



**Usha Martin Limited**

2A, Shakespeare Sarani, Kolkata (formerly Calcutta) - 700 071, India

Phone : (00 91 33) 39800300, Fax : (00 91 33) 2282 9029, 39800400/500

CIN : L31400WB1986PLC091621

Website : www.ushamartin.com

Date: 28<sup>th</sup> July 2021

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

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]

**Sub : Board Meeting Outcome**

Dear Sir(s),

The Board of Directors of the Company at their meeting held today has approved and taken on record unaudited financial results on standalone and consolidated basis for the quarter ended 30<sup>th</sup> June 2021.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of above unaudited results and Report of the Auditors on "Limited Review" of said financial results are enclosed for your ready reference and record.

The Board Meeting commenced at 12:30 P.M and concluded at 2:15 P.M (IST).

Thanking you,

Yours faithfully,  
For Usha Martin Limited

Shampa Ghosh Ray  
Company Secretary

Encl : as above

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

**Review Report to  
The Board of Directors  
Usha Martin Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Usha Martin Limited (the "Company") for the quarter ended June 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Emphasis of Matter**

We draw attention to Note 4(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 of the ongoing proceedings on complaint filed by the Directorate of Enforcement (ED) before the District and Sessions Judge cum Special Judge (CBI), Ranchi as mentioned in the said note, no adjustment to these standalone financial results in this regard have been considered necessary by the management.

Further, as explained in Note 4(b), a First Information Report (FIR) has been filed by Central Bureau of Investigation (CBI) against the Company, its Managing Director and certain Other



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

Chartered Accountants

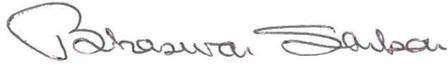
Officers under the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860 for allegedly trying to influence ongoing CBI investigation pertaining to the proceedings mentioned in note 4(a). The matter is currently pending investigation and the Company intends to take such legal measures as necessary based on the outcome of the ongoing investigation.

Our conclusion is not modified in respect of these matters.

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

Chartered Accountants

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



**per Bhaswar Sarkar**

Partner

Membership No.: 055596



UDIN: 21055596AAAADF4693

Place: Kolkata

Date: July 28, 2021



## Usha Martin Limited

### Statement of Unaudited Standalone Financial Results for the quarter ended 30th June, 2021

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars   | Quarter ended<br>30th June,<br>2021 | Quarter ended<br>31st March,<br>2021 | Quarter ended<br>30th June,<br>2020 | Year ended<br>31st March,<br>2021 |
|---|-------------------------------------|--------------------------------------|-------------------------------------|-----------------------------------|
|   | Unaudited                           | Audited<br>(Refer note 9)            | Unaudited                           | Audited                           |
| <b>Continuing Operations</b>  |                                     |                                      |                                     |                                   |
| <b>Income</b>   |                                     |                                      |                                     |                                   |
| Revenue from operations   | 40,266                              | 44,052                               | 22,792                              | 1,34,560                          |
| Other income  | 832                                 | 484                                  | 647                                 | 1,876                             |
| <b>Total income</b>   | <b>41,098</b>                       | <b>44,536</b>                        | <b>23,439</b>                       | <b>1,36,436</b>                   |
| <b>Expenses</b>   |                                     |                                      |                                     |                                   |
| Cost of materials consumed  | 25,172                              | 25,887                               | 11,773                              | 76,610                            |
| Purchases of stock-in-trade   | 2,531                               | 800                                  | 426                                 | 2,631                             |
| (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade | (3,375)                             | 199                                  | 1,092                               | 2,381                             |
| Employee benefits expense   | 2,982                               | 3,211                                | 2,681                               | 11,742                            |
| Finance costs   | 890                                 | 1,085                                | 1,206                               | 4,452                             |
| Depreciation and amortisation expense   | 789                                 | 752                                  | 752                                 | 3,064                             |
| Other expenses  | 7,370                               | 7,221                                | 4,422                               | 22,520                            |
| <b>Total expenses</b>   | <b>36,359</b>                       | <b>39,155</b>                        | <b>22,352</b>                       | <b>1,23,400</b>                   |
| <b>Profit before tax for the period from continuing operations</b>                        | <b>4,739</b>                        | <b>5,381</b>                         | <b>1,087</b>                        | <b>13,036</b>                     |
| Tax expense   |                                     |                                      |                                     |                                   |
| Current tax   | -                                   | -                                    | -                                   | 30                                |
| Deferred tax  | 1,287                               | 591                                  | 286                                 | 2,510                             |
| <b>Tax expense of continuing operations</b>   | <b>1,287</b>                        | <b>591</b>                           | <b>286</b>                          | <b>2,540</b>                      |
| <b>Profit for the period from continuing operations after tax (a)</b>                     | <b>3,452</b>                        | <b>4,790</b>                         | <b>801</b>                          | <b>10,496</b>                     |
| <b>Discontinued operations (Refer note 3)</b>   |                                     |                                      |                                     |                                   |
| <b>Profit / (loss) for the period from discontinued operations before tax</b>             | <b>-</b>                            | <b>(179)</b>                         | <b>21</b>                           | <b>(444)</b>                      |
| Tax expense of discontinued operations  | -                                   | -                                    | -                                   | -                                 |
| <b>Profit / (loss) for the period from discontinued operations after tax (b)</b>          | <b>-</b>                            | <b>(179)</b>                         | <b>21</b>                           | <b>(444)</b>                      |
| <b>Profit for the period [(c) = (a) + (b)]</b>  | <b>3,452</b>                        | <b>4,611</b>                         | <b>822</b>                          | <b>10,052</b>                     |
| <b>Other comprehensive income</b>   |                                     |                                      |                                     |                                   |
| (a) Items that will not be reclassified to profit or loss                                 | (4)                                 | (28)                                 | (203)                               | (210)                             |
| (b) Tax benefit on items that will not be classified to profit or loss                    | 1                                   | 7                                    | 51                                  | 53                                |
| <b>Total other comprehensive income for the period, net of tax (d)</b>                    | <b>(3)</b>                          | <b>(21)</b>                          | <b>(152)</b>                        | <b>(157)</b>                      |
| <b>Total comprehensive income for the period [(c) + (d)]</b>                              | <b>3,449</b>                        | <b>4,590</b>                         | <b>670</b>                          | <b>9,895</b>                      |
| <b>Paid-up equity share capital (face value of Re 1/- each)</b>                           | <b>3,054</b>                        | <b>3,054</b>                         | <b>3,054</b>                        | <b>3,054</b>                      |
| <b>Other equity as per balance sheet</b>  |                                     |                                      |                                     | <b>68,382</b>                     |
| <b>Earnings per share (Rs.)</b>   |                                     |                                      |                                     |                                   |
| <b>Earnings per equity share (for continuing operations)</b>                              |                                     |                                      |                                     |                                   |
| Basic and Diluted (Rs.)   | 1.13 *                              | 1.58 *                               | 0.26 *                              | 3.45                              |
| <b>Earnings per equity share (for discontinued operations)</b>                            |                                     |                                      |                                     |                                   |
| Basic and Diluted (Rs.)   | - *                                 | (0.07) *                             | 0.01 *                              | (0.15)                            |
| <b>Earnings per equity share (for continuing and discontinued operations)</b>             |                                     |                                      |                                     |                                   |
| Basic and Diluted (Rs.)   | 1.13 *                              | 1.51 *                               | 0.27 *                              | 3.30                              |

\* Not annualised



**Notes to Financial Results**

- The above results of Usha Martin Limited ("the Company") for the quarter ended June 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 28, 2021.
- The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
- Pursuant to the Business Transfer Agreement dated September 22, 2018 (Novation agreement on October 24, 2018) and Supplemental Business Transfer Agreement dated April 7, 2019 and July 3, 2019 respectively with Tata Steel Long Products Limited (TSLPL) [formerly known as Tata Sponge Iron Limited], the Company had transferred its Steel and Bright Bar Business (SBB Business) as a going concern on slump sale basis during the quarter ended June 30, 2019 in accordance with the terms and conditions set out in those agreements at a consideration of Rs. 452,500 lakhs subject to net working capital adjustments. Out of the aforesaid consideration, an amount of Rs. 16,000 lakhs are receivable as at the quarter-end that include Rs. 15,000 lakhs in respect of certain parcels of land for which perpetual lease and license agreements have been executed by the Company in favour of TSLPL pending completion of ongoing formalities for registration in the name of TSLPL. During the quarter ended June 30, 2021, the Company and TSLPL has entered into a final settlement of net working capital, resultant impact of which is recognised in these financial results and shall be adjusted at the time of release of above hold back amount.

The details of discontinued operations for preceding and corresponding (period) quarters and for the year ended March 31, 2021 are as follows :

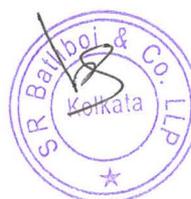
(Amounts in Rs. Lakhs)

| Particulars   | Quarter ended<br>31st March,<br>2021 | Quarter ended<br>30th June,<br>2020 | Year ended<br>31st March,<br>2021 |
|---|--------------------------------------|-------------------------------------|-----------------------------------|
|   | Audited<br>(Refer note 9)            | Unaudited                           | Audited                           |
| Total income @  | 1,287                                | 1,575                               | 3,222                             |
| Total expenses #  | 1,466                                | 1,554                               | 3,666                             |
| Total profit/ (loss) for the period from discontinued operations before tax | (179)                                | 21                                  | (444)                             |

@ 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.

- 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 till the next date of hearing which is now fixed on September 7, 2021. Subsequent to the setting aside of the proceedings before the District and Sessions Court cum Special Judge (ED), Patna by the Hon'ble High Court of Patna during the quarter for want of proper jurisdiction, the ED has 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 on June 7, 2021, the Company has filed a quashing petition before the Hon'ble Jharkhand High Court. 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.

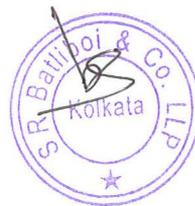


**Notes to Financial Results**

- 4 (b) On October 2, 2020, Central Bureau of Investigation (CBI) has 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 above proceedings. The Company strongly refutes the aforesaid allegations made by the CBI. The matter is under investigation and the designated CBI Court has not taken cognizance of the interim charge sheet filed by the CBI due to lack of sanction which is awaited. The Company has been providing information sought by the CBI in this regard. The Company 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.
5. During the quarter, the Company has re-evaluated the nature and financial effects of the business activities in which it engages and the economic environment in which it operates. Based on how the chief operating decision maker reviews and 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 reportable segment, i.e., "Wire & Wire Ropes". Hitherto, the Company was reporting three segments, Steel (discontinued), Wire & Wire ropes and Others.
6. The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disruption and slowdown of economic activity. The Company's operations and revenue during the period were also impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the standalone financial results, including its assessment of recoverability of the carrying value of property, plant and equipment and investments based on internal and external information upto the date of approval of these standalone financial results and current indicators of future economic conditions. Further, management has assessed its liquidity position as on June 30, 2021 and does not anticipate any challenge in the Company's ability to continue as a going concern. The impact of the pandemic may be different from that as estimated as at the date of approval of these results and the management continues to closely monitor any material changes to future economic conditions.
7. The Board of Directors of the Company at its meeting held on May 20, 2021, has approved the scheme of arrangement for capital reduction and reorganisation pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013. The scheme will be given effect to on receipt of requisite approvals.
8. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
9. The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures for the full financial year and unaudited year to date figures up to the third quarter of the relevant financial year which was subjected to limited review.
10. Previous period figures have been regrouped / rearranged wherever necessary, to conform to current period presentation.

Place : Kolkata

Dated : July 28, 2021



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

**Review Report to  
The Board of Directors  
Usha Martin Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Usha Martin Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures for the quarter ended June 30, 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

We draw attention to Note 4(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.



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

Chartered Accountants

Pending final outcome of the appeal filed by the Company before the Appellate Tribunal, PMLA and of the ongoing proceedings on complaint filed by the Directorate of Enforcement (ED) before the District and Sessions Judge cum Special Judge (CBI), Ranchi as mentioned in the said note, no adjustment to these standalone financial results in this regard have been considered necessary by the management.

Further, as explained in Note 4(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 4(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 conclusion is not modified in respect of these matters.

7. The accompanying Statement includes the unaudited interim financial results and other financial information, in respect of:

- nineteen subsidiaries, whose unaudited interim financial results include total revenues of Rs 37,461 lakhs, total net profit after tax of Rs. 2,579 lakhs and total comprehensive income of Rs. 2,489 lakhs, for the quarter ended June 30, 2021, as considered in the Statement which have been reviewed by their respective independent auditors.
- three joint ventures, whose unaudited interim financial results include Group's share of net profit of Rs. 189 lakhs and Group's share of total comprehensive income of Rs. 189 lakhs for the quarter ended June 30, 2021, as considered in the Statement whose interim financial results, other financial information have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial information/ financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint ventures is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

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

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

Chartered Accountants

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



**per Bhaswar Sarkar**

Partner

Membership No.: 055596



UDIN: 21055596AAAADG1795

Place: Kolkata

Date: July 28, 2021

**Annexure I****List of subsidiaries/joint ventures****Subsidiaries**

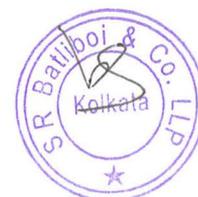
| S. No. | Name   |
|--------|--|
| 1      | UM Cables Limited                                    |
| 2      | Usha Martin Power and Resources Limited              |
| 3      | Bharat Minex Private Limited                         |
| 4      | Gustav Wolf Speciality Cords Limited                 |
| 5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

@ Represents step-down subsidiaries

**Joint ventures**

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

\* Represents step-down joint venture





## Usha Martin Limited

Statement of Unaudited Consolidated Financial Results for the quarter ended 30th June, 2021

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars   | Quarter ended   | Quarter ended             | Quarter ended   | Year ended       |
|---|-----------------|---------------------------|-----------------|------------------|
|   | 30th June, 2021 | 31st March, 2021          | 30th June, 2020 | 31st March, 2021 |
|   | Unaudited       | Audited<br>(Refer note 8) | Unaudited       | Audited          |
| <b>Continuing Operations</b>  |                 |                           |                 |                  |
| <b>Revenue</b>  |                 |                           |                 |                  |
| Revenue from operations   | 61,530          | 65,293                    | 37,618          | 2,09,728         |
| Other income  | 636             | 755                       | 795             | 3,331            |
| <b>Total income</b>   | <b>62,166</b>   | <b>66,048</b>             | <b>38,413</b>   | <b>2,13,059</b>  |
| <b>Expenses</b>   |                 |                           |                 |                  |
| Cost of materials consumed  | 36,537          | 35,772                    | 20,292          | 1,15,294         |
| Purchases of stock-in-trade   | 427             | 276                       | 85              | 819              |
| (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade           | (3,487)         | (26)                      | (414)           | 963              |
| Employee benefits expense   | 8,095           | 8,127                     | 6,824           | 29,801           |
| Finance costs   | 1,170           | 1,356                     | 1,563           | 5,690            |
| Depreciation and amortisation expense   | 1,752           | 1,680                     | 1,675           | 6,787            |
| Other expenses  | 10,820          | 10,843                    | 7,094           | 34,926           |
| <b>Total expenses</b>   | <b>55,314</b>   | <b>58,028</b>             | <b>37,119</b>   | <b>1,94,280</b>  |
| <b>Profit before tax for the period from continuing operations</b>                                  | <b>6,852</b>    | <b>8,020</b>              | <b>1,294</b>    | <b>18,779</b>    |
| <b>Tax expense:</b>   |                 |                           |                 |                  |
| Current tax   | 266             | 494                       | 159             | 941              |
| Adjustment of tax relating to earlier periods   | (26)            | -                         | (1)             | (1)              |
| Deferred tax  | 994             | 837                       | 292             | 2,704            |
| <b>Tax expense of continuing operations</b>   | <b>1,234</b>    | <b>1,331</b>              | <b>450</b>      | <b>3,644</b>     |
| <b>Profit for the period before share of profit of joint ventures from continuing operations</b>    | <b>5,618</b>    | <b>6,689</b>              | <b>844</b>      | <b>15,135</b>    |
| Share of profit/(loss) of joint ventures  | 189             | 278                       | 8               | 459              |
| <b>Profit for the period after share of profit of joint ventures from continuing operations (a)</b> | <b>5,807</b>    | <b>6,967</b>              | <b>852</b>      | <b>15,594</b>    |
| <b>Discontinued operations (Refer note 3)</b>   |                 |                           |                 |                  |
| <b>Profit/(loss) for the period from discontinued operations before tax</b>                         | <b>-</b>        | <b>(179)</b>              | <b>21</b>       | <b>(444)</b>     |
| Tax expense of discontinued operations  | -               | -                         | -               | -                |
| <b>Profit/(loss) for the period from discontinued operations after tax (b)</b>                      | <b>-</b>        | <b>(179)</b>              | <b>21</b>       | <b>(444)</b>     |
| <b>Profit for the period [(c) = (a) + (b)]</b>  | <b>5,807</b>    | <b>6,788</b>              | <b>873</b>      | <b>15,150</b>    |
| <b>Other comprehensive income</b>   |                 |                           |                 |                  |
| <b>Items that will not be reclassified to profit or loss, net of tax</b>                            |                 |                           |                 |                  |
| Re-measurements loss on defined benefit plans   | (47)            | (174)                     | (161)           | (341)            |
| <b>Items that will be reclassified to profit or loss, net of tax</b>                                |                 |                           |                 |                  |
| Exchange difference on translation of financial statements of foreign operations                    | 1,109           | (756)                     | 937             | 2,231            |
| <b>Total other comprehensive income for the period, net of tax (d)</b>                              | <b>1,062</b>    | <b>(930)</b>              | <b>776</b>      | <b>1,890</b>     |
| <b>Total comprehensive income for the period [(c) + (d)]</b>  | <b>6,869</b>    | <b>5,858</b>              | <b>1,649</b>    | <b>17,040</b>    |
| <b>Profit for the period attributable to :</b>  |                 |                           |                 |                  |
| Equity shareholders of the Company  | 5,803           | 6,783                     | 822             | 14,959           |
| Non controlling Interest  | 4               | 5                         | 51              | 191              |
| <b>Other comprehensive income attributable to :</b>   |                 |                           |                 |                  |
| Equity shareholders of the Company  | 1,062           | (930)                     | 780             | 1,898            |
| Non controlling Interest  | -               | -                         | (4)             | (8)              |
| <b>Total comprehensive income for the period attributable to :</b>                                  |                 |                           |                 |                  |
| Equity shareholders of the Company  | 6,865           | 5,853                     | 1,602           | 16,857           |
| Non controlling Interest  | 4               | 5                         | 47              | 183              |
| <b>Paid-up equity share capital (face value of Re 1/- each)</b>                                     | <b>3,054</b>    | <b>3,054</b>              | <b>3,054</b>    | <b>3,054</b>     |
| <b>Other equity as per balance sheet</b>  |                 |                           |                 | <b>1,37,296</b>  |
| <b>Earnings per share (Rs.)</b>   |                 |                           |                 |                  |
| <b>Earnings per equity share (for continuing operations)</b>  |                 |                           |                 |                  |
| Basic and Diluted (Rs.)   | 1.90 *          | 2.29 *                    | 0.26 *          | 5.06             |
| <b>Earnings per equity share (for discontinued operations)</b>                                      |                 |                           |                 |                  |
| Basic and Diluted (Rs.)   | - *             | (0.06) *                  | 0.01 *          | (0.15)           |
| <b>Earnings per equity share (for continuing and discontinued operations)</b>                       |                 |                           |                 |                  |
| Basic and Diluted (Rs.)   | 1.90 *          | 2.23 *                    | 0.27 *          | 4.91             |

\* Not annualised





## Usha Martin Limited

### Consolidated segment information

(Amounts in Rs. Lakhs unless otherwise stated)

| Particulars  | Quarter ended<br>30th June, 2021 | Quarter ended<br>31st March, 2021 | Quarter ended<br>30th June, 2020 | Year ended<br>31st March, 2021 |
|--|----------------------------------|-----------------------------------|----------------------------------|--------------------------------|
|  | Unaudited                        | Audited<br>(Refer note 8)         | Unaudited                        | Audited                        |
| <b>Segment Revenue</b>   |                                  |                                   |                                  |                                |
| Wire & Wire Ropes  | 59,014                           | 62,726                            | 36,267                           | 2,00,408                       |
| Others   | 2,516                            | 2,567                             | 1,351                            | 9,320                          |
| <b>Revenue from Continuing operations</b>  | <b>61,530</b>                    | <b>65,293</b>                     | <b>37,618</b>                    | <b>2,09,728</b>                |
| <b>Segment Results</b>   |                                  |                                   |                                  |                                |
| <b>Profit for the period before tax and finance costs from Continuing operations</b> |                                  |                                   |                                  |                                |
| Wire & Wire Ropes  | 9,085                            | 10,646                            | 3,279                            | 27,374                         |
| Others   | 252                              | 210                               | 30                               | 730                            |
| <b>Total</b>   | <b>9,337</b>                     | <b>10,856</b>                     | <b>3,309</b>                     | <b>28,104</b>                  |
| Less:  |                                  |                                   |                                  |                                |
| Finance costs  | 1,170                            | 1,356                             | 1,563                            | 5,690                          |
| Other Unallocable Expenditure /(Income) (Net)  | 1,315                            | 1,480                             | 452                              | 3,635                          |
| <b>Profit before tax for the period from continuing operations</b>                   | <b>6,852</b>                     | <b>8,020</b>                      | <b>1,294</b>                     | <b>18,779</b>                  |
| Discontinued operations (Refer note 3)   |                                  |                                   |                                  |                                |
| <b>Profit /(loss) for the period from discontinued operations before tax</b>         | <b>-</b>                         | <b>(179)</b>                      | <b>21</b>                        | <b>(444)</b>                   |
| <b>Total Profit before tax and share of Joint Venture</b>                            | <b>6,852</b>                     | <b>7,841</b>                      | <b>1,315</b>                     | <b>18,335</b>                  |
| <b>Segment Assets</b>  |                                  |                                   |                                  |                                |
| Wire & Wire Ropes  | 2,26,184                         | 2,17,179                          | 2,02,662                         | 2,17,179                       |
| Others   | 7,066                            | 7,318                             | 6,607                            | 7,318                          |
| Unallocated  | 35,423                           | 36,033                            | 43,095                           | 36,033                         |
| <b>Total Assets</b>  | <b>2,68,673</b>                  | <b>2,60,530</b>                   | <b>2,52,364</b>                  | <b>2,60,530</b>                |
| <b>Segment Liabilities</b>   |                                  |                                   |                                  |                                |
| Wire & Wire Ropes  | 49,958                           | 52,639                            | 42,136                           | 52,639                         |
| Others   | 2,915                            | 3,525                             | 2,445                            | 3,525                          |
| Unallocated  | 68,228                           | 63,658                            | 80,010                           | 63,658                         |
| <b>Total Liabilities</b>   | <b>1,21,101</b>                  | <b>1,19,822</b>                   | <b>1,24,591</b>                  | <b>1,19,822</b>                |

#### Note:

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

- Wire & Wire Ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, related accessories, etc.
- Others segment which manufactures and sells Jelly Filled & Optical Fibre Telecommunication Cables.



**Notes to Financial Results**

- The above consolidated results of Usha Martin Limited ("the Company") and its nineteen subsidiaries (including ten step-down subsidiaries) (together referred as 'the Group') and three joint ventures (including one step-down joint venture) for the quarter ended June 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 28, 2021.
- The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
- Pursuant to the Business Transfer Agreement dated September 22, 2018 (Novation agreement on October 24, 2018) and Supplemental Business Transfer Agreement dated April 7, 2019 and July 3, 2019 respectively with Tata Steel Long Products Limited (TSLPL) [formerly known as Tata Sponge Iron Limited], the Company had transferred its Steel and Bright Bar Business (SBB Business) as a going concern on slump sale basis during the quarter ended June 30, 2019 in accordance with the terms and conditions set out in those agreements at a consideration of Rs. 452,500 lakhs subject to net working capital adjustments. Out of the aforesaid consideration, an amount of Rs. 16,000 lakhs are receivable as at the quarter-end that include Rs. 15,000 lakhs in respect of certain parcels of land for which perpetual lease and license agreements have been executed by the Company in favour of TSLPL pending completion of ongoing formalities for registration in the name of TSLPL. During the quarter ended June 30, 2021, the Company and TSLPL has entered into a final settlement of net working capital, resultant impact of which is recognised in these financial results and shall be adjusted at the time of release of above hold back amount.

The details of discontinued operations for preceding and corresponding (period) quarters and for the year ended March 31, 2021 are as follows :

(Amounts in Rs. Lakhs)

| Particulars   | Quarter ended<br>31st March, 2021 | Quarter ended<br>30th June, 2020 | Year ended<br>31st March, 2021 |
|---|-----------------------------------|----------------------------------|--------------------------------|
|   | Audited<br>(Refer note 8)         | Unaudited                        | Audited                        |
| Total income @  | 1,287                             | 1,575                            | 3,222                          |
| Total expenses #  | 1,466                             | 1,554                            | 3,666                          |
| Total profit/ (loss) for the period from discontinued operations before tax | (179)                             | 21                               | (444)                          |

@ 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.

- 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 till the next date of hearing which is now fixed on September 7, 2021. Subsequent to the setting aside of the proceedings before the District and Sessions Court cum Special Judge (ED), Patna by the Hon'ble High Court of Patna during the quarter for want of proper jurisdiction, the ED has 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 on June 7, 2021, the Company has filed a quashing petition before the Hon'ble Jharkhand High Court. 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.



**Usha Martin Limited****Notes to Financial Results**

- 4(b) On October 2, 2020, Central Bureau of Investigation (CBI) has 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 above proceedings. The Company strongly refutes the aforesaid allegations made by the CBI. The matter is under investigation and the designated CBI Court has not taken cognizance of the interim charge sheet filed by the CBI due to lack of sanction which is awaited. The Company has been providing information sought by the CBI in this regard. The Company 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.
5. The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disruption and slowdown of economic activity. The Group's operations and revenue during the period were also impacted due to COVID-19. The Group has taken into account the possible impact of COVID-19 in preparation of the consolidated financial results, including its assessment of recoverability of the carrying value of property, plant and equipment and investments based on internal and external information upto the date of approval of these consolidated financial results and current indicators of future economic conditions. Further, management has assessed its liquidity position as on June 30, 2021 and does not anticipate any challenge in the Group's ability to continue as a going concern. The impact of the pandemic may be different from that as estimated as at the date of approval of these results and the management continues to closely monitor any material changes to future economic conditions.
- 6 The Board of Directors of the Company at its meeting held on May 20, 2021, has approved the scheme of arrangement for capital reduction and reorganisation pursuant to the provisions of Section 230 and other applicable provisions of the Companies Act, 2013. The scheme will be given effect to on receipt of requisite approvals.
- 7 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
8. The figures for the quarter ended March 31, 2021 are the balancing figures between the audited figures for the full financial year and unaudited year to date figures up to the third quarter of the relevant financial year which was subjected to limited review.
- 9 Previous period figures have been regrouped / rearranged wherever necessary, to conform to current period presentation.

Place : Kolkata

Dated : July 28, 2021

