting out details relating to Items of Special Business is annexed hereto.
  - 6) The Registers of Members and Share Transfer Books of the Company shall remain closed from 22<sup>nd</sup> July 2022 till 29<sup>th</sup> July 2022 (both days inclusive).
  - 7) Dividend on equity shares as recommended by the Board of Directors for the financial year ended 31<sup>st</sup> March 2022, if approved at the AGM, will be payable, to those Members of the Company who hold shares as on **Record Date** i.e. 21<sup>st</sup> July 2022.
  - 8) SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Automated Clearing House (ACH)/Real Time Gross Settlement (RTGS)/Direct Credit/IMPS/NEFT etc.
- In order to receive dividend without any delay, the Members holding shares in physical form are requested to submit particulars of their bank accounts in 'Form ISR – 1' along with the original cancelled cheque bearing the name of the Member to MCS Share Transfer Agent/Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs before 15<sup>th</sup> July 2022, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile no(s). Members holding shares in physical form may communicate these details to MCS having address at 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata – 700045 by 15<sup>th</sup> July 2022 by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their PAN card.
- 9) Pursuant to the Income Tax Act, 1961 as amended, dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source on dividend paid to the Members at the prescribed rates. The Members of the Company are requested to kindly go through the important communication of the Company with respect to deduction of tax at source on dividend which is available on investor section on the Company's website at <https://www.ushamartin.com>.
  - 10) (a) The shareholders of the Company are informed that the amount of dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Education and Protection Fund ["the Fund"] constituted by the Central Government and the shareholder(s) would be able to claim any amount of the dividend so transferred to the Fund. All dividend declared for and upto the Financial Year ended 31<sup>st</sup> March 2013 have been transferred to the Fund. No dividend was declared by the Company during Financial Years 2013-14 to 2020-21 and therefore no amount shall be deposited in the Fund.
  - (b) The shareholders who have not encashed their earlier dividend warrants are requested to apply online to the Investor Education and Protection Fund Authority for claiming unpaid dividends declared by the Company.
  - 11) (a) Pursuant to the relevant provisions of the Act and the Investor Education and Protection Fund Authority ('IEPF Rules'), as amended, all shares in respect of which dividend has not been paid or claimed by the



## Notice to the Shareholders (contd.)

shareholder for seven consecutive years or more, the Company is required to transfer such Equity Shares of the members to the demat account of the Investor Education and Protection Fund ('IEPF') Authority. The Company had sent necessary communication to all Shareholders concerned and had also published notices in newspapers in this regard. The Company has also uploaded full details of such shareholders, whose dividend remained unclaimed on its website <https://www.ushamartin.com>.

The Company will do the needful in connection with transfer of such shares to the demat account of IEPF Authority, as required.

- (b) However, the members/claimants whose shares and/or dividends, if any, have been transferred to the Fund may claim the shares or apply for refund by making an online application to IEPF Authority in Form IEPF-5 (available on <https://www.iepf.gov.in>).
- 12) Members holding shares in more than one folio are requested to write to the Company's Registrar & Transfer Agent, namely, MCS Share Transfer Agent Limited, 1<sup>st</sup> Floor, 383, Lake Gardens, Kolkata-700045 for consolidation of holding into one folio and also send the relevant share certificates for this purpose.
  - 13) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.
  - 14) SEBI has recently mandated furnishing of PAN, KYC details (i.e., Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1<sup>st</sup> January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/documents are provided to RTA. On or after 1<sup>st</sup> April 2023, in case any of the above cited documents/details are not available in the Folio(s), RTA shall be constrained to freeze such folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://ushamartin.com/investor-relations/forms-for-physical-shareholders#Information-Holders-Physical-Shares>.
  - 15) As per SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Members of the Company who hold securities in physical form and intend to transfer their securities after 1<sup>st</sup> April 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. In view of the same and to avail the in-built advantages of NECS payment, nomination facility and other advantages, the shareholders are requested to dematerialize their shares. The ISIN of the Company is INE228A01035.
  - 16) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Further, in accordance with SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April 2018, all Members holding shares in physical form are requested to register their PAN and bank account details by submitting their self-attested copy PAN Card (including that of the joint holders also) and an original cancelled cheque or submit copy of bank passbook/statement of the holder attested by the bank to MCS Share Transfer Agent Limited (Unit: Usha Martin Limited), 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata - 700045, the Registrar and Share Transfer Agent (RTA) of the Company.
  - 17) Electronic copy of the Annual Report for the Financial Year 2021-22 is being sent to all the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes. Members may note that the Notice convening the AGM and Annual Report 2021-22 will also be available on the Company's website at <https://www.ushamartin.com>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.
  - 18) Electronic copy of the Notice of the 36<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting is being sent to all Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. For Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email address by writing to [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in) to receive Annual Report. Members holding shares in dematerialized mode and who have not registered their email address are requested to update their email address with the relevant DP to receive Annual Report.

- 19) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are Interested, maintained under Section 189 of the Act and all the relevant documents (as applicable) pertaining to the resolutions proposed vide this notice of AGM will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to investor@ushamartin.co.in.
- 20) (a) As per the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India and Regulation 44(2) of SEBI Listing Regulations, 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 36<sup>th</sup> Annual General Meeting. Members attending the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
- (b) The Company has engaged the services of National Securities Depository Limited ("NSDL") as the authorised agency to provide remote e-voting and e-voting during the AGM facilities as specified more fully in the instructions thereunder.
- (c) The items of business set out in this 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.
- (d) Members who have not cast their votes through remote e-voting may attend and cast their votes at the Annual General Meeting through the e-voting system.
- (e) 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.
- 21) 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" (Record Date) i.e. **21<sup>st</sup> July 2022** shall be entitled to avail the facility of either remote e-voting or voting at the Annual General Meeting through e-voting. A Person who is not a Member on the cut-off date should treat this Notice for information purpose only.
- 22) Instructions for members for attending the AGM through VC/OAVM are as under:
- i. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General Meeting" menu against the Company's name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  - ii. Members are encouraged to join the Meeting through laptops or desktops for better experience.
  - iii. Members will be required to allow camera and use internet connection with good speed to avoid any disturbance during the meeting.
  - iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email id, mobile number at investor@ushamartin.co.in. The Speaker Registration will be open during 19<sup>th</sup> July 2022 to 21<sup>st</sup> July 2022
  - vi. Shareholders who would like to express their views/have questions may send their questions at least five days in advance before the date of AGM i.e. by 24<sup>th</sup> July 2022 mentioning their name, demat account number/folio number, email id, mobile number at investor@ushamartin.co.in. The same will be replied by the Company suitably.
  - vii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. However, the Company reserves the right to restrict the number of questions and number of speakers depending upon availability of time as appropriate for smooth conduct of the AGM.

Notice to the Shareholders (contd.)

- viii. Infrastructure, connectivity and internet connection speed available at the speaker's location are essential to ensure smooth interaction. In the interest of time, each speaker is requested to express his/her views in 2-3 minutes.
- 23) For those Members opting for remote e-voting, the process and manner of remote e-voting will be as follows:  
The remote e-voting period begins from **9.00 A.M. on 26<sup>th</sup> July 2022** and ends at **5.00 P.M. on 28<sup>th</sup> July 2022**.

During this period, Members of the Company, holding Shares either in physical form or in de-materialized form, as on **the cut-off date ("record date") i.e. 21<sup>st</sup> July, 2022**, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. The facility for e-voting shall be made available at the AGM to those participants who are 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.

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**I. Step 1:- Access to NSDL e-Voting system and joining virtual meeting**

**a) Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode is given below:**

Shareholding in Demat Form with

NSDL	CDSL	Individual Shareholders (holding securities in demat mode) login through their depository participants
<p>(i) NSDL IDeAS facility: Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>(ii) If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>. Thereafter, please follow the steps mentioned in point (i) above for login.</p> <p>(iii) Evoting Website of NSDL: Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>	<p>(i) Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>(ii) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>(iii) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</p> <p>(iv) Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective e-Voting Service Provider (ESP) i.e. NSDL where the e-Voting is in progress.</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Dedicated helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Depository	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**b) Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/Member' section.
- (iii) A new screen will open. Please enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to 23 (II) i.e. Cast your vote electronically.

- (iv) Your User ID details are given below:

	Shareholding in Demat Form with		Shareholding in Physical form
	NSDL	CDSL	
User ID	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- (v) Password details for shareholders other than Individual shareholders are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

- (ii) ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

**d) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:**

- (i) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (ii) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- (iii) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

**c) How to retrieve your 'initial password'?**

- (i) If your email ID is registered in your Demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client

Notice to the Shareholders (contd.)

- (iv) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- e) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.**
- f) Now, you will have to click on “Login” button.**
- g) After you click on the “Login” button, Home page of e-Voting will open.**
- II. Step 2:- Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.**
  - (i) After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting(s) is in active status.
  - (ii) Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
  - (iii) Select “EVEN” of Company for which you wish to cast your vote.
  - (iv) Now you are ready for e-Voting as the Voting page opens.
  - (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
  - (vi) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Instruction for voting electronically using NSDL e-Voting system on the day of AGM**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) Only those Members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- (iii) Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**General Guidelines for shareholders**

- (i) Institutional/Corporate 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. to the Scrutinizer by e-mail to [scrutinizer@ushamartin.co.in](mailto:scrutinizer@ushamartin.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional and Corporate shareholders can also upload their Board Resolution/ Power of Attorney/Authority Letter etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-voting” tab in their login.

In case of joint holders joining the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

- (ii) Shareholders may note that the VC/OAVM Facility provided by NSDL allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e., shareholders holding 2% or more shareholding) can attend the Meeting without any restriction on account of first-come first-served principle. Shareholders can login and join 15 (fifteen) minutes prior to the scheduled time of meeting and the same shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
- (iii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- (iv) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for remote e-voting or e-voting at the AGM, please contact Ms. Pallavi Mhate, Senior Manager, NSDL, 4<sup>th</sup> Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013, Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), Further queries relating to voting by

electronic means or Resolutions proposed to be passed at the ensuing AGM may be addressed to the Company Secretary at email: investor@ushamartin.co.in.

- 24) Process for those shareholders whose e-mail addresses are not registered with the depositories for procuring user id and password and registration of e-mail addresses for e-voting on the resolutions set out in this Notice:
- (i) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to Registrar & Transfer Agent i.e. MCS Share Transfer Agent Limited at mcssta@rediffmail.com.
  - (ii) In case shares are held in demat mode, please register/update email address with Depository Participant.
  - (iii) Members may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing their DPID and Client ID (16 digit DPID and CLID or 16 digit beneficiary ID).
  - (iv) In accordance with SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided, individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account held with respective DP in order to access e-voting facility.
- 25) Any person holding shares in physical form and non-individual shareholders, who acquire shares and become a Member of the Company after sending of Notice for the AGM through email and is holding shares as on the cut-off date i.e. 21<sup>st</sup> July 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor@ushamartin.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. Further in case of individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 21<sup>st</sup> July, 2022 may follow steps mentioned in Step 1 of Note 23: "Access to NSDL e-Voting system and joining virtual meeting" above.
- 26) The Board of Directors of the Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary (FCS-4848/CP- 3238) of M/s A K Labh & Co., Company Secretaries, Kolkata as Scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for the said purpose.
  - 27) Voting rights of Members shall be in proportion to their shares in Company's Paid-up Equity Capital as on the cut-off date.
  - 28) The Chairman shall, at the end of discussion on the Resolutions on which voting are to be held, allow voting by e-voting system by NSDL at the AGM.
  - 29) The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting unblock the votes cast through remote e-voting and e-voting at the AGM.
  - 30) The Scrutinizer will not later than two working days of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman or the Managing Director or any of the Whole Time Directors. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company www.ushamartin.com and on the website of NSDL www.evoting.nsdl.com. The results shall simultaneously be communicated to the Stock Exchanges and displayed on the Notice Board of the Company at the Registered Office at 2A, Shakespeare Sarani, Kolkata - 700 071.
  - 31) On receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
  - 32) Members who need assistance before or during the AGM for participation in the AGM through VC/OAVM may contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

## Notice to the Shareholders (contd.)

33) Pursuant to the requirements of Regulations 36(3) of SEBI Listing Regulations [as amended] and Secretarial Standard on General Meeting (SS-2), information about the Director and justification for proposed re-appointment is given below:

<b>Name of the Director</b>	<b>Mr. Devadip Bhowmik</b>	
Director Identification Number	08656505	
Date of joining the Board	15 <sup>th</sup> March 2021	
Profile of Director/Brief resume of the director (including nature of his expertise) and justification under Regulation 17 (1A) for the proposal for his re-appointment, where applicable.	Mr. Devadip Bhowmik, aged about 58 years is a Science Graduate and an Electrical Engineer. He has nearly three decades of corporate experience in marketing, project implementation, brand building and business development with in depth knowledge of sales and service and client relationship management. In the past he has been associated with various organizations like Fouress Engineering and Bells Controls Limited. He joined the Usha Martin group in 1999 and traversed various roles in India and abroad within the group. Over the years he has passionately contributed to the growth and development of the Company.	
Disclosure of relationships between directors inter-se and interest in the said resolution	Mr. Bhowmik is not related to any of the Directors and Key Managerial Personnel of the Company. Further except Mr. Bhowmik and his family members, no other Director or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 3 of the Notice.	
Shareholding in the Company (including shareholding as a beneficial owner)	NIL	
Directorship/Committee Membership/ Chairmanship in other Companies	Directorship in other Companies	Committee position held
	Usha Martin Power & Resources Limited	-
No. of listed entities from which the person has resigned in the past three years	NIL	
Remuneration	An amount not exceeding Rs.1.75 crore per annum for the period commencing from 1 <sup>st</sup> May 2022 to 30 <sup>th</sup> April 2025 (both days inclusive) is proposed to be paid to Mr. Bhowmik. This amount includes his entitlement of: (i) annual increment (ii) annual performance incentive not exceeding 25% of his annual CTC, during the tenure. Approval of shareholders have been sought for payment of remuneration as part of this Notice.	
Number of Meetings of the Board attended during the Financial Year 2021-22	Mr. Bhowmik has attended 6 (six) Board Meetings during his tenure in Financial Year 2021-22.	

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ITEM NO 4

Mr. Rajeev Jhawar [DIN: 00086164] in accordance with provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder had been re-appointed as Managing Director of the Company at the Annual General Meeting of the Company held on 18<sup>th</sup> September 2018:

- for a term of 5 (five) years with effect from 19<sup>th</sup> May 2018 to 18<sup>th</sup> May 2023;
- his payment of remuneration of Rs. 1.48 crore per annum (basis the Effective Capital as on 31<sup>st</sup> March 2017) was approved for a term of up to 3 (three) years with effect from 19<sup>th</sup> May 2018 to 18<sup>th</sup> May, 2021. Thereafter, his payment of remuneration of Rs. 1.24 Crore per annum (basis the Effective Capital as on 31<sup>st</sup> March 2020) was approved by the shareholders at the 35<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> August 2021 for period commencing from 19<sup>th</sup> May 2021 to 18<sup>th</sup> May 2023.

During the last four financial years, the financial statements of the Company reflected operational profitability, strength and an uptrend. However, inspite of operational profitability there continued to be "inadequate profits" within the meaning of the provisions of the Companies Act, 2013 for determination of managerial remuneration which resulted in the payment of only 'minimum remuneration' to the Managing Director as envisaged in Schedule V to the Act.

In view of the valuable contribution and effective leadership shown by Mr. Rajeev Jhawar over the past few years in efficiently steering the Company through turbulent financial times and bringing about operational and financial turnaround and stability by successfully reducing the huge debt burden of the Company in 2019 and adjusting accumulated losses of past years in the financial statements vide recently court-approved scheme of arrangement resulting in rewarding shareholders by way of dividend, the remuneration being presently paid to him needs to be revised. His remuneration of upto Rs. 1.24 Crore per annum (computed with reference to the effective capital as on 31<sup>st</sup> March 2020 in accordance with Schedule V to the Act) is inadequate when compared to his peers in the industry. Based

on the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 30<sup>th</sup> April 2022 approved a revision in the remuneration payable to Mr. Jhawar for an amount not exceeding Rs.6 Crore per annum for the remaining period of his term i.e., from 1<sup>st</sup> May 2022 to 18<sup>th</sup> May 2023 (both days inclusive). The amended Schedule V to the Act provides for payment of higher remuneration than the limits computed on the basis of the 'effective capital' of a Company as at the year-end provided that the conditions provided in Section II of Part II of Schedule V of the Act read with the provisions of Section 197 thereof have been fulfilled and that such higher remuneration is approved by the shareholders of the company by passing a Special Resolution. The other terms and conditions of appointment of Mr. Jhawar shall continue to remain the same without any modification. Hence, the broad terms of remuneration to be paid to Mr. Jhawar for his remaining tenure as Managing Director are as follows:

- a) Period of payment of remuneration: From 1<sup>st</sup> May 2022 to 18<sup>th</sup> May 2023 (both days inclusive);
- b) Basic Salary & Allowances including the value of the following perquisites shall not exceed the consolidated amount of upto Rs.2 Crore per annum:
  - i) Residential Accommodation : Free furnished residential accommodation
  - ii) Car: Chauffeur driven car/(s) to be provided and maintained by the Company
  - iii) Communication facility : Telephone and other communication facilities.
  - iv) Club fees : 4 (four) clubs
  - v) Medical Expenses : To be reimbursed as per actuals
  - vi) Leave Travel Allowance : 10% of Basic Salary
- c) In addition to (b) above, he shall be entitled to annual performance incentive pay as may be decided by the Board, based on the performance of the Company at the end of financial year.
- d) The aggregate of the remuneration mentioned under (b) and (c) above (excluding contributions to provident fund, superannuation fund and gratuity) shall not exceed the maximum amount of remuneration of Rs. 6 Crore per annum.
- e) Leave: As per the Rules of the Company;
- f) The retiral benefits in the nature of Company's contribution towards Provident Fund, Superannuation and Gratuity shall be as per Rules of the Company. The aggregate of these shall be over and above the limit specified in (b) above;
- g) No fees shall be payable for attending meetings of the Board or any Committee thereof, where so appointed;

- h) The above remuneration including perquisites being Rs.6 Crore per annum shall be payable as 'minimum remuneration' as referred in Schedule V to the Act, subject to such approvals as may be necessary including that of shareholders of the Company;
- i) His appointment will be terminable by either party by giving six months' notice or salary in lieu thereof.

The remuneration for the aforementioned period satisfies the applicable provisions of the Act and the conditions laid down in Schedule V to the Act. The Board of Directors recommends the Special Resolution set out at Item No. 4 for approval of members.

Other than Mr. Jhawar and his 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. 4 of the Notice. As per Section 102(2) of the Act, it is clarified that the proposed Resolution does not relate to or affect any other Company.

**Information required to be disclosed under paragraph (iv) of the second proviso to Section II of Part-II of Schedule V of the Act is as follows:**

- (i) The proposed remuneration has been approved by a resolution of the Nomination and Remuneration Committee and the Board respectively;
- (ii) The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the Company before obtaining the approval from the Members;
- (iii) Consent of Members through Special Resolution is being sought for remuneration paid for a period commencing from 1<sup>st</sup> May 2022 to 18<sup>th</sup> May 2023 (both days inclusive);
- (iv) A statement containing further information is set out hereunder:

**I. General Information:**

**i. Nature of industry:**

The Company is principally engaged in the businesses of: (a) manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, etc.; and (b) manufacture and sale of wire drawing and allied machines.

**ii. Date or expected date of commencement of commercial production:**

The Company is in operation since the year 1986.



Notice to the Shareholders (contd.)

**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:**

Particulars	(Rs. In Lakh)		
	31.03.2022	31.03.2021	31.03.2020
Revenue from continuing operations	1,81,005	1,34,560	1,39,262
Profit/(Loss) before Tax from continuing operations	25,344	13,036	11,471
Tax Expenses	4,213	2,540	20,075
Profit/(Loss) for the Year from continuing operations	21,131	10,496	(8,604)
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, Managing Director [DIN: 00086164] is an Indian industrialist with over three decades of experience in strategic management. He is an alumnus of Ranchi University and London Business School. In the three decades that he has been at the helm of Usha Martin Group, he has accelerated growth, built a meritocracy and enhanced stakeholder value.

**ii. Past remuneration:** Mr. Rajeev Jhawar was paid the following remuneration during each of the preceding three financial years:

	(Rs. In Lakh)		
	FY ended 31 <sup>st</sup> March 2022	FY ended 31 <sup>st</sup> March 2021	FY ended 31 <sup>st</sup> March 2020
Salary	85.33	85.50	106.00
Contribution to Provident Fund, Gratuity and Superannuation Fund*	20.88	17.84	19.44
Perquisites	15.85	20.05	23.63
<b>Total</b>	<b>122.06</b>	<b>123.39</b>	<b>149.07</b>

\*As per Companies Act 2013, retiral benefits are excluded from computation of managerial remuneration payable in accordance with Schedule V of the Companies Act, 2013.

**iii. Recognition or awards:**

His leadership qualities, sharp business acumen, in-depth understanding of business administration and strategic decision making has taken the group to an altogether higher growth trajectory.

**iv. Job profile and his suitability:**

Mr. Rajeev Jhawar, 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 entrusted to him by the Board from time to time. Over the years, Mr. Jhawar has made valuable contribution to the growth and development of the Company. His effective leadership has steered the Company through a tumultuous financial period and brought about operational and financial turnaround in the Company. Timely decisions taken by Mr. Jhawar during the last few years has reduced the heavy debt burden and deleveraged the balance sheet of the Company. This has helped in increasing stakeholder value. Very recently, under his guidance the Company has successfully adjusted accumulated losses in the books of accounts after obtaining sanction of court in a scheme of arrangement resulting in rewarding shareholders by way of dividend. Taking into consideration his in-depth experience and expertise in manufacturing operations, product knowledge and activities of the Company, he is best suited for the role and responsibilities assigned to him by Board of Directors.

**v. Remuneration proposed:**

As set out in Resolution No. 4 of the accompanying Notice convening AGM and expanded upon in the explanation to the said resolution.

**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):**

The remuneration payable has been benchmarked with the remuneration being drawn by similar positions/roles in the steel industry and has been considered to be reasonable and commensurate and hence recommended by the Nomination and Remuneration Committee and Board of Directors of the Company.

**vii. Shareholding in the Company:** Mr. Rajeev Jhawar is one of the Promoters of the Company and is holding 26,11,969 (as on 31st March 2022) Equity shares of the Company amounting to 0.86% of the Paid-up Equity Share Capital of the Company.

**viii. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any:** Mr. Rajeev Jhawar has no pecuniary relationship, directly or indirectly, with the Company except to the extent of his remuneration and shareholding in the Company. His relatives and companies owned or controlled by him/them are holding equity shares in the Company and form part of the promoter group. Mr. Jhawar is the son of Mr. Brij Kishore Jhawar, one of the promoters of the Company.

### III. Other information:

#### 1. Reasons of loss or inadequate profits:

In spite of the Company's financial statements showing operational profitability, in view of carried forward losses computed in accordance with the provisions of Section 198 of the Act, the profits of the current financial year is considered to be inadequate for the purpose of determination of payment of managerial remuneration.

#### 2. Steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms:

The Company, post divestment of its Steel Business Undertaking has improved with renewed vigor its focus on capability building, debottlenecking of constraints and increase in productivity of the key products to remain agile and competitive. To continue to be sustainable, resilient and future ready the Company is preparing for plans for augmenting capacity/capability building. There is focused effort for planned capability building by adding new machines for producing high end ropes and value-added products. Further the plans for addition of capacity would focus mainly upon debottlenecking constraint areas and increase productivity of key products. With these plans in hand, the Company remains confident of making deeper inroads into international markets with high contributory products. The Company aims to increase business share in higher value-added products as well as expand its presence in service-oriented projects. In addition to enriching the product mix and expanding the footprints in new geographies, the Company will continue to focus on areas like enlarging the product basket and deliverables, moving up the value chain through service networks,

strengthening network and market reach through digital platforms, strategic brand positioning and imbibing environmental, social and governance aspects in our business practices. The steps taken by the Company has made it operationally profitable and it is expected that the carried forward losses computed in accordance with the provisions of Section 198 of the Act would be set off with the continuation of growth trajectory that the Company is presently in.

### IV. Disclosures:

The following information has already been disclosed in the Board of Directors' Report under the heading 'Corporate Governance' attached to the Annual Report for the year ended 31<sup>st</sup> March 2022:

- i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of the directors.
- ii. Details of the fixed components and performance linked incentive along with performance criteria.
- iii. Service contracts, notice period, severance fees.
- iv. Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

### ITEM NO. 5

Mr. Devadip Bhowmik [DIN: 08656505] in accordance with the provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder, had been appointed as Whole Time Director of the Company at the Annual General Meeting held on 11<sup>th</sup> August 2021:-

- for a term of five years with effect from 15<sup>th</sup> March 2021 to 14<sup>th</sup> March 2026;
- at a remuneration of an amount not exceeding Rs. 1.24 Crore per annum for a term upto 3 (three) years with effect from 15<sup>th</sup> March 2021 to 14<sup>th</sup> March 2024.

During the last four financial years, the financial statements of the Company reflected operational profitability, strength and an uptrend. However, in spite of operational profitability of the Company there continued to be "inadequate profits" within the meaning of the provisions of the Act for determination of managerial remuneration which resulted in the payment of only 'minimum remuneration' to the Whole Time Director as envisaged in Schedule V to the Act.

Mr. Bhowmik has nearly three decades of corporate experience in marketing, project implementation, brand building and business development with in-depth knowledge of sales and service client relationship management. As a Whole Time Director of the

## Notice to the Shareholders (contd.)

Company, he is responsible for Sales & Marketing, Raw Material Procurement and Plant Operations of the Company. In view of the role and responsibilities discharged by him, prevalent industry standards and based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 30<sup>th</sup> April 2022 approved revision in the remuneration payable to Mr. Bhowmik for an amount not exceeding Rs.1.75 Crore per annum for a period from 1<sup>st</sup> May 2022 to 30<sup>th</sup> April 2025 (both days inclusive). The revised Schedule V to the Act provides for payment of higher remuneration than the limits computed on the basis of the 'effective capital' of a company as at the year-end provided that the conditions provided in Section II of Part II of Schedule V of the Act read with the provisions of Section 197 thereof have been fulfilled, and that such higher remuneration is approved by the shareholders of the company by passing a Special Resolution. The other terms and conditions of appointment of Mr. Bhowmik shall continue to remain the same without any modification. Hence, the broad terms of remuneration to be paid to Mr. Bhowmik are as follows:

- a) Period of payment of remuneration: From 1<sup>st</sup> May 2022 to 30<sup>th</sup> April 2025 (both days inclusive);
- b) Basic Salary & Allowances including the value of following perquisites shall not exceed the consolidated amount of upto Rs.97 Lakh per annum:
  - i) Club fees: Membership and monthly subscription of one club;
  - ii) Medical expense: To be reimbursed as per actuals;
  - iii) Communication Facility: One mobile phone;
  - iv) Leave Travel Allowance: 10% of Basic Salary;
  - v) Car Allowance: To be reimbursed as per actuals.
- c) Additionally, he shall be entitled to:
  - i) annual increment from time to time during his tenure as may be decided by the Board of Directors including any Committee thereof;
  - ii) annual performance incentive pay based on the assessment of his as well as the Company's performance by the management, where such incentive amount shall not exceed 25% of his annual CTC.
- d) The aggregate of the remuneration mentioned under (b) and (c) above (excluding contributions to provident fund, superannuation fund and gratuity) shall not exceed the maximum amount of remuneration of Rs.1.75 Crore per annum;
- e) Leave: As per the Rules of the Company;

- f) The retiral benefits in the nature of company's contribution towards Provident Fund, Superannuation and Gratuity shall be as per Rules of the Company. The aggregate of these shall be over and above the limit specified in (b) above;
- g) No fees shall be payable for attending meetings of the Board or any Committee thereof, where so appointed;
- h) In the event of loss/inadequacy of profits during his tenure, the above remuneration including perquisites being Rs 1.75 Crore per annum shall be payable as "minimum remuneration" as per Schedule V to the Act, subject to such approvals as may be necessary including that of shareholders of the Company;
- i) His appointment will be terminable by either party by giving three months' notice or salary in lieu thereof.

The remuneration payable to Mr. Bhowmik for the period commencing from 1<sup>st</sup> May 2022 to 30<sup>th</sup> April 2025 (both days inclusive) requires the approval of the Members the Company in the General Meeting. The remuneration payable to Mr. Bhowmik for the aforementioned period satisfies the applicable provisions of the Act and conditions laid down in Schedule V to the Act. The Board of Directors recommends the Special Resolution set out at Item No. 5 for approval of members.

Other than Mr. Bhowmik and his 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.

**Information required to be disclosed under paragraph (iv) of the second proviso to Section II of Part-II of Schedule V of the Act is as follows:**

- (i) The proposed remuneration has been approved by a Resolution of the Nomination and Remuneration Committee and the Board respectively;
- (ii) The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the Company before obtaining the approval from the Members;
- (iii) Consent of the Members through Special Resolution is being sought for payment of the remuneration for period commencing from 1<sup>st</sup> May 2022 to 30<sup>th</sup> April 2025 (both days inclusive);
- (iv) A statement containing further information is set out hereunder:

**I. General Information:****i. Nature of industry:**

The Company is principally engaged in the businesses of: (a) manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, etc.; and (b) manufacture and sale of wire drawing and allied machines.

**ii. Date or expected date of commencement of commercial production:**

The Company is in operation since the year 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:**

Particulars	(Rs. In Lakh)		
	31.03.2022	31.03.2021	31.03.2020
Revenue from continuing operations	1,81,005	1,34,560	1,39,262
Profit/(Loss) before Tax from continuing operations	25,344	13,036	11,471
Tax Expenses	4,213	2,540	20,075
Profit/(Loss) for the Year from continuing operations	21,131	10,496	(8,604)
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. Devadip Bhowmik is a Science Graduate and an Electrical Engineer. He has nearly three decades of corporate experience in marketing, project implementation, brand building and business development with in-depth knowledge of sales and service and client relationship management. In the past he has been associated with various organizations like Fouress Engineering and Bells Controls Limited. He joined the Company in 1999 and traversed various roles in India and abroad within the Usha Martin Group. Over the years he has passionately contributed to the growth and development of the Company.

**ii. Past remuneration:** Mr. Devadip Bhowmik was paid the following remuneration the preceding two financial years:

	(Rs. In Lakh)	
	FY ended 31 <sup>st</sup> March 2022	FY ended 31 <sup>st</sup> March 2021*
Salary	83.15	3.80
Contribution to Provident Fund, Gratuity and Superannuation Fund**	4.31	0.20
Perquisites	1.86	0.14
<b>Total</b>	<b>89.32</b>	<b>4.13</b>

\*Mr. Bhowmik was appointed w.e.f. 15<sup>th</sup> March 2021

\*\*As per Companies Act 2013, retiral benefits are excluded from computation of managerial remuneration payable in accordance with Schedule V of the Companies Act, 2013.

**iii. Recognition or awards:**

Mr. Devadip Bhowmik has been associated with Usha Martin group for nearly three decades. Mr. Bhowmik with his wide-ranging corporate experience in marketing, project implementation, brand building and business development has passionately contributed to the growth and development of the Company.

**iv. Job profile and his suitability:**

Mr. Bhowmik as Whole Time Director, subject to the supervision and control of the Board of Directors is responsible for Sales & Marketing, Raw Material Procurement and Plant Operations in India. Taking into consideration his qualification, wide experience and in-depth knowledge of the product, market and operational 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 accompanying Notice convening AGM and expanded upon in the explanation to the said resolution.

**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):**

The remuneration payable has been benchmarked with the remuneration being drawn by similar positions/roles in steel industry. Having regard to the size of the Company and Mr. Bhowmik's rich experience in marketing, project implementation, operations, brand building and business development

## Notice to the Shareholders (contd.)

including an in-depth knowledge of sales and service and client relationship management his remuneration has been considered to be reasonable and commensurate and hence recommended by the Nomination and Remuneration Committee and Board of Directors of the Company.

**vii. Shareholding in the Company:** NIL

**viii. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** None

### III. Other information:

#### 1. Reasons of loss or inadequate profits:

In spite of the Company's financial statements showing operational profitability, in view of carried forward losses computed in accordance with the provisions of Section 198 of the Act, the profits of the current financial year is considered to be inadequate for the purpose of determination of payment of managerial remuneration.

#### 2. Steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms:

The Company, post divestment of its Steel Business Undertaking has improved with renewed vigor its focus on capability building, debottlenecking of constraints and increase in productivity of the key products to remain agile and competitive. To continue to be sustainable, resilient and future ready the Company is preparing for plans for augmenting capacity/capability building. There is focused effort for planned capability building by adding new machines for producing high end ropes and value-added products. Further the plans for addition of capacity would focus mainly upon debottlenecking constraint areas and increase productivity of key products. With these plans in hand, the Company remains confident of making deeper inroads into international markets with high contributory products. The Company aims to increase business share in higher value-added products as well as expand its presence in service-oriented projects. In addition to enriching the product mix and expanding the footprints in new geographies, company will continue to focus on areas like enlarging the product basket and deliverables, moving up the value chain through service networks, strengthening network and market reach through digital platforms, strategic brand positioning and imbibing environmental, social and governance aspects

in our business practices. The steps taken by the Company has made it operationally profitable and it is expected that the carried forward losses computed in accordance with the provisions of Section 198 of the Act would be set off with the continuation of growth trajectory that the Company is presently in.

### IV. Disclosures:

The following information shall be disclosed in the Annual Report for the year ended 31<sup>st</sup> March 2022:-

- i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pensions, etc. of the directors.
- ii. Details of the fixed components and performance linked incentive along with performance criteria.
- iii. Service contracts, notice period, severance fees.
- iv. Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

### ITEM NO. 6

Considering a competitive business environment, stringent accounting standards, corporate governance norms and consequent increase in the responsibilities of Non-Executive Directors Independent Directors ("NED IDs"), it is considered prudent and appropriate to remunerate the Non-Executive Independent Directors of the Company. However, the Act restricted payment of remuneration to NED IDs in case of loss or inadequate profits [as computed under Section 198 of the Act in any financial year]. To address this situation, the provisions of the Act were amended by way of Companies (Amendment) Act, 2020 which was notified by the Ministry of Corporate Affairs vide notification no. S.O. 1256(E) dated 18<sup>th</sup> March 2021 to enable companies having inadequate profits under Section 198 of the Act to pay remuneration to NED IDs. In terms of the amended provisions of the Act, companies having inadequate profits in terms of Section 198 of the Act, may now pay remuneration to NED IDs subject to the terms and conditions of Schedule V of the Act and approval of shareholders of the Company.

The Company believes in the philosophy to remunerate its NED IDs adequately for investing their time in the Company and providing their inputs on strategic decisions of the Company. In view of the continuous unstinted effort, support and guidance of NED IDs that has brought about sustainability and profitability in Company operations and performance, the Board of Directors based on the recommendations of Nomination and Remuneration Committee at their meeting held on 30<sup>th</sup> April 2022 approved payment of remuneration to each of the following Non-Executive

Independent Directors of the Company during the Financial Year 2022-23:

Names	(Rs. in Lakh)	
		Amount
Mr. Vijay Singh Bapna		10
Mrs. Ramni Nirula		10
Mr. Venkatachalam Ramakrishna Iyer		10
Mr. Sethurathnam Ravi		10

Accordingly, consent of the Members is being sought by passing an Ordinary Resolution in terms of Section 197, Schedule V of the Act read with Rules made thereunder and Regulation 17 of SEBI Listing Regulations for payment of remuneration to NED IDs for Financial Year 2022-23, within the terms as aforesaid, in addition to sitting fees payable to such directors under Section 197(5) of the Act and reimbursement of expenses for participation in the meetings of Board and Committees of the Company.

Except the NED IDs of the Company and their relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 6 of the Notice. As per Section 102(2) of the Act, it is clarified that the proposed Resolution does not relate to or affect any other Company.

**Information required to be disclosed under paragraph (iv) of the second proviso to Section II of Part-II of Schedule V of the Act is as follows:**

- (i) The proposed remuneration payable to the Non-Executive and Independent Directors has been approved by a Resolution of the Nomination and Remuneration Committee and the Board respectively;
- (ii) The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the Company before obtaining the approval from the Members;
- (iii) Consent of the Members through an Ordinary Resolution is being sought for remuneration to be paid during Financial Year 2022-23;

(iv) A statement containing further information is set out hereunder:

**I. General Information:**

**i. Nature of industry:**

The Company is principally engaged in the businesses of: (a) manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, etc.; and (b) manufacture and sale of wire drawing and allied machines.

**ii. Date or expected date of commencement of commercial production:**

The Company is in operation since the year 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:**

Particulars	(Rs. In Lakh)		
	31.03.2022	31.03.2021	31.03.2020
Revenue from continuing operations	1,81,005	1,34,560	1,39,262
Profit/(Loss) before Tax from continuing operations	25,344	13,036	11,471
Tax Expenses	4,213	2,540	20,075
Profit/(Loss) for the Year from continuing operations	21,131	10,496	(8,604)
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.

## Notice to the Shareholders (contd.)

**II. Information about the appointees:**

The individual details of four (4) Non-Executive Independent Directors of the Company are given below:

<b>Name &amp; DIN</b>	<b>Mr. Vijay S Bapna [DIN: 02599024]</b>
Background details	Mr. Vijay S Bapna is Master of Commerce from University of Udaipur, Rajasthan and also a qualified Chartered Accountant. Mr. Bapna is presently on the Boards of various corporates. During his illustrious career, Mr. Bapna has been associated with corporates like Aditya Birla Group, Essar Group of Companies, Ispat Industries, Reliance Petroleum, Vedanta Group, Indorama Group and Welspun Group in various senior capacities both in India and abroad. He has over four decades of experience which traverses accounts, costing and taxation, project implementation and plant operation.
Past remuneration	Not Applicable. Mr. Bapna was paid sitting fees of Rs.14.25 Lakhs for Financial Year 2021-22.
Recognition or Awards	Mr. Bapna has been the recipient of various awards like Udyog Ratna Award, Rajiv Gandhi Rashtriya Ekta Award, etc.
Job Profile & his suitability	Not Applicable
Remuneration proposed	Rs. 10 Lakh for Financial Year 2022-23 in addition to sitting fees payable to such directors under Section 197(5) of the Act and reimbursement of expenses for participation in the meetings of the Board and Committees of the Company.
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):	Not Applicable
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Mr. Bapna has no pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director except to the extent of his remuneration as above.
<b>Name &amp; DIN</b>	<b>Mrs. Ramni Nirula [DIN: 00015330]</b>
Background details	Mrs. Ramni Nirula holds a bachelor's degree in Economics and a master's degree in Business Administration from Delhi University. She has more than four decades of experience in the financial sector and has held various leadership positions in the areas of Project Financing, Strategy, Planning and Resources and Corporate Banking. Mrs. Nirula was the Managing Director & CEO of ICICI Securities Ltd. and also headed the Corporate Banking Group of ICICI Bank. She retired as Senior General Manager of ICICI Bank Limited. She was part of top management team instrumental in transforming ICICI Bank from a term lending institution into technology led diversified financial services group with a strong presence in India's retail financial services market. In the past she has been on the Boards of numerous corporates such as Jindal Steel, Eveready Industries, McLeod Russel, Jubilant Foodworks, Goldman Sachs Trustee Company, etc. She is currently on the Boards of listed entities like DCM Shriram Limited, PI Industries Limited, CG Power and Industries Solution Limited and HEG Limited.
Past remuneration	Not Applicable. Mrs. Nirula was paid sitting fees of Rs. 12.75 Lakhs for Financial Year 2021-22.
Recognition or Awards	Mrs. Nirula has an illustrious career of nearly four decades in finance and banking having held various leadership roles in ICICI Bank group. She is a recognised board member in leading corporates in India.
Job Profile & his suitability	Not Applicable
Remuneration proposed	Rs. 10 Lakh for Financial Year 2022-23 in addition to sitting fees payable to such directors under Section 197(5) of the Act and reimbursement of expenses for participation in the meetings of the Board and Committees of the Company.
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)	Not Applicable
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Mrs. Nirula has no pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director except to the extent of his remuneration as above.

<b>Name &amp; DIN</b>	<b>Mr. Venkatchalam Ramakrishna Iyer [DIN: 02194830]</b>
Background details	Mr. Venkatchalam Ramakrishna Iyer holds a bachelor's degree (Honours) in Physics from St. Josephs College Arts Science and has also qualified from Indian Institute of Bankers. He has rich experience of nearly five decades in the fields of banking and finance. Mr. Venkatchalam has been associated with State Bank of India (SBI) since 1974 and until his retirement in 2014 as Deputy Managing Director & Chief Credit and Risk Officer, he has served with SBI in various senior positions. As Deputy Managing Director of SBI, he has also headed the Rural Banking Group and Stressed Asset Management Group. During his tenure with SBI, he has headed the Mid-Corporate Group in various capacities upto the level of Deputy Managing Director.
Past remuneration	Not Applicable. Mr. Venkatchalam was paid sitting fees of Rs. 9 Lakhs for Financial Year 2021-22.
Recognition or Awards	Mr. Venkatchalam has rich experience over more than five decades in banking and finance having held various leadership roles in SBI group. Other than being well-known in the banking circle, he is currently a Director of Canara Bank.
Job Profile & his suitability	Not Applicable
Remuneration proposed	Rs. 10 Lakh for Financial Year 2022-23 in addition to sitting fees payable to such directors under Section 197(5) of the Act and reimbursement of expenses for participation in the meetings of the Board and Committees of the Company.
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)	Not Applicable
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Mr. Venkatchalam has no pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director except to the extent of his remuneration as above.

<b>Name &amp; DIN</b>	<b>Mr. Sethurathnam Ravi [DIN: 00009790]</b>
Background details	Mr. Sethurathnam Ravi, a Chartered Accountant, is the Founder and Managing Partner of M/s Ravi Rajan & Co, an advisory and accountancy firm. Mr. S Ravi is a post-graduate in Commerce and holds a Diploma in Information System Audit (DISA). He is an Associate Member of Association of Certified Fraud Examiners (CFE), USA and is also registered as an Insolvency Resolution Professional. He is the former Chairman of Bombay Stock Exchange (BSE) and currently serves as an Independent Director of Tourism Finance Corporation of India. In the past he has been on the Boards of many prestigious institutions like LIC Housing Finance, BHEL, IDBI Bank, etc. and corporates like Mahindra Ugine Steel Ltd., Jindal Strips, etc. Additionally, he has also worked with several reputed PSUs and private sector banks as a member of their audit committees, strategic revival committees and risk management committees.
Past remuneration	Not Applicable. Mr. Ravi was paid sitting fees of Rs. 5.25 Lakhs for Financial Year 2021-22.
Recognition or Awards	Mr. Ravi is a Chartered Accountant and founder-managing partner of Ravi Ranjan LLP, an accountancy and advisory firm. He is a former Chairman of BSE Limited and is on the Boards of leading corporates in India. Being a recognised professional in his field, he is frequently invited as a speaker at regulatory bodies like ICAI, RBI and SEBI.
Job Profile & his suitability	Not Applicable
Remuneration proposed	Rs.10 Lakh for Financial Year 2022-23 in addition to sitting fees payable to such directors under Section 197(5) of the Act and reimbursement of expenses for participation in the meetings of the Board and Committees of the Company.
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)	Not Applicable
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Mr. Ravi has no pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director except to the extent of his remuneration as above.



## Notice to the Shareholders (contd.)

**III. Other information:****1. Reasons of loss or inadequate profits:**

In spite of the Company's financial statements showing operational profitability, in view of carried forward losses computed in accordance with the provisions of Section 198 of the Act, the profits of the current financial year is considered to be inadequate for the purpose of determination of payment of managerial remuneration.

**2. Steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms:**

The Company, post divestment of its Steel Business Undertaking, has improved with renewed vigor its focus on capability building, debottlenecking of constraints and increase in productivity of the key products to remain agile and competitive. To continue to be sustainable, resilient and future ready the Company is preparing for plans for augmenting capacity/capability building. There is focused effort for planned capability building by adding new machines for producing high end ropes and value-added products. Further the plans for addition of capacity would focus mainly upon debottlenecking constraint areas and increase productivity of key products. With these plans in hand, the Company remains confident of making deeper inroads into international markets with high contributory products. The Company aims to increase business share in higher value-added products as well as expand its presence in service-oriented projects. In addition to enriching the product mix and expanding the footprints in new geographies, company will continue to focus on areas like enlarging the product basket and deliverables, moving up the value chain through service networks, strengthening network and market reach through digital platforms, strategic brand positioning and imbibing environmental, social and governance aspects in our business practices. The steps taken by the Company has made it operationally profitable and it is expected that the carried forward losses computed in accordance with the provisions of Section 198 of the Act would be set off with the continuation of growth trajectory that the Company is presently in.

**IV. Disclosures:**

The details of remuneration of each of the NED IDs for Financial Year 2021-22 had already been disclosed in the Board of Directors' Report under the heading 'Corporate Governance' attached to the Annual Report for the year ended 31<sup>st</sup> March 2022.

**ITEM NO. 7**

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor, M/s Mani & Co., Cost Accountants at a remuneration of Rs. 1,50,000 per annum (plus service tax as applicable and reimbursement of actual out of pocket expenses) to conduct the audit of the cost accounting records of the company in accordance with the provisions of the Act and Rules made thereunder for the Financial Year ending 31<sup>st</sup> March 2023.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the shareholders of the company.

Accordingly, consent of the Members is sought by passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratifying proposed remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March 2023.

The Board recommends the Ordinary Resolution as set out at Item No. 7 of this Notice for approval of members.

No Director or Key Managerial Personnel of the company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 7 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.

By Order of the Board

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place: Kolkata  
Date: 30<sup>th</sup> April 2022

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Vijay Singh Bapna** [DIN: 02599024] – Chairman  
[Non-Executive, Independent]

*[Appointed as Chairman effective 11<sup>th</sup> February, 2022]*

**Mr. Mukesh Rohatgi** [DIN: 00136067] – Chairman  
[Non-Executive, Independent]

*[Ceased to be a Director and Chairman effective 8<sup>th</sup> December, 2021]*

**Mrs. Ramni Nirula** [DIN: 00015330] – Independent Director

**Mr. V. Ramakrishna Iyer** [DIN: 02194830] – Independent Director

*[Ceased to be Nominee Director on 4<sup>th</sup> November, 2021 and appointed as Independent Director effective 12<sup>th</sup> November 2021]*

**Mr. Sethurathnam Ravi** [DIN: 00009790] – Independent Director

*[appointed with effect from 12<sup>th</sup> November 2021]*

**Mr. Rajeev Jhavar** [DIN: 00086164] – Managing Director

**Mr. D J Basu** [DIN: 02498037] – Whole Time Director

**Mr. Devadip Bhowmik** [DIN: 08656505] – Whole Time Director

## KEY MANAGERIAL PERSONNEL

**Mr. Anirban Sanyal** – Chief Financial Officer

**Mrs. Shampa Ghosh Ray** – Company Secretary

## SENIOR MANAGEMENT

### India

**Mr. S B N Sharma** – Sr. Vice President [Manufacturing]

### Europe

**Mr. S Jodhawat** – Executive Chairman – Usha Martin International Limited (UK)

**Mr. Dimitri Bracco Gartner** – Chief Executive Officer – Usha Martin International Limited (UK)

### South East Asia-Pacific, Middle East and USA

**Mr. Tapas Ganguly** – Chief Executive Officer, South East Asia-Pacific, GCC Countries, Africa & Americas

**Mr. S S Birla** – Managing Director, Usha Siam Steel Industries Public Co. Ltd. (Thailand)

**Mr. S. Mazumder** – Managing Director, Brunton Wire Ropes, FZCo (Dubai)

**Mr. Sanjay Singh** – Operations Director, Usha Martin Americas Inc. (USA)

## REGISTERED & CORPORATE OFFICE

2A, Shakespeare Sarani

Kolkata – 700 071, India

CIN : L31400WB1986PLC091621

Phone : 033 – 71006300; Fax : 033 – 71006415

Email : investor@ushamartin.co.in

Website : www.ushamartin.com

## WORKS

### India

Tatilswai, Ranchi

Hoshiarpur, Punjab

Sri Perumbudur, Tamil Nadu

Silvassa, (U M Cables)

### Overseas

Navanakoran Industrial Estate, Thailand

(Usha Siam Steel Industries Public Company Limited)

Jebel Ali Free Zone, Dubai, UAE

(Brunton Wire Ropes FZCo)

Worksop, Nottinghamshire, UK

(Usha Martin UK Limited)

## BANKERS

State Bank of India

ICICI Bank Limited

## AUDITORS

S.R. Batliboi & Co. LLP

Kolkata

## SHARE LISTINGS

NSE – Scripcode – USHAMART

BSE – Scripcode – 517146

Societe de la Bourse de Luxembourg - GDRs - US9173002042

ISIN No.INE228A01035

## REGISTRAR & TRANSFER AGENT

MCS Share Transfer Agent Limited,

383, Lake Gardens, 1<sup>st</sup> Floor,

Kolkata - 700045

Phone : (033) 4072 4051/52/53;

Email : mcssta@rediffmail.com

**USHA MARTIN LIMITED**

2A, Shakespeare Sarani, Kolkata – 700 071, India

CIN: L31400WB1986PLC091621

Phone: 033 – 7100 6300; Fax: 033 – 7100 6415

Email: [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in),

Website: [www.ushamartin.com](http://www.ushamartin.com)