TRANSCENDENCE

usha martin

Annual Report 2010-11 • Usha Martin Limited

Contents

Corporate Information

Board of Directors

Mr. B K Jhawar	- Chairman Emeritus
Mr. Prashant Jhawar	- Chairman
Mr. Brij K Jhawar	- Director
Mr. A K Chaudhri	- Director
Mr. A K Basu	- Director
Mr. S Singhal	- Director
Mrs. Ramni Nirula	- Director
Mr. G N Bajpai	- Director
Mr. Nripendra Misra	- Director
Mr. Jitender Balakrishnan	- Director
Mr. Rajeev Jhawar	- Managing Director
Dr. P Bhattacharya	- Jt. Managing Director
Dr. Vijay Sharma	- Executive Director & Chief Executive [Steel Business]
Mr. P K Jain	- Executive Director & Chief Executive [Wire & Wire Ropes Business]

Senior Management Team

India

Mr. A K Somani	- Chief Financial Officer & Company Secretary
Mr. Sanjay Nath	- Sr. Vice President [Sales & Marketing]
Mr. D J Basu	- Sr. Vice President [HR]
Mr. S K Jala	- Sr. Vice President [IT]
Mr. Rajesh Sharma	- Sr. Vice President [Wire & Wire Rope Division]
Mr. Sunil Gupta	- Sr. Vice President [Commercial]
Mr. Anjan Kumar Dey	- Sr. Vice President [Iron Making]
Mr. Malay Kumar De	- Sr. Vice President [Metallurgical Services]
Mr. Arvind Kapoor	- Vice President [Marketing]

Europe

Mr. S Jodhawat	- Chief Executive Officer – Usha Martin International Limited
Mr. Paul Scutt	- Managing Director – European Marine & Management
Mr. Ken Green	- Director-in-charge – Brunton Shaw UK
Mr. Henk Steenbergen	- General Manager – De Ruiter Staalkabel B.V

South East Asia

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

United States of America

Mr. Sunil Sadani	- Vice President – Usha Martin Americas Inc.

Registered & Corporate Office :

2A, Shakespeare Sarani

Kolkata – 700 071, India

Phone : 033 – 39800300

Fax : 033 – 39800400

Email : investor_relation@ushamartin.co.in

Website : www.ushamartin.com

Works :

Adityapur, Jamshedpur

Tatilswai, Ranchi

Hoshiarpur, Punjab

Nawalganj, Agra, UP

Sri Perumbudur, Tamil Nadu

Bangalore, Karnataka

Mines :

Barajamda, Jharkhand

Daltonganj, Jharkhand

Bankers :

State Bank of India

Axis Bank Limited

ICICI Bank Limited

HDFC Bank Limited

IndusInd Bank Limited

Auditors :

Price Waterhouse

Plot No.Y-14, Block EP

Salt Lake Electronic Complex

Sector V, Bidhan Nagar

Kolkata – 700 091

Share Listings :

NSE – Scripcode – USHAMART

BSE – Scripcode – 517146

Societe de la Bourse de Luxembourg - GDRs

ISIN No.INE228A01035

Registrar & Transfer Agent :

MCS Limited

77/2A, Hazra Road, Kolkata – 700 029

Phone : 033 – 24541892-93

Fax : 033 – 24541961/24747674

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Report of the Board of Directors

Dear Shareholders,

The Board of Directors of your Company takes pleasure in presenting 25th Annual Report and audited accounts of your Company for the financial year ended 31st March, 2011.

Financial Results

(Rs. in Cr.)

	Stand Alone		Consolidated	
	31 March, 2011	31 March, 2010	31 March, 2011	31 March, 2010
Gross Sales including inter company/division sales and excise duty	3477.70	2553.77	4389.35	3604.32
Less: Excise Duty	215.53	109.64	221.83	115.92
Less : Inter company/ division sales	735.47	593.74	1120.95	973.99
Net Sales excluding excise duty and inter company/division sales	2526.70	1850.39	3046.57	2514.41
Other Income	27.28	20.16	20.58	25.51
Net Sales and Other Income	2553.98	1870.55	3067.15	2539.92
Profit Before Depreciation & Tax	321.79	246.46	405.03	369.51
Depreciation	176.49	107.25	200.96	129.47
Profit Before Tax	145.30	139.21	204.07	240.04
Tax expenses (including deferred tax)	45.77	47.00	64.04	68.52
Profit After Tax	99.53	92.21	140.03	171.52
Minority Interest	-	-	(3.00)	(2.90)
Profit after Taxation and Minority interest	-	-	137.03	168.62
Profit Brought Forward from Previous Year	41.12	34.36	212.14	132.08
Appropriations are made as under:				
-General Reserve	50.00	50.00	50.01	50.00
-Transfer to Capital Redemption Reserve	-	-	-	3.00
-Proposed Dividend on Equity Shares and tax thereon	35.21	35.45	35.30	35.55
-Balance Carried Forward to next year	55.44	41.12	263.86	212.14

Dividend

The Board of Directors recommends a dividend, Re 1 per share (100%) on the equity shares of the Company for year ended 31st March 2011, amounting to Rs 35.21 cr. including dividend tax, surcharge and cess.

Review of Operations

During 2010-11, your Company recorded a growth of 36.6% by achieving net turnover of Rs. 2526.70 cr. as against Rs. 1850.39 cr. in previous year. Gross profit achieved during the year was also higher by 38.0% at Rs. 496.02 cr. against Rs. 359.49 cr. in the previous year. The gross sales before adjustment of inter divisional sales were Rs. 3477.70 cr., which is higher by 36.2% over that in previous year.

The Company achieved profit before tax of Rs. 145.30 cr. and net profit of Rs. 99.53 cr. as against Rs. 139.21 cr. and Rs.92.21 cr. in 2009-10, recording increase of 4.4% and 7.9% respectively.

The collective turnover of subsidiaries (without inter-company/division sales) was however lower by 13.2% at Rs. 911.64 cr. against that in previous year of Rs. 1050.55 cr. in previous year.

At consolidated level, net turnover (net of excise duty and inter-company/division sales) stood at Rs. 3046.57 cr. against Rs. 2514.41 cr. in 2009-10. Consolidated gross profit increased by 18.6% to Rs. 587.31 cr. However, profit before tax and profit after tax decreased by 15.0% and 18.4% to Rs. 204.07 cr. and Rs. 140.03 cr. respectively.

Projects

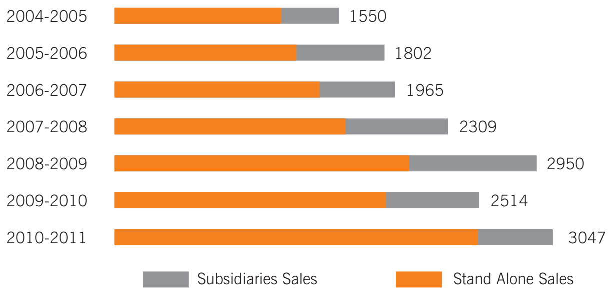
The capex plans undertaken by the Company for strengthening its' advantage of cost competitiveness, are progressing satisfactorily and are expected to be commissioned in phases over FY 2011-12 and 2012-13. The projects under implementation include setting up of captive facilities namely pellet plant, coke oven plant, additional DRI and power plants and balancing facilities in Steel and Wire & Wire Ropes Divisions.

Business Outlook

While domestic economic conditions have restored to an extent from down turn and global economy is also showing signs of possible recovery, higher input prices and rising inflation, coupled with volatility in prices of finished goods due to external competitive pressures, may have impact on profitability in the sector and segments the Company operates. However with the advantage of reasonably higher level of integration with mineral resources and range of value added products, your directors are confident of the Company performing relatively better in near future.

Net Sales

Rs in Crore



Subsidiaries

All the operating subsidiaries of the Company have continued to perform well during the year under review. The international subsidiaries provide significant synergy and support to the Company's business and performance.

Usha Martin International Ltd. and Usha Martin Singapore Pte Ltd. wholly owned subsidiaries of the Company have given interim dividends of Rs. 10.57 cr. and Rs. 3.52 cr. respectively during the year under review. Brunton Wolf Wire Ropes FZCO, the Joint Venture of the Company, has given a dividend of Rs. 2.41 cr. during the year under review. U M Cables Ltd. another wholly owned subsidiary of the Company, has also paid dividend of Rs. 0.58 cr. on its outstanding preference shares allotted to and entirely held by the Company.

The Statement under Section 212 of the Companies Act, 1956 in respect of subsidiaries of the Company is annexed to this Report.

Joint Ventures

All the key joint ventures formed by the Company namely, Pengg Usha Martin Wires Pvt. Ltd., Gustav Wolf Speciality Cords Ltd. and Dove Airlines Pvt. Ltd., have done reasonably well in the year under review.

TPM & Quality

After getting TPM Excellence Award, Wire Ropes and Speciality Products Division received award for Excellence in Consistent TPM Commitment, from the Japan Institute of Plant Maintenance [JIPM] during 2009-10. Now Wire Ropes and Speciality Products Division plan to go on for Deming Award.

Steel Division of the Company, has already received Excellence and Consistency awards for total productive maintenance from JIPM.

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

The operational excellence recognised by these awards and quality management systems have resulted in tangible improvement in quality, cost, delivery and safety, besides intangible benefits like motivation and empowerment amongst grass root levels.

Environment

All manufacturing plants of your Company are running in an eco-friendly manner and have a focus on workplace health and safety.

Steel Division and Speciality Products Divisions continue to enjoy Certification under ISO 14001 Environment Management Systems (EMS) Standards from Det Norseke Veritas (DNV), of U.K. The effectiveness of these systems is evident from reduced oil and water consumption, reuse of waste oils and water, utilization of iron containing wastes and improved green cover in steel plant site.

Wire Rope & Speciality Products Division has been achieving significant improvements in effluent treatment plant to eliminate sludge carry over by incorporation of filter press, the output of which is being used for non critical applications and continues to target zero discharge condition. This Division has also reduced air pollution by converting from oil to LPG and eliminating emission of unburnt fuels in atmosphere.

Human Resources

The Board of Directors expresses its appreciation for sincere efforts made by employees of your Company at all levels during 2010-11 and their co-operation in maintaining cordial relations.

Your directors believe and affirm importance of development of human resources, which is most valuable and key element in bringing all round improvement and achieving growth of business.

The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, forms part of this Report.

Deposits

As on 31st March, 2011, there are unclaimed deposits of Rs. 0.08 cr.

Corporate Governance

Your Company has complied with requirements of Clause 49 of Listing Agreement and followed 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 with interest of the Company at large. Your Company recognizes importance of good Corporate Governance as step for building stakeholders' confidence, improving investor protection and enhancing long-term enterprise value.

A detailed report on Corporate Governance is annexed.

Directors

Mr. P Jhawar, Mr. A K Basu, Mr. S Singhal and Dr. Vijay Sharma are retiring by rotation.

Mr. N J Jhaveri retired by rotation in last annual general meeting. Your directors place on record their warm appreciation for contribution made by him in progress and growth of the Company.

During the year under review, Mr. Jitender Balakrishnan was inducted as Director in Board of Directors of the Company. The Board appointed him as Chairman of the Audit Committee, filling up vacancy caused by retirement of Mr. N J Jhaveri.

Subsequent to resolution passed by the shareholders in Annual General Meeting held on 27th July, 2010, for payment of commission to Mr. Prashant Jhawar @ 1.5% of net profits of the Company for each of five financial years commencing from 1st April, 2010, approval from Central Government has since been received.

Directors' Responsibility Statement

Pursuant to requirements under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) the applicable accounting standards have been followed in preparation of annual accounts for financial year ended 31st March, 2011 and proper explanations have been furnished relating to material departures;

(ii) the accounting policies have been selected and applied consistently and reasonably 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 of the Company for year under review;

(iii) the proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the annual accounts for financial year ended 31st March, 2011 have been prepared on a going concern basis.

CEO / CFO Certification

The Managing Director and Chief Financial Officer of the Company submitted a certificate to Board of Directors as required under Clause 49 of Listing Agreement for the year ended 31st March, 2011.

Additional Disclosures

In line with requirements of Listing Agreements and Accounting Standards issued by the Institute of Chartered Accountants of India, your Company made additional disclosures in respect of Consolidated Financial Statements, Related Party Transactions and Segmental Reporting.

Auditors

The auditors, M/s. Price Waterhouse, Chartered Accountants, retire at conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

Cost Auditors

During the year, Board appointed M/s. Guha, Ghosh, Kar & Associates, Cost Accountants, to conduct cost audit of the Company. The Company has already received approval from the Central Government for financial year 2010-11.

Energy Conservation

As required under Section 217(1)(e) of the Companies Act, 1956, details regarding conservation of energy, technology absorption and foreign exchange earning and outgo are given in the annexure attached hereto and form part of this Report.

Corporate Social Responsibility

Your Company has always been aware about its' responsibility to the society and accordingly been giving very high priority and commitment towards discharge of the same.

A detailed report on various initiatives in this regard is attached and forms part of this report.

Appreciation

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

On behalf of the Board of Directors

Kolkata
11th May 2011

P Jhawar
Chairman

Management Discussion and Analysis

Economic overview

The Indian economy continued to grow impressively in 2010-11, while the western economies and Japan continued to struggle for recovery. The growth in Indian economy is expected to continue with same momentum though it might be dampened due to challenges like high inflation emanating from price rise of crucial products like oil and agro commodities. Impact of recent measures like higher interest rate to counter inflation, will slowly unfold in coming time and will require businesses to be nimble footed to changing scenarios.

The hangover of meltdown particularly in USA and Europe continued in 2010-11. The earthquake and tsunami in Japan have added further uncertainties in recovery process. Events in MENA countries have caused anxieties in oil supplies, prompting investments in other geographical regions particularly in deep water exploration. (Though some signs of recovery have been noticed of late in western economies, global commodity prices are likely to face downward correction which may influence global steel price scenario as well.)

Crucial raw materials prices grew at unbridled pace but commodity prices are likely to face downward correction which may influence global steel scenario during 2011-12.

Company overview

Usha Martin Limited is a Rs. 4,400 cr. company with speciality steel and value added steel products as its core business. It is the largest producer of speciality steel long products in India and one of the leading global manufacturers of wire rope.

The company follows an integrated model, with captive iron ore and coal mines in Jharkhand and state-of-art integrated steel plant near Jamshedpur producing wide range of speciality steel wire rod and bar products, from 5 mm to 160 mm diameter.

In steel wire rope manufacturing, the Company is the largest in India and one of the largest in the world. Its manufacturing plants are located at Ranchi and Hoshiarpur in India and in Thailand, Dubai and UK overseas. Besides wire ropes, its product mix includes cords, strands, wires, bright bars and oil tempered wires.

The global business of wire rope is supported by marketing, distribution and rigging facilities in various locations in USA, Europe and South-East Asia. The Company also provides products and solutions for oil and gas sectors for anchoring, drilling and mooring applications.

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

Product Exposure Consolidated

1. Steel business

Steel business of the Company spreads from mining of iron ore and coal to manufacturing speciality steel in the state of Jharkhand and construction steel at Agra in the state of UP. Iron Ore mine is located at Barajamda and Coal mine at Daltonganj.

Major capex projects, including a new Blast Furnace and a sinter plant, have been completed in FY 10-11. This has enabled the plant to reach a production level of 0.5 million ton, a staggering 33% growth in the year. The turnover showed an even more impressive growth of 48% due to improved product mix and realizations.

Share of steel business increased to 62.6% of the Company's gross level of activity and 53.2% of reported turnover in 2010-11.

Fuelled by growing infrastructure, consumer durables and auto sectors in a growing economy, the demand for company's products remained strong during the year. The same trend is likely to continue (though slightly moderated by rising interest rates) and the company plans to garner a higher share in it with increased capacity utilization and better cost competitiveness.

Projects/Capex Plans

Cost competitiveness has been the driving force behind the integrated business model followed by the company. The benefits are all the more visible in current regime of high commodity prices. Ongoing projects for setting up a pellet plant for utilization of cheaper iron ore fines, coke oven plant for reducing dependence on imported coke, additional DRI and Captive Power Plants are to be seen in this context. These projects, expected to be commissioned in next two years, will further strengthen company's cost competitiveness.

Captive mines provide not only a cost advantage but also a better quality due to control on inputs and more importantly, consistent production free of uncertainties in supply of raw materials.

Key Focus Areas & Achievements

The Company achieved following:

- Volume sales of 5,18,324 MT of rolled products, at steel plant at Jamshedpur, higher by 33% over the previous year.
- Commissioning of second Blast Furnace for captive consumption making it self-reliant in its metallic requirement for steel production.
- Commissioning of Sinter Plant which uses iron ore fines, replacing sized iron ore as an input in Blast Furnace.
- Higher utilization of thermal coal from own mine DRI production insulating the Company from volatile price fluctuations of purchase coal.
- Product development and approval from OEMs for bar products achieving recognition for its quality.

The Company recognizes importance of two key raw materials i.e iron ore and coal and initiatives have been taken to enhance mining capacity apart from setting up of pellet plant for conversion of iron ore fines to pellets, which will also improve productivity of DRI kilns.

2. Wire Ropes & Speciality Products Business

The company showed a healthy growth of 14.8% in turnover in FY 10-11, buoyed by demand from elevators and mining segment. The fastest growing markets for elevators are in South-East and South Asia. Mining, Oil drilling and General Engineering activities are also on a high growth trajectory here.

With production centers in India, Thailand and Dubai, the company is poised to achieve high growth in coming years. In addition, its warehousing and distribution facilities provide a wide reach to its products.

On stand-alone basis, the wire ropes and speciality products business accounted for 37.4% of gross activity level and 46.8% of the reported turnover of the Company, generating a turnover of Rs. 1,208.73 cr. as against Rs. 1,052.94 cr. in the previous year, higher by 14.8%. The domestic turnover of this business stood at Rs. 922.76 cr. during year under review as against Rs. 733.00 cr. in the previous year.

Projects/Capex Plans

To keep up with the pace of rising demand in wire rope market, the company has planned capacity expansion in LRPC strands used extensively for pre-stressing of concrete structures, elevator ropes, and fine ropes, bright bar and OT wire.

After receiving the prestigious Award for Excellence in consistent TPM commitment from Japan Institute of Plant Maintenance, the Company will now strive for the Deming Award to achieve even higher quality standards.

Key Initiatives

- The Company received the prestigious Award of Excellence in consistent TPM commitment from JIPM. The Division is now aiming for Deming Award.
- In its endeavor for excellence and to sharpen competitive edge, the Company has signed MOU with a premier engineering & technological institution of India for development of extra high strength wire with reduced ageing effect, and study of fatigue, damping and rotation behaviour of wire rope.
- Developed extra high strength anchor mooring ropes having higher breaking load per unit steel content within the rope.
- Continued strengthening of dealer / distribution network to further expand Pan-India reach.
- Plan to develop special PE coated LRPC strands for structural applications.
- The company has now built up capability of producing larger diameter rope and with single length weighing up to 210 Tons.

International Business

The Company enjoys a wide international presence through manufacturing and distribution subsidiaries located in different parts of the world. The Company's international business accounted for 20.0% of its consolidated gross activity level. Gross level of activities of overseas subsidiaries has declined 9.82% from Rs. 910.32 cr. in 2009-10 to Rs. 820.85 cr. in 2010-11 due to continued depressed market conditions in most parts of the world.

Integrated Revenue Distribution

Usha Martin International Limited [UMIL]

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

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

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

The consolidated turnover of UMIL was GBP 41.0 million in 2010-11 as against GBP 49.4 million in 2009-10. UMIL reported a consolidated net profit of GBP 2.6 million as against GBP 3.2 million in the previous year.

Usha Martin Americas Inc [UMAI]

During the year, UMAI reported a turnover and profit after tax of US$ 15.2 million and US$ 1.1 million respectively as against US$ 19.3 million and US$ 1.2 million respectively in the previous year.

The sale of wire ropes to US mining companies and distribution business in Canada look positive. The mining sector offers high growth opportunity.

Brunton Wolf Wire Rope FZCO [BWWR]

BWWR, a joint venture with Gustav Wolf of Germany, reported a turnover and profit after tax of US$ 18.8 million and US$ 1.5 million respectively in 2010-11 as against US$ 16.7 million and US$ 1.4 million respectively in the previous year.

Project for building a new shed for building up additional capacity at BWWR has been completed and capacity for elevator ropes is being enhanced to meet expected future demand.

Usha Siam Steel Industries Public Company Limited [USSIL]

USSIL, in which the Company holds 97.85% of equity (by itself and through Usha Martin Singapore Pte Ltd.), achieved a turnover of Thai Baht 1,628 million during the year under review as against Thai Baht 1,493 million in the previous year. It reported a net profit of Thai Baht 86 million as against Thai Baht 71 million in the previous year.

Capacity for fine ropes is being increased at USSIL to cater to the high demand in this segment.

Usha Martin Singapore Pte Limited [UMSPL]

UMSPL together with its wholly owned subsidiaries (Usha Martin Australia Pty Limited, Usha Martin Vietnam Company Limited and PT Usha Martin Indonesia), achieved a consolidated turnover of US$ 30.0 million and net profit of US$ 1.7 million during the year under review as against US$ 33.0 million and net profit of US$ 3.6 million respectively in the previous year.

During the year under review, UMSPL has commenced operations in the new state-of-art warehousing facility equipped with 100 ton cranes for handling large reels for offshore applications. A new stocking facility has also been opened at Jakarta (Indonesia), which is expected to boost up UMSPL business in subsequent period.

3. Cable business

U M Cables Ltd. (UMCL), a wholly owned Indian subsidiary of the Company, engaged in business of telecommunication cables achieved turnover of Rs. 85.00 cr. against Rs. 134.16 cr. in the previous year. The net profit for the year was lower at Rs. 2.00 cr. as against Rs. 5.09 cr. in FY 2009-10. Delay in off take by BSNL and international markets continuing to remain sluggish post recession, affected turnover and profitability of UMCL.

4. Financial discussion

The consolidated turnover of the Company increased by 21.2% to Rs. 3,046.57 cr. from Rs. 2,514.41 cr. On standalone basis, the Company achieved net turnover of Rs. 2,526.70 cr. as against Rs. 1,850.39 cr. in the previous year, overall increase of 36.6%.

The operating profit achieved by the Company on consolidated basis was Rs. 587.31 cr., being 19.3% of the reported turnover against Rs. 495.01 cr., being 19.7% in previous year.

On standalone basis, the operating profit was at Rs. 496.02 cr. as against Rs. 359.49 cr., maintaining margin of over 19%.

The increase in prices of key inputs such as coking coal and sluggish business conditions for Company's products particularly in international markets had kept check on operating margins.

Revenue analysis

On a standalone basis, the Company's revenues increased 36.6% from Rs. 1,850.39 cr. to Rs. 2,526.70 cr. in 2010-11 largely due to higher volumes.

Domestic sales increased from 74.4% of turnover in FY 2009-10 to 83.6% in FY 2010-11, while export sales declined from 25.6% to 16.4%. This change was on account of a stronger traction from domestic market and relatively slow recovery in the international markets.

On the overall the margins could be maintained at 19.3% during the year under review against 19.7% in the previous year.

Finance cost

The Company possessed net debt of Rs. 1,895.79 cr. (including Rs. 399.59 cr. of capex liabilities and net of cash

& bank balance of Rs. 113.01 cr.) as on 31st March 2011 with about 29% being in foreign currency. The Company's debt-equity ratio was 1.19 as on 31st March 2011. The average cost of debt as on 31st March, 2011 was 8.6%. The Company prepaid long term loans and liabilities of Rs. 485.00 cr. in 2010-11.

On consolidated basis, total debt was Rs. 2,004.05 cr. (including Rs. 399.59 cr. of capex liabilities and net of cash & bank balances of Rs 147.82 Cr) as on 31st March, 2011 with a debt equity ratio of 1.10.

Working capital management

The gross operating current assets increased by Rs. 497.68 cr. during the year. However, due to increase in level of current liabilities and provisions by Rs. 201.88 cr., overall net current assets have increased by Rs. 295.80 cr. during the year under review.

Fund Mobilisation

The Company has undertaken cost optimization projects involving total capital expenditure of Rs. 1200 cr. to be implemented, in phases, over the financial years 2011-12 and 2012-13. The financial closure for the said capex plan has been achieved during the year in combination of capex L/C facility of Rs. 700 cr. and syndicated External Commercial Borrowing (ECB)of USD 125 million.

Further during the year the Company has also raised long term rupee debt of Rs. 700 cr. which was largely utilised for prepayment of long term loans and liabilities to bring down cost of debt.

Ratings

The Company has continued to achieve higher rating of PR1+ for short term bank facilities and other short term funds by Credit Analysis & Research Limited [CARE]. Fitch Ratings India Pvt. Limited had assigned A+ [ind] with stable outlook for long term bank loans and facilities.

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

5. Investors' Services

The Company has put investors' complaint redressal system in place. As on 31st March, 2011, there were no complaints outstanding with the Company to be attended to.

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

During the year, the Company deposited Rs.7.67 lacs with the Investors Education & Protection Fund constituted by the Central Government, being matured dues remaining unpaid for a period of 7 years on account of dividend, debentures and fixed deposits including interest thereon.

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

6. Internal control system and risk management

The Company's internal risk and audit management, supported by competent personnel and adequate internal control mechanisms, safeguard assets from possible losses and unauthorized use and ensure transactions are being authorized, recorded and reported properly. Besides, the Company has also availed services of external firms of chartered accountants to help the Company's internal audit and risk management department.

7. Human Resources

The Company recognizes the Human Resources as most important assets of the company. The Company is constantly engaged in enriching the value and developing competencies of the Human Resources.

The Human Resource function conducts programme with external faculty in the area of Management Development (for executives and officers), soft-skills and attitudinal development (for officers, staff, workmen and trainees).

The Company's training institute (Usha Martin Training Institute, Jamshedpur) provides in-house training to freshers and functional personnel. On-the-job training, leadership training sessions, soft-skill grooming sessions and flexible job rotation enhances employee skills. Regular seminars and workshops are conducted on a Pan-India basis. The comprehensive Performance Management System helps map employees' competency gaps and strategic development plans are formulated to bridge the gaps.

The HR activities covered Mining operations and lots of initiatives were taken in the areas of skill development of land-givers and livelihood of the villagers staying in the neighboring mines with the help of KGVK (our CSR wing).

Corporate Social Responsibility
Towards the Light

Sustainable Transformation for Inclusive Growth

Businesses in the 21st century are, moving from being single bottom-line (profit centred) to double and triple-bottom line, taking the effect of operations on society and environment into consideration at the business planning stage.

With the above under consideration, it is of prime importance that the social function of a corporate entity now evolves into that of an active participant.

An Eye-opener

As early as the 1960s, Usha Martin Limited recognized the need to go beyond the accepted norms of social action and chose to partner the community in its area of operations in developmental initiatives that would be scalable and stand the test of time.

The prevalent situation called for an integrated, bottom-up programme that would be sustainable and whose impact could be scaled to benefit a greater community of people. We wanted change that would be constant.

KGVK- Birth of a Movement

This inclination was manifested into action in the year 1971, in the form of Krishi Gram Vikas Kendra. (now known as KGVK) It was the culmination of a vision shared by the founders of Usha Martin, Mr. B.K.Jhawar and Mr. Brij K.Jhawar. They recognized the imperative for change; an empowered and enabled community, capable of taking ownership of their lives , their families and the larger society.

Total Village Management- A Blueprint for Rural Prosperity

The operating principles at KGVK have their roots in the P4 idea - public, private, peoples' partnerships. Applying and extending the learning of TPM, KGVK devised Total Village Management (TVM) —a unique process to create a real & measurable difference to the rural poor; a pioneering entrepreneurial blueprint for a sustainable and inclusive rural transformation.

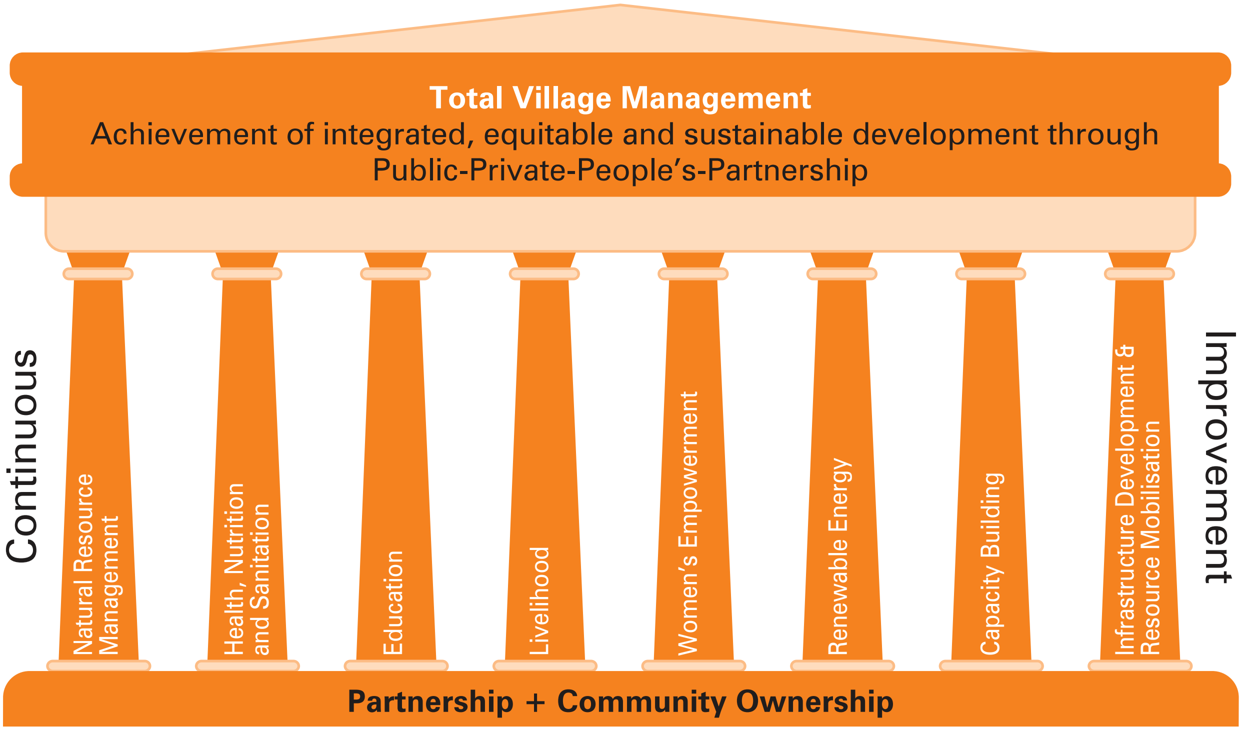
The TVM approach, based on application of successful business practices resulting in village empowerment and radical social and economic transformation, is universal in its scalability and can work in any community.

Responding to the echoing concern of the day, we sought a mechanism that would harmonize the economic considerations and ecological implications. Natural resource management linked with a robust structure of social capital groups was identified as being essential to the well being of the rural ecosystem as well as its economy.

Total Village Management makes each villager a stakeholder in the success of the village. Through building capacities and access to resources, TVM empowers underdeveloped communities to manage their own village and satisfy their own needs.

Through education, health awareness, vocational training, alternative income sources and better market linkages for agricultural produce, TVM opens up life changing opportunities.

This integrated model involves the following essentials for social and economic change:



The aspects listed above are fundamental to the creation of an integrated, sustainable, replicable and equitable development programme, the results of which are optimized by the P4 approach.

TVM Gurukul was launched as a platform to facilitate the learning of the TVM Approach, a task fundamental to the replication of the TVM model. The sprawling 50 acre campus hosts a Rural-BPO, a low-cost, high quality primary school in the form of KGVK Gurukul, an auxiliary nursing cum midwifery school, demonstration farms for System of Rice Intensification (SRI), cash crops, shade net cultivation, a dairy entrepreneurship model and residential hostels. Today, these facilities are sought after by local as well as global organizations; a testament to its standing as a unique institution for inclusive growth.

The society in collaboration with Usha Martin mentor volunteers merged the best practices on the shop floor with field learning to identify and empower agents of change within the community, creating an independent and self-sustaining development initiative that is contributing to the fulfillment of Millennium Development Goals in its areas of operation.

A Global Platform for Transformation

The year 2008 witnessed a proposal positioning TVM as a global model for poverty alleviation. To back up

the idea, pilot TVM projects were launched in five villages in Jharkhand viz. Alna, Karma, Pali, Nischintpur and Gangpur. Following the successful implementation of these projects the ambit of the initiative was extended to add another 16 villages. The goal, as spelt out in the commitment proposal at the Clinton Global Initiative in 2008, is to implement TVM initiatives in 350 villages, home to nearly 50,000 families, across 5 clusters by the year 2018.

KGVK's TVM progress since program inception

Sl. No.	Metric	Target (in 350 villages) - estimated on average village by Census data	Achievement till date: Apr 2009 - Mar 2011 across all project areas
1	Areas of irrigation command area created	6,250	865
2	Number of people with increased access to health services	140,000	30,000
3	Number of people with increased access to safe drinking water	360,000	72,100
4	Number of people who generated sustainable income through self employment or new job opportunities	26,203	10,158

KGVK initiatives have complemented Usha Martin's activities in Jharkhand. The coal and iron-ore mines at Saranda and Palamau were set up and made operational in record time; a task rendered possible by the unstinting support we received from the community. The top-management of Usha Martin are now actively involved in the planning and execution of KGVK activities in these areas spanning 23 villages. This is now a strategic partnership, one of critical importance to the future of the region.

A Call for Action

"The idea was to develop a scalable model for poverty alleviation. It is important to maximize the impact for the benefit of a larger community. Small steps are fine but a time comes when you need to cover larger distances and for that the stride has to be long and strong. That time is now"- Mr. B. K. Jhawar

KGVK is our corporate social response to the needs of the community and its environment. The future task is to ensure a complete harmony between developmental activities and environment conservation to create sustainable change.

We would like to pave the way for this transformation through our undeterred commitment, going much beyond the conventional CSR mandate.

Winds of change

KGVK, Palamu

The following is an account of the ground covered during the period 2010-11, by the KGVK-UML partnership across the 9 villages in the district of Palamu, home to the coal-mining operations of UML:

- Various initiatives such as the installation and repair of tube-wells, dug wells etc. were carried out to address the issue of water availability for over 300 households.
- Livelihood programmes that were undertaken involved training members of the community in the areas of breed improvement, silk-reeling, gas welding, mosquito net making and tailoring, computer education etc. Nearly 30 households including 40 women were empowered through these programmes.
- Capacity building activities such as training of health activists, teacher refresher courses in addition to Village Resource Centre initiatives laid ground for a future increase in impact.
- The annual health camp catered to 120 households in the area. The Health Centre worked tirelessly round the year, covering six villages. Street theatre in the form of Nukkad Natak and Video shows were organized to spread health awareness amongst members of the community.
- The KGVK School facilitated the education of children from the 9 villages of Palamu. It also carried out special tuition classes in government schools throughout the year. In addition to this, support to the library and sports facilities was provided across 2 villages. A cricket tournament was also organized with children from 8 schools in the area competing in earnest.
- Mosquito nets and blankets were distributed to over 400 households in the area to help cope with the harsh winter.
- KGVK celebrated the International Women's Day bringing into focus empowerment initiatives for female members in the community. It also provided support during the religious occasion of Chhath Puja and took part in the festivities.

KGVK, Saranda

The rich iron-ore deposits of Barajamda are critical to UML's activities in the region. The initiatives undertaken by KGVK, Saranda in collaboration with UML are aimed at the economic and social upliftment of the resident rural community and the following is an account of the progress made in the year gone by:

- Infrastructure development initiatives such as installation of tube wells, soak pits, overhead tanks, construction of a community hall and the restoration of the Anganwadi Center had impact on nearly 200 households in the area.

- Training was provided to members of the community in the areas of goat rearing, piggery maintenance, marketing of Mahuwa, poultry promotion, breed improvement techniques, aquaculture and artificial jewellery making to help improve the scope of available means of livelihood.
- Health activists and farmers were trained and exposure visits for SHG members were arranged as part of capacity building initiatives.
- Initiatives promoting SRI and Irrigation were executed in addition to support to the farmers in the form of seeds and other inputs.
- Health and Immunization camps were conducted round the year to meet the needs of over 6000 households. HIV/AIDS counselling and general health awareness programmes were also carried out.
- A pond was renovated at Tetlighat as part of NRM activity. Land development and plantation programmes were also undertaken.
- 12 schools were part of the distribution programme for TLM and PLM that catered to nearly 1300 households. 6 scholarships were awarded to young students from the area. Library and teacher support was also provided to schools in the area.
- An inter Village Football tournament was organized as part of a community mobilization programme. Teams from across 12 villages in the region participated in what was a dazzling display of passion and skill.

KGVK celebrated the International Women's Day bringing into focus empowerment initiatives for female members in the community.

Annexure to the Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011

1. Conservation of Energy

a. Energy conservation measures taken:

i. Use of surplus waste gas in place of liquid fuel

ii. Commissioning of Coal Injection to replace coke

iii. Use of Iron Ore Fines through agglomeration process resulting in saving in fuel rate in Blast furnace

iv. Use of oxygen in electric arc furnace resulting in lower power consumption

v. Improved heat recovery by installing new Recuperater with modified design at rolling mill heating furnace.

vi. Replacing heavier metallic blades by lighter FRP blades & hollow hub for cooling tower fans.

vii. Lighting control has been automated through timer switch.

viii. Installed water flow meter for monitoring & judicious utilization of water thereby reducing pumping requirement.

ix. Replacement of cooling conveyors DC drives with AC drives in Rolling Mill improving process efficiency.

x. Cooling tower fan operation at CPP has been interlocked with water temperature at CPP resulting in saving of power.

xi. Variable Frequency Drives (VFD) has been installed in various blowers in the Wire Rod Mill and also in ID Fans and Vibro Feeder in Captive Power Plants.

xii. Use of soft starters for heavy duty fan application.

xiii. Replacement of drive arrangements and old motors & pumps in furnace area resulting in conservation of power.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

i. Company is in expansion mode including installation of 2 Nos. 30 MW CPP, 0.4 MTPA non recovery Coke Plant, DRI-4&5 and up-gradation of BF-1.Installation of hot blast stove in BF-1 to reduce fuel rate. The Captive Power Plants are based on waste heat recovery from Coke and DRI plants.

ii. Retrofitting of lighting saver in lighting loads and AC saver to reduce power consumption.

iii. Various steps are being taken in SMS to reduce power consumption through process modifications.

iv. Comprehensive Energy Audit has been carried out by Bureau of Energy Efficiency accredited Energy Auditor Agencies and action plan for energy conservation has been drawn up and is being implemented in phases.

Energy conservation is an ongoing process and there is a continuous programme to create awareness and motivate the employees to conserve energy through small group activities.

c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

With the implementation of the above measures, energy cost is expected to be reduced and consequently there will be impact on the cost of production.

d. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of industries specified in the Schedule thereto annexed.

2. Technology Absorption

1. Research and Development (R&D)

a) Specified areas in which R & D carried out by the Company :

The Company is constantly striving to set global benchmark in terms of Quality, Cost & Performance and remains committed to TPM. The improvement and development activities carried out are:

(i) Development of various grades of steel required by Auto, Auto Ancillaries, Defense and railways including rolling and further processing.

(ii) Development of steel products with improved surface integrity.

(iii) Production of cleaner steel with low residual.

(iv) Mining & Processing of Iron Ore from captive mines and productive utilization of the same in Blast Furnace & DRI plants. A detailed study was also conducted jointly with Institute of Mineral & Materials Technology, Bhubaneshwar.

(v) Better utilization of steel plant waste like blast furnace slag, fly ash, coal & coke fines and char from DRI plants.

(vi) Developed extra high strength Anchor Mooring Ropes having highest breaking load per unit steel content within the rope.

(vii) Signed MOU with IIT, Kharagpur for analysis, study and correlation of steel microstructure with steel wire rope properties, especially ageing, aimed at improvement of service life of wire ropes for various applications.

(viii) Patenting-Shaving-Finished Drawing for special rope wire.

(b) Benefits derived as a result of above R&D :

(i) Development and supply of critical steel for medium & heavy commercial vehicles and auto ancillary producers which is a fast growing sector in India.

(ii) Micro alloyed steel developed has higher strength to weight ratio enabling production of wire ropes with increased load carrying capacity, higher product cycle life etc.

(iii) Steel products with improved surface integrity have resulted in reduction of internal & external rejections and thus reduce wastages in production of downstream products like bright bar and improve overall yield.

(iv) Cleaner steel development has enabled manufacturing products having higher field life specifically with improved fatigue properties.

(v) Higher productivity and reduction of processing cost during wire drawing.

(vi) Efficient and productive utilization of Iron Ore through conventional DRI & BF plants

(vii) Expansion of product range resulting in enlarged market share of Wire Rope.

(viii) Improvement in product performance of wire rope to reduce product life cycle cost.

(ix) Wire ropes with higher strength per unit weight resulting in reduction of installation/operating costs.

(x) Introduction of new & improved products to stay ahead of competition and technology driven obsolescence.

(xi) Increase in the consistency & reliability of our products.

(c) Future plan of action :

(i) To increase capacity in selected segments to further increase market share.

(ii) Approval of speciality ropes, especially for offshore, crane and mining with internationally reputed OEMs.

(iii) To expand the product range in rolled product to meet various special steel end applications.

(iv) To reuse various iron and carbon bearing discards from steel plant like Flu Dust from FE system, Mill Scale from heating furnace, metal bearing grinding dust, coal/coke fines, lime fines, etc.

(v) To institute cost reduction measures through metallic cost and energy cost reduction to become cost effective in the domestic as well as international market.

(vi) Process modification and improvement aimed towards reduction of cost and improvement of product quality consistency in line with international standards.

(vii) Developing new grades of steel with low weight to strength ratio to reduce weight of vehicle without reducing the strength of steel.

(d) Expenditure on R&D (Rs. in lacs)

(i)	Capital	9.27
(ii)	Recurring	74.28
(iii)	Percentage of total turnover	0.03%

2. Technology absorption, adoption and innovation :

i) Technology absorption, adoption and innovation include the following :

- Bloom casting through continuous casting machine for production of special grade alloy steel and carbon steel. Caster standardized and taken into commercial production.
- Static Variable Condenser (SVC) installed in the main power distribution system for improving power factor
- Installation and stabilization of continuous cold drawing machine for production of bars from wire rod coils through online de-scaling system and online surface quality evaluating system.

ii) Benefits derived as a result of the above efforts :

a) Initiation of approvals from various OEM for supply of bars (including bright bars) for the forging & machining industry.

b) Recognition of the company across the globe as an alloy steel producer in addition to being a world leader of Steel Wire Ropes.

c) Metallurgical preparedness for the future business of alloy & speciality steel.

iii) Information regarding technology imported during last 5 years : Nil

3. Foreign Exchange earnings and outgo

i) Activities relating to exports, initiatives taken to increase exports , development of new export market for products and services and export plans already explained in Directors' Report and MD & A.

ii) Total Foreign exchange earned and used for the year is as follows:

(Rs. in lacs)

Foreign exchange earned	41,419
Foreign exchange used	51,719

FORM A

Conservation of Energy

Annexure to Directors' Report-Information Under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

A) Power and Fuel Consumption

	31st March, 2011	31st March, 2010
(1) Electricity		
a) Purchased		
Units (Thousand KWH)	256,934	122,293
Total amount (Rs.in Lacs)	12,799	5,952
Average Rate/Unit (Rs./KWH)	4.98	4.87
b) Own Generation		
(i) Through Diesel Generator		
Units (Thousand KWH)	4,317	4,487
Units per ltr. of Diesel Oil (KWH)	3.16	3.10
Average Cost/Unit (Rs./KWH)	13.61	10.05
(ii) Through Coal based Power Plant		
Units (Thousand KWH)	484,961	439,855
Units per kg. of Coal	0.96	0.89
Average Cost/Unit (Rs./KWH)	1.39	1.84
(iii) Through Steam Turbine/Generator		
Units (Thousand KWH)	24,839	17,929
Units per ltr. of Fuel Oil	138.38	123.22
Average Cost/Unit (Rs./KWH)	0.33	0.30
(iv) Through Natural Gas		
Units (Thousand KWH)	-	-
Units per CuM. of Natural Gas	-	-
Average Cost/Unit (Rs./CuM)	-	-

	31st March, 2011			31st March, 2010		
	Process	Power		Process	Power	
(2) Coal						
(Specify Quality & Where Used)						
(Grade 'A','B','D', E' ,'F' & 'Char/Fines')						
Quantity (M.T.)	506,591	506,060	1,012,651	338,781	493,763	832,544
Total Cost (Rs.in Lacs)			17,488			16,138
Avg. Rate (Rs./Tonne)			1,726.96			1,998.59
(3) Furnace Oil						
Quantity (Kilo Ltrs.)			24,940			20,324
Total Cost (Rs.in Lacs)			7,012			5,176
Avg. Rate (Rs./Litre)			28.11			25.47
(4) Light Diesel Oil						
Quantity (Kilo. Ltrs.)			4,211			2,836
Total Cost (Rs.in Lacs)			1,832			1,029
Avg. Rate (Rs./Litre)			43.49			36.28

	31st March, 2011			31st March, 2010		
	Process	Power		Process	Power	
(5) Propane/Butane						
Quantity (Tonne)			4,257			4,059
Total Cost (Rs.in Lacs)			1,863			1,741
Avg.Rate (Rs./Tonne)			43,756			42,890
(6) Natural Gas						
Quantity (Thousand CuM)			2,012			2,413
Total Cost (Rs.in Lacs)			182			186
Avg.Rate (Rs./CuM)			9.06			7.71

B) CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Wire/Wire Ropes/ Conveyor-cords (per tonne)	Wire Rods (per tonne)	Billets (per tonne)	Pig/Hot Metal (per tonne)	Sponge Iron (per tonne)	Rolled Products (per tonne)	Bloom (per tonne)	Sinter (per tonne)	Own Power Generation (per kwh)
Electricity (Units)	530	150	749	197	89	123	202	51	-
	(503)	(191)	(814)	(167)	(87)	(123)	(226)	-	-
Furnace Oil (Litres)	-	34.874	5.479	-	-	-	72.182	-	-
	(0.031)	(30.688)	(8.662)	-	-	-	(151.429)	-	-
Light Diesel Oil (Litres)	3.009	0.031	6.295	0.092	0.167	-	-	0.662	-
	(2.265)	(0.876)	(3.391)	(2.368)	(3.118)	-	(3.746)	-	-
Propane/Butane (Tonnes)	0.023	-	-	-	-	-		-	-
	(0.023)	-	-	-	-	-		-	-
Natural Gas (Thousand CuM)	-	-	-	-	-	0.047		-	-
	-	-	-	-		(0.046)		-	-
Coal (Tonnes)	-	-	0.027	-	2.079	-		-	1.044
	-	-	(0.038)	-	(1.994)	-		-	(1.123)

Note :- Previous year's figures are given in brackets.

On behalf of the Board of Directors

Kolkata
11th May 2011

P Jhawar
Chairman

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, and forming part of the Directors' Report for the year ended 31st March, 2011

Name	Age (Years)	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment - Designation
(A) Employed throughout the financial year and was in receipt of remuneration for the year which in the aggregate was not less than Rs.60,00,000							
Jhawar Rajeev	46	Managing Director	41,875,688	B. Com (Hons)	26	1-Oct-97	Usha Martin Industries Limited (Since Merged with the Company) Jt. Managing Director
Bhattacharya Dr. P	65	Jt. Managing Director	24,771,916	B.E(Mech), M. Tech (Design Engg) Phd (Solid Mechanics)	43	2-Feb-98	Essar Steels Limited Chief Operations Officer
Sharma Dr Vijay	56	Executive Director and Chief Executive- (Steel Business)	18,597,050	B. Tech, M.Sc,PGD in BA Phd (Metallurgical Engineering)	34	6-Jan-10	JSW Steel Ltd Jt. Managing Director and Chief Executive Officer
Jain Pravin Kumar	57	Executive Director and Chief Executive- (Wire and Wire Ropes Business)	13,183,809	B.Tech, MBA	34	1-Sep-09	Brunton Wolf Wire Ropes, FZCo Managing Director
Guha Som Nath	54	Chief Operating Officer (Steel Business)	6,438,667	B. Tech, M. Tech (Metallurgy)	30	1-Oct-97	Usha Martin Industries Limited (Since Merged with the Company) Vice President (Technical)
Somani A. K.	57	Chief Financial Officer & Company Secretary	7,606,474	B. Com., C.A. C.S	32	3-Apr-90	Emami Paper Mills Vice President - Commercial
(B) Employed for a part of the financial year and was in receipt of remuneration for any part of the year at a rate which in the aggregate was not less than Rs.500,000 per month.							
NIL							

Notes :

(1) The terms of appointments of Managing Director,Joint Managing Director and Executive Directors are contractual. All other appointments are non-contractual and terminable by notice on either side.

(2) Remuneration includes basic salary, allowances,taxable value of perquisites etc.The term remuneration has the meaning assigned to it in the Explanation to Section 198 of the Companies Act,1956.

(3) None of the employees named above is a relative of any Director of the Company except,Rajeev Jhawar who is a relative of Brij K Jhawar,a Director of the Company.

On behalf of the Board of Directors

Kolkata
11th May, 2011

P JHAWAR
Chairman

Persons constituting group coming within the definition of "group" for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 include the following:

UMIL Share & Stock Broking Services Limited, Peterhouse Investments Limited, Usha Martin Ventures Limited, Prajeev Investments Limited, Brij Investments Private Limited, Prashant Investments Limited, Peterhouse Investments India Limited, Kenwyn Overseas Ltd., UCT Properties Private Limited, Neutral Publishing House Limited, Usha Breco Limited, Usha Breco Realty Limited, Usha Communication Technology Ltd., BVI, Usha Martin Education & Solutions Limited, Bonsai Network (India) Private Limited.

Report On Corporate Governance

A. COMPLIANCE OF MANDATORY REQUIREMENTS

I. Company's Philosophy on Corporate Governance

The philosophy of the Company on corporate governance envisages attainment of high level of transparency, accountability and equity in all areas of its operations and interactions with customers, shareholders, investors, employees, government authorities and lenders.

II. Board of Directors

The Board of Directors of the Company as on 31st March, 2011 comprised one Non Executive Chairman Emeritus, one Non Executive Chairman, seven Independent Non Executive Directors, one Non Executive Director and four Executive Directors.

Composition of Board of Directors and other details as on 31st March, 2011 are as under:

Name of Directors	Promoter/ Executive/ Non Executive/ Independent	No. of Other* Director-ships held	Other committee # positions held		No. of Equity Shares held
			As Chairman	As Member including Chairmanship	
Mr. B K Jhawar	Non Executive, Chairman Emeritus, Promoter	3	None	1	82,310
Mr. P Jhawar	Non Executive, Chairman, Promoter	8	None	None	14,14,147
Mr. Brij K Jhawar	Non Executive, Promoter	1	None	None	6,90,865
Mr. R Jhawar	Managing Director, Executive, Promoter	7	1	1	3,44,785
Dr. P Bhattacharya	Joint Managing Director, Executive	3	1	1	3,500
Mr. A K Chaudhri	Independent, Non Executive	None	None	None	-
Mr. A Basu	Independent, Non Executive	8	1	6	-
Mr. Salil Singhal	Independent, Non Executive	5	None	2	-
Mr. G N Bajpai	Independent, Non Executive	14	5	10	-
Mr. Nripendra Misra	Independent, Non Executive	2	None	None	-
Mrs. Ramni Nirula	Independent, Non Executive	5	None	None	-
Mr. Jitender Balakrishnan (a)	Independent, Non Executive	11	None	1	-
Dr. Vijay Sharma	Director, Executive	1	None	None	-
Mr. P K Jain	Director, Executive	2	None	None	-

*Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956, have not been considered for this purpose.

#Committees viz, Audit and Shareholders' Grievance Committees have been considered for this purpose.

Mr. N. J. Jhaveri resigned from the Board of the Company w.e.f. 28th July, 2010.

(a) Mr. Jitender Balakrishnan was appointed as an Additional Director w.e.f. 10th June, 2010.

None of directors held any convertible instruments of the Company during the year.

All independent directors have confirmed their 'independence' to the Board of the Company.

Annual declarations have been received from directors informing committee positions they occupy in other companies.

Directors' Attendance at Board Meetings and Annual General Meeting

Four Board Meetings were held during the year on 10th May, 2010, 27th July, 2010, 27th October, 2010 and 25th January, 2011. Annual General Meeting [AGM] was held on 27th July, 2010.

Name of Directors	Board Meetings during the year/ tenure		Attendance at last AGM
	Held	Attended	
Mr. B K Jhawar	4	4	No
Mr. P Jhawar	4	4	Yes
Mr. Brij K Jhawar	4	2	No
Mr. R Jhawar	4	4	Yes
Dr. P Bhattacharya	4	4	Yes
Mr. A K Chaudhri	4	4	Yes
Mr. A Basu	4	3	Yes
Mr. Salil Singhal	4	4	Yes
Mr. G N Bajpai	4	3	Yes
Mr. Nripendra Misra	4	4	Yes
Mrs. Ramni Nirula	4	4	No
Mr. J. Balakrishnan	3	3	Yes
Dr. Vijay Sharma	4	3	Yes
Mr. P K Jain	4	4	Yes
Mr. N J Jhaveri@	2	2	Yes

@ ceased to be a director w.e.f. 28th July, 2010.

Code of Conduct

In pursuance of Clause 49 of the Listing Agreement, the Board has approved the 'Code of Conduct for Board of Directors and Senior Management' and same has been circulated and posted on the Company's website. The directors and senior management personnel have given their declarations confirming compliance of provisions of above Code of Conduct.

III. Audit Committee

The terms of reference of the Audit Committee include the powers and roles as set out in Clause 49 II (C) and Clause 49 II (D) of the Listing Agreement. Among others the Audit Committee reviews related party transactions; internal control systems; financial statements and investments made by unlisted subsidiaries; use and application of funds raised through issue of shares; business plans; and Management Discussion and Analysis of financial condition and results of operations.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (as amended), the Board has approved 'Code of Conduct for Prevention of Insider Trading' (Code) and authorised the Audit Committee to implement and monitor various requirements as set out in the Code.

Five meetings of the Audit Committee were held during the year on 10th May, 2010, 26th July, 2010, 26th October, 2010, 25th January, 2011 and 17th March, 2011.

During the year the Audit Committee was reconstituted by inducting Mr. Jitender Balakrishnan, an independent director as the Chairman of the Audit Committee to fill up the vacancy caused by cessation of Mr. N. J. Jhaveri as Director and consequential cessation as the Chairman of the Audit Committee. Composition of the Audit Committee and attendance during the year were as under:

			No. of Meetings held	No. of Meetings Attended
Mr. N J Jhaveri (up to 27.07.2010)	Erstwhile Chairman	Independent Non-Executive	2	2
Mr. J. Balakrishnan (w.e.f. 28.07.2010)	Chairman	Independent Non-Executive	3	3
Mr. A K Chaudhri	Member	Independent Non-Executive	5	5
Mr. Salil Singhal	Member	Independent Non-Executive	5	4

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

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

The statutory auditors remain present during discussion and review of quarterly results and annual accounts, as invitees in meetings of the Audit Committee.

The Cost Auditors are invited in meetings as and when required.

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

Mr. N. J. Jhaveri, the erstwhile Chairman of the Audit Committee was present at last annual general meeting to answer shareholders' queries.

IV. Remuneration Committee

The terms of appointment and remuneration of executive directors are reviewed by the Remuneration Committee keeping in view performance, industry practice, present compensation package, etc. and then recommend the same for approval by Board and shareholders. The remuneration to the non executive directors is decided by Board.

The Remuneration Committee comprises of 4 members namely Mr. A. K. Chaudhri (Chairman – Independent Non Executive Director), Mr. G. N. Bajpai (Independent Non Executive Director), Mrs. Ramni Nirula (Independent Non Executive Director) and Mr. Brij K. Jhawar (Non Executive Director). During the year, the Remuneration Committee was reconstituted whereby Mr. G.N. Bajpai and Mrs. Rammi Nirula were inducted as members of the Committee w.e.f. 10th May, 2010 and Mr. P. Jhawar (Non Executive Director) ceased to be a member w.e.f. 10th May, 2010.

The break-up of remuneration to Managing Director, Joint Managing Director and the Executive Directors for the year 2010-11 is given below:

Names	Mr. R Jhawar	Dr. P. Bhattacharya	Dr. Vijay Sharma	Mr. P K Jain
Position	Managing Director	Joint Managing Director	Executive Director	Executive Director
Salary	36.00	33.00	88.28	65.49
Commission	317.17	158.58	-	-
Allowances	23.70	37.90	74.99	52.20
Contribution to Provident Fund, Gratuity and Superannuation Funds	14.96	16.30	7.96	7.70
Perquisites	26.94	1.94	14.41	5.07
Total	418.77	247.72	185.64	130.46

Names	Mr. R Jhawar	Dr. P. Bhattacharya	Dr. Vijay Sharma	Mr. P K Jain
Service Contract	For a period from 19th May, 2008 to 18th May, 2013.	For a period from 15th May, 2008 to 4th August, 2011.	For a period from 1st February, 2010 to 31st January, 2015	For a period from 1st February, 2010 to 31st January, 2015
Notice Period	6 months from either side	6 months from either side	1 month from either side	3 months from either side
Severance Fees	6 months' salary in lieu of notice	6 months' salary in lieu of notice	1 month salary in lieu of notice	3 months' salary in lieu of notice

The above remuneration of Mr. R. Jhawar and Dr. P. Bhattacharya was reviewed and recommended by the Remuneration Committee on 29th January 2008 to Board and was subsequently approved by the shareholders in the Annual General Meeting held on 30th July, 2008.

The remuneration of Dr. Vijay Sharma and Mr. P. K. Jain was reviewed and recommended by the Remuneration Committee on 1st February, 2010 to the Board. The Directors of the Company by circulation on 1st February, 2010 approved the said appointments and the same was subsequently approved by the shareholders in the Annual General Meeting held on 27th July, 2010.

One Remuneration Committee meeting was held during the year on 10th May, 2010.

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

The break-up of remuneration to Non Executive Directors for the year 2010-11 is given below:

Sitting Fees	Rs. 3.20 lacs
Commission (Proposed)	Rs. 385.16 lacs

Sitting fee of Rs. 5,000 is being paid to every Non Executive Director for attending each meeting of the Board and its Committees. This has been approved by shareholders vide special resolution passed at Annual General Meeting held on 27th July, 2005.

Considering contribution of Mr. Prashant Jhawar, Non Executive Chairman of the Company, the shareholders of the Company at the Annual General Meeting held on 27th July, 2010 approved payment of commission @ 1.5% of net profits (computed as per section 198 (1) of the Companies Act, 1956) to him for each of the 5 financial years commencing from 1st April, 2010, subject to requisite approvals of shareholders and Central Government.

In line with the above, the Company had made the requisite application to the Central Government for payment of such commission to Mr. Prashant Jhawar, Non Executive Chairman and the approval of the Central Government has since been received for a period of five years commencing from 1st April, 2010.

Further, at the Annual General Meeting held on the 27th July, 2010 the approval of the shareholders by a special resolution was also taken to pay commission to its non executive directors at the rate of 1% of the net profits for a further period of five financial years commencing from 1st April, 2010 and to be distributed in such manner as may be decided by the Board.

Other than the above and as shareholders, Non Executive Directors have no other pecuniary relationships or transactions with the Company.

V. Shareholders Committees

(a) Investors' Grievance Committee

The Investors' Grievance Committee functions under the Chairmanship of Mr. N Misra (effective 10th May, 2010), an Independent Non Executive Director along with three members namely Mr. Brij K. Jhawar (relinquished chairmanship from 10th May, 2010), Non Executive Director, Mr. R Jhawar, Managing Director and Dr. P. Bhattacharya, Joint Managing Director. During the year, the Committee met 4 times to review status and redressal of shareholders' / investors' complaints.

Status of complaints of shareholders/investors is as under :

Complaints pending as on 1st April, 2010	Nil
Number of complaints received during year ended 31st March 2011	64
Number of complaints attended to/resolved during the year	64
Complaints pending as on 31st March, 2011	Nil

(b) Share Transfer Committee

The Share Transfer Committee comprises of Mr. R. Jhawar and Dr. P. Bhattacharya. During the year Mr. P. Jhawar ceased to be a member of the Committee w.e.f. 10th May, 2010. The Committee generally meets every fortnight to decide on matters relating to issues including approval of transfer and transmission of securities, issue of duplicate certificates etc.

The share transfers are processed on behalf of the Company by the Registrar and Transfer Agents viz. MCS Limited and are placed before the Committee for approval. The Committee met 18 times during financial year 2010-11.

Number of share transfers pending for approval as on 31st March, 2011	Nil

Compliance Officer:

Mr. A K Somani, Company Secretary

2A, Shakespeare Sarani, Kolkata 700071.

Phone : 033 39800300, Fax : 033 39800400

Email : aksomani@ushamartin.co.in

VI. Annual General Meetings

Date	Type	Venue	Time	No. of Special Resolutions
27th July, 2010	AGM	Vidya Mandir, Kolkata	2.30 PM	4
29th July, 2009	AGM	Vidya Mandir, Kolkata	2.30 PM	1
30th July, 2008	AGM	Vidya Mandir, Kolkata	3.00 PM	-

There were no special resolutions put through postal ballot in the Annual General Meeting held on 27th July, 2010.

As on date, no resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

As required under Clause 49 IV(G)(i) of the Listing Agreement, information on directors who are retiring by rotation and offering themselves for reappointment will be given in the notice of Annual General Meeting.

VII. 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 18 of Schedule 18 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.
- Management Discussion and Analysis is annexed to the Directors' Report to shareholders and forms part of Annual Report.
- As per disclosures received from senior management personnel, they have not entered into any financial or commercial transactions which may have a potential conflict with interests of the Company at large.
- All mandatory requirements have been appropriately complied with and non-mandatory requirements are dealt with at the end of the Report.

VIII. Means of Communications

a) In compliance with Clause 41 of Listing Agreement, the Company regularly intimates un-audited quarterly and audited annual financial results to Stock Exchanges immediately after they are taken on record by Board. The financial results were published in National English and Vernacular daily newspapers viz. Business Standard / Economic Times and Dainik Statesman (local vernacular).

b) The financial results and official press releases are posted on the Company's website www.ushamartin.com.

c) Presentations made to media, analysts, institutional investors and fund managers from time to time are posted on the Company's website as aforesaid.

d) Apart from statutory announcements the Company shares information relating to financial performance with public and investors through business newspapers and magazines on periodical basis.

IX. General Shareholders' Information

(a) Date and Venue of Annual General Meeting

The Twenty Fourth Annual General Meeting of the Company was held on 27th July, 2010 at 2.30 p.m. at Vidya Mandir, 1 Moira Street, Kolkata 700017.	The date and venue of Twenty Fifth Annual General Meeting of the Company will be intimated in due course.

(b) Financial Calendar

Financial Year ended 31st March, 2011	Meetings held on	Next Financial Year ending 31st March, 2012	Meetings to be held on or before
First Quarter Results – June 2010	27th July, 2010	First Quarter Results – June 2011	31st July, 2011
Second Quarter Results – September 2010	27th October, 2010	Second Quarter Results – September 2011	31st October, 2011
Third Quarter Results – December 2010	25th January, 2011	Third Quarter Results – December 2011	31st January, 2012
Audited Results for the year ending 31st March, 2011	11th May, 2011	Audited Results for the year ending 31st March, 2012	31st May, 2012

(c) Book Closure Dates

The Share Transfer Books and Register of Members were closed from 20th July, 2010 to 27th July, 2010 (both days inclusive)	The Book Closure dates (for ensuing AGM) will be intimated in due course.

(d) Dividend Announcements

Dividend for the financial year 2009-10: Re 1 per share (100%) on face value of Re 1 per share.	Dividend for the financial year 2010-11: Re 1 per share (100%) (proposed) on face value of Re 1 per share.
Dividend Payment Date: Dividend warrants were posted on 4th August, 2010 after adoption of accounts by shareholders on 27th July, 2010.	Dividend Payment Date: Dividend warrants will be posted within 7 days of adoption of accounts and declaration of dividend by shareholders.

(e) Stock Exchanges where the Company's shares are listed at and scrip code numbers:

Bombay Stock Exchange Ltd. - 517146

Phiroze Jeejeebhoy Towers, Dalal Street,

Mumbai 400001

National Stock Exchange of India Ltd. - USHAMART

Exchange Plaza, 5th Floor, Plot No.C/1, G Block,

Bandra Kurla Complex, Bandra (E),

Mumbai 400051

Societe de la Bourse de Luxembourg

Societe Anonyme/R.C.B 6222

B.P. 165, L-2011 Luxembourg (For GDRs)

The listing fees for all above stock exchanges have been duly paid for financial year 2010–11.

GDRs are listed at Luxembourg Stock Exchange.

(f) Market Data of Share Prices – Highs / Lows and Volumes

Stock data	BSE (Rs.)		NSE (Rs.)		VOLUME		
	High	Low	High	Low	BSE	NSE	TOTAL
2010							
April	106.95	91.80	106.90	91.50	22,55,204	1,00,77,902	1,23,33,106
May	96.00	74.50	95.95	74.20	43,78,498	93,54,344	1,37,32,842
June	87.50	74.35	87.30	74.40	17,64,771	76,43,501	94,08,272
July	86.95	77.70	86.15	77.85	29,18,680	72,71,983	1,01,90,663
August	85.40	80.05	86.50	80.50	15,80,095	63,97,661	79,77,756
September	95.90	83.55	95.95	83.60	43,98,090	1,12,35,357	1,56,33,447
October	96.60	86.00	96.90	85.50	39,57,339	1,21,54,481	1,61,11,820
November	89.50	70.70	89.90	70.60	12,71,865	56,56,988	69,28,853
December	84.00	66.40	84.00	66.20	14,87,975	41,04,298	55,92,273
2011							
January	76.45	53.00	76.50	51.25	11,20,744	58,26,613	69,47,357
February	62.40	50.50	62.30	50.45	10,13,759	37,91,420	48,05,179
March	62.50	49.30	61.95	49.20	12,57,530	31,24,695	43,82,225

(g) Performance of Company's Share Prices- Monthly Closing Share Prices vis-à-vis Monthly Closing of BSE Sensex & Monthly Closing of Nifty

Months	Prices at BSE	Sensex	Prices at NSE	Nifty
2010				
April	95.55	17558.71	95.80	5278.00
May	80.40	16944.63	80.65	5086.30
June	83.50	17700.90	83.60	5312.50
July	82.90	17868.29	82.70	5367.60
August	83.70	17971.12	83.85	5402.40
September	87.00	20069.12	87.00	6029.95
October	86.70	20032.34	86.90	6017.70
November	76.60	19521.25	77.10	5862.70
December	70.15	20509.09	70.35	6134.50
2011				
January	53.90	18327.76	54.05	5505.90
February	51.15	17823.40	50.95	5333.25
March	57.20	19445.22	57.10	5833.75

(h) Registrars and Transfer Agents (both for demat and physical form of shares)

The contact details of the Registrars are as under:

M/s. MCS Limited

77/2A, Hazra Road

Kolkata 700029

Phone : +91 33 24541892-93

Fax : +91 33 24541961/24747674

Email : mcskol@rediffmail.com

Contact Person : Mr Alok Mukherjee, General Manager

(i) Share Transfer System

The application for transfers, transmission, sub-division and consolidation of shares are received by the Registrars and Share Transfer Agents of the Company. The share transfers in physical form are processed and share certificates are returned within a period of 30 days from date of receipt, provided the documents are in order.

As the Company's shares are currently traded in dematerialised form, the transfers are processed and approved in the electronic form by NSDL/ CDSL with whom the Company has entered into separate agreements.

(j) Distribution of Shareholding (as on 31st March, 2011)

Range (No. of shares)	No. of shareholders	%	Number of Shares	%
1-100	25955	47.87	15,03,015	0.49
101-500	21290	38.27	55,84,147	1.83
501-1000	3917	7.22	3,077,516	1.01
1001-5000	2472	4.56	5,396,210	1.76
5001-10000	233	0.43	1788425	0.59
10001 & above	350	0.65	287392467	94.31
Total	**54217**	**100**	**30,47,41,780**	**100**
Holding in Physical Form (Included in above)	15,262	28.15	29,09,075	0.96

(k) Pattern of Shareholding (as on 31st March, 2011)

	Category	No. of shares	% of total shareholding
A.	**Promoter Holding**	**11,69,70,814**	**38.39**
B.	**Public Holding**		
	- Mutual Fund	6,10,02,194	20.02
	- Financial Institutions/Banks	50,740	0.02
	- Insurance Companies	2,54,77,933	8.36
	- Foreign Institutional Investors	6,42,46,773	21.08
	- Bodies Corporate	99,43,258	3.26
	- Individuals	2,23,20,698	7.32
	Total [B]	**18,30,41,596**	**60.06**
C.	**GDRs**	**47,29,370**	**1.55**
	GRAND TOTAL [A + B + C]	**30,47,41,780**	**100.00**

(l) Dematerialisation of Shares and Liquidity

As at 31st March, 2011, 99.04% of total equity shares were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

The Company's equity shares are being traded compulsorily in dematerialised form w.e.f. 21st March, 2000.

The ISIN No. of the Company's equity shares is INE228A01035.

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

As on 31st March, 2011, there were 47,29,370 GDRs outstanding, each representing one equity share of the Company.

(n) Electronic Clearing Service (ECS)

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

(o) Bank Details for Electronic Shareholding

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

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

The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and the provisions of Prevention of Money Laundering Act, 2002.

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

(q) Plants/Mines Locations

Steel Business	
UAS Division	Adityapur, Jamshedpur - 831001
Construction Steel Division-North	Nawalganj, Agra (U.P.) – 282006
Iron Ore Mines	Barajamda, Jharkhand - 833221
Coal Mines	Daltongunj, Jharkhand – 822101

Wire Rope Business	
Wire Ropes & Speciality Products Division	Tatisilwai, Ranchi – 835103
Wire & Wire Rope Division- North	Hoshiarpur, Punjab – 146024
Speciality Product Division – South	Sri Perumbudur, Tamil Nadu - 602105

(r) Address for Correspondence:

(i) Usha Martin Limited

2A, Shakespeare Sarani, Kolkata 700071

Phone : +91 33 39800300

Fax : +91 33 39800400

(ii) Person to be contacted for shareholders' queries / complaints

Kalyan Chatterjee

Deputy General Manager (Secretarial)

2A, Shakespeare Sarani, Kolkata 700071

Phone : +91 33 39800494

Fax : +91 33 39800400

Email : investor_relation@ushamartin.co.in

B. STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS

Board of Directors

The Board has decided for the Company maintaining Chairman's office and paying/reimbursing all expenses (including rent) incurred for performance of his duties from time to time. Some of independent Non Executive Directors have completed tenure of more than nine years in aggregate considering their respective initial date of induction in the Board.

Remuneration Committee

The Company has a Remuneration Committee as reported in Section A IV above.

Other Items

The rest of the Non Mandatory Requirements such as, Shareholder Rights; Training of Board Members; Mechanism for Evaluating Non Executive Board Members; Audit Qualifications and Whistle Blower Policy will be implemented by the Company as and when required and/or deemed necessary by the Board.

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Usha Martin Limited

We have examined the compliance of conditions of Corporate Governance by Usha Martin Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and 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 Agreement.

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

For PRICE WATERHOUSE
Firm Registration Number: 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

Declaration

As provided under Clause 49 of the Listing Agreements with the stock exchanges, it is hereby declared that all board members and senior management personnel of the Company have affirmed the compliance of the Code of Conduct for the year ended 31st March, 2011

Kolkata
11th May, 2011

R. Jhawar
Managing Director

Auditors' Report to the Members of Usha Martin Limited

1. We have audited the attached Balance Sheet of Usha Martin Limited (the "Company") as at 31st March, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that :

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.

b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

ii) a) The inventory (excluding stocks lying in customs bonded warehouse and with third parties) of the Company has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory other than, in respect of partly finished products (year end balance Rs.414,818 thousand) of three Divisions which have been determined by the Management based on physical verification as at the year end. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.

v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.

vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vii) In our opinion, the Company's internal audit system (designed to cover all significant areas over a period of two years) is commensurate with the size of the Company and nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company in respect of certain products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

b) According to the information and explanations given to us and the records of the Company examined by us, there were no dues in respect of wealth-tax and cess as at 31st March, 2011 which have not been deposited on account of a dispute other than certain disputed income-tax, sales-tax, service tax, customs duty, and excise duty dues, in respect of which amounts involved and forum at which dispute is pending have been indicated in Note 23 on Schedule 18 to the Accounts.

x) The Company has no accumulated losses as at 31st March, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.

xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained other than Rs. 8,90,000 thousand being part of a term loan, disbursed towards the year end and was pending utilisation.

xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.

xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

xix) The Company has neither issued during the year any secured debentures nor has any outstanding debentures at the year end.

xx) The Company has not raised any money by public issues during the year.

xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

4. Further to our comments in paragraph 3 above, we report that :

a) We have 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 appears from our examination of those books ;

c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account ;

d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act ;

e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act ;

f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India :

i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 ;

ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date ; and

iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For PRICE WATERHOUSE
Firm Registration Number: 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

Balance Sheet as at 31st March, 2011

(Rs. in Thousand)

	Schedule Reference	31st March, 2011		31st March, 2010	
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	305,420		305,420	
Reserves and Surplus	2	15,265,132	15,570,552	14,691,498	14,996,918
Loan Funds	3				
Secured Loans			16,092,062		8,401,184
Net Deferred Tax Liability [Note 17 on Schedule 18]			2,148,748		1,691,017
			33,811,362		**25,089,119**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		38,442,328		31,707,230	
Less: Depreciation		10,826,337		9,074,962	
Impairment Loss		140,835		140,835	
Net Block		27,475,156		22,491,433	
Capital Work-in-Progress		3,824,809	31,299,965	6,083,947	28,575,380
Investments	5		1,869,513		1,869,513
Current Assets, Loans and Advances					
Inventories	6	9,626,573		6,721,045	
Sundry Debtors	7	2,834,779		1,674,942	
Cash and Bank Balances	8	1,130,084		102,974	
Other Current Assets	9	371,296		338,620	
Loans and Advances	10	2,537,283		2,505,980	
		16,500,015		11,343,561	
Less:					
Current Liabilities and Provisions	11				
Liabilities		15,445,859		16,257,550	
Provisions		412,272		441,785	
		15,858,131		16,699,335	
Net Current Assets			641,884		(5,355,774)
			33,811,362		**25,089,119**
Notes on Accounts	18				

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

Schedules referred to above form an integral part of the Balance Sheet

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

P. Jhawar
Chairman

R. Jhawar
Managing Director

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Profit & Loss Account for the year ended 31st March, 2011

(Rs. in Thousand)

	Schedule Reference	2010-11	2009-10
INCOME			
Turnover (Gross)		27,422,354	19,600,263
Less : Excise Duty		2,155,334	1,096,408
Turnover (Net)		25,267,020	18,503,855
Other Income	12	272,785	201,639
		25,539,805	**18,705,494**
EXPENDITURE			
Purchase of General Merchandise		37,559	59,486
Raw Materials Consumed	13	10,681,517	8,306,256
(Increase)/Decrease in Stock-in-Trade and Partly Finished Products	14	(1,356,533)	(911,242)
Manufacturing, Selling and Administrative Expenses	15	11,247,331	7,820,703
Depreciation		1,764,869	1,072,517
Interest (Note 10 on Schedule 18)		1,742,339	1,130,336
Adjustments for Items Capitalised and			
Departmental Orders for own consumption		(30,271)	(164,597)
		24,086,811	**17,313,459**
PROFIT BEFORE TAXATION		**1,452,994**	**1,392,035**
Provision for Taxation	16	457,731	469,964
PROFIT AFTER TAXATION		**995,263**	**922,071**
Profit brought forward from Previous year		411,209	343,588
PROFIT AVAILABLE FOR APPROPRIATIONS		**1,406,472**	**1,265,659**
APPROPRIATIONS			
Transfer to General Reserve		500,000	500,000
Proposed Dividend on Equity Shares		304,742	304,742
Provision for Dividend Tax (Note 27 on Schedule 18)		47,319	49,708
Balance Carried to Balance Sheet		554,411	411,209
		1,406,472	**1,265,659**
Notes on Accounts	18		
Basic Earning per Equity Share of Re. 1 each - Rs.		3.27	3.53
Diluted Earning per Equity Share of Re. 1 each - Rs.		3.27	3.53
(Note 11 on Schedule 18)			

This is the Profit & Loss Account referred to
in our report of even date

Schedules referred to above and Schedule 17 form an
integral part of the Profit and Loss Account

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

P. Jhawar
Chairman

R. Jhawar
Managing Director

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Schedules to Accounts

(Rs. in Thousand)

1. SHARE CAPITAL

			31st March, 2011		31st March, 2010	
Authorised						
500,000,000	Equity Shares of Re.1 each			500,000		500,000
10,000,000	Redeemable Cumulative Preference Shares of Rs.50 each			500,000		500,000
				1,000,000		1,000,000
Issued, Subscribed and Paid-up						
304,741,780	Equity Shares of Re. 1 each fully paid up [Note below]		304,742		304,742	
	Add: Shares Forfeited		678	305,420	678	305,420
				305,420		**305,420**

NOTE :

Out of the above Paid up Equity Shares -

(a) 4,729,370 (Previous Year 5,404,370) Equity Shares represent Global Depository Receipts (GDRs).

(b) 57,384,055 Equity Shares allotted in earlier years as fully paid up pursuant to the Schemes of Amalgamation without payment being received in cash.

2. RESERVES AND SURPLUS

	As at 31st March, 2010	Additions during the year	Transfer during the year	As at 31st March, 2011
RESERVES				
Capital Reserve	371,861	-	-	371,861
Capital Redemption Reserve	228,500	-	-	228,500
Securities Premium Account	8,558,911	-	-	8,558,911
General Reserve	5,236,866	500,000	-	5,736,866
Hedging Reserve Account *	(115,849)	12,149	81,717	(185,417)
	14,280,289	512,149	81,717	14,710,721
SURPLUS				
Profit and Loss Account	411,209	554,411	411,209	554,411
	14,691,498	**1,066,560**	**492,926**	**15,265,132**

* Refer Note 1(h) on Schedule 18

3. LOANS

	Security as per Notes below	31st March, 2011	31st March, 2010
Secured Loans			
Term Loans From -			
Financial Institution - Rupee Loan	1	2,500,000	-
Banks			
Rupee Loans	1	6,272,400	2,520,000
Foreign Currency Loans	1	5,816,003	5,881,184
Working Capital Loans from Banks			
Rupee Loans	2	1,503,659	- *
		16,092,062	**8,401,184**

* Refer Schedule 8 for favourable balance as per books at the year end.

NOTES:

1. Term Loans from Financial Institution and Banks are secured/to be secured by way of Joint Equitable Mortgage by deposit of title deeds of certain immovable properties and hypothecation over movable assets of the Company both present and future subject to prior charges of the Company's Bankers on specified movable assets for Working Capital requirements.
2. Working Capital Loans from Banks are secured by hypothecation of all current assets of the Company. Further such loans from Banks are also secured by charge on certain immovable properties, subject to prior charges in favour of Financial Institution and Banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company.

(Rs. in Thousand)

4 . FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				IMPAIRMENT LOSS		NET BLOCK	
	Cost as on 31st March, 2010	Additions during the year	Sales / Adjustments during the year	Cost as on 31st March, 2011	As on 31st March, 2010	For the year	On Items Sold / Adjusted during the year	Total up to 31st March, 2011	As on 31st March, 2010	As on 31st March, 2011	As on 31st March, 2011	As on 31st March, 2010
A. Tangible Assets												
Land and Site Development												
Freehold	796,782	31,549	-	828,331	-	-	-	-	-	-	828,331	796,782
Leasehold	193,756	2,386	-	196,142	13,608	2,256	-	15,864	-	-	180,278	180,148
Mining Lease and Development [Note (ii) below]	1,059,015	-	-	1,059,015	124,959	103,804	-	228,763	-	-	830,252	934,056
Buildings	2,777,020	104,257	1,095	2,880,182	705,550	84,171	245	789,476	-	-	2,090,706	2,071,470
Plant and Machinery	24,572,443	5,900,667	19,906	30,453,204	7,460,297	1,417,662	6,031	8,871,928	140,835	140,835	21,440,441	16,971,311
Railway Sidings	266,695	-	-	266,695	40,077	12,668	-	52,745	-	-	213,950	226,618
Electrical Installation	1,543,250	691,956	1	2,235,205	429,361	120,091	1	549,451	-	-	1,685,754	1,113,889
Water Treatment and Supply Plant	155,260	-	-	155,260	79,392	5,643	-	85,035	-	-	70,225	75,868
Office Equipment	109,545	10,438	89	119,894	67,497	6,087	49	73,535	-	-	46,359	42,048
Furniture and Fixtures	64,427	5,313	34	69,706	39,762	3,036	22	42,776	-	-	26,930	24,665
Vehicles	96,886	20,062	11,139	105,809	45,886	8,028	7,146	46,768	-	-	59,041	51,000
	31,635,079	**6,766,628**	**32,264**	**38,369,443**	**9,006,389**	**1,763,446**	**13,494**	**10,756,341**	**140,835**	**140,835**	**27,472,267**	**22,487,855**
B. Intangible Assets												
Computer Softwares (Acquired)	72,151	918	184	72,885	68,573	1,423	-	69,996	-	-	2,889	3,578
	31,707,230	**6,767,546**	**32,448**	**38,442,328**	**9,074,962**	**1,764,869**	**13,494**	**10,826,337**	**140,835**	**140,835**	**27,475,156**	**22,491,433**
Capital Work in Progress											3,824,809 [Note (iii) below]	6,083,947
Total	**31,707,230**	**6,767,546**	**32,448**	**38,442,328**	**9,074,962**	**1,764,869**	**13,494**	**10,826,337**	**140,835**	**140,835**	**31,299,965**	**28,575,380**
Previous Year	19,383,467	12,343,336	19,573	31,707,230	8,018,284	1,072,517	15,839	9,074,962	140,835	140,835		

NOTES :

(i) Land and Buildings include Rs.101,100 (Previous Year Rs.101,709) in respect of which Deed of Conveyance, Registration and other formalities are yet to be completed.

(ii) Gross Block includes Rs.106,103 (Previous Year Rs.106,103) towards provision for final mines closure expenditure pursuant to Rule 23 under Mineral Conservation and Development (Amendment Rules, 2003) read with Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957. The depreciation for the current year includes Rs.17,868 (Previous Year Rs.17,739) on account of amortisation of the same.

(iii) Capital Work in Progress includes Project Development Expenses Rs.46,623 (Previous Year Rs.96,607).

Schedules to Accounts

(Rs. in Thousand)

5. INVESTMENTS

	31st March, 2011	31st March, 2010
- At Cost or Under		
Long Term		
Unquoted		
Trade	199,367	199,367
Others	1,001	1,001
Subsidiary Companies	1,669,145	1,669,145
	1,869,513	**1,869,513**

Note: Refer Note 7 on Schedule 18 for details.

6. INVENTORIES

	31st March, 2011	31st March, 2010
[Note 1(f) on Schedule 18]		
Stores and Spare Parts	551,041	471,518
Loose Tools	193,112	176,639
Raw Materials	2,863,047	2,059,897
Goods-in-Transit	1,242,596	592,747
Partly Finished Products	2,433,763	983,388
Stock-in-Trade @	2,343,014	2,436,856
	9,626,573	**6,721,045**

@ Comprises Finished Products, Scrap and General Merchandise.

7. SUNDRY DEBTORS

	31st March, 2011	31st March, 2010
Unsecured -		
Exceeding six months -		
Considered Good	58,750	86,630
Considered Doubtful	76,586	79,397
	135,336	166,027
Others -		
Considered Good	2,776,029	1,588,312
	2,911,365	1,754,339
Less : Provision for Doubtful Debts	76,586	79,397
	2,834,779	**1,674,942**

8. CASH AND BANK BALANCES

	31st March, 2011	31st March, 2010
Cash in hand (including Drafts and Cheques in hand - Rs.82,588 ; Previous Year Rs. Nil)	84,244	1,581
Remittances-in-Transit	140,918	35,206
Balance with Scheduled Banks on :		
Current Accounts	8,997	6,220
Unpaid Dividend Accounts	5,711	4,780
Fixed Deposit Accounts	890,214	200
Cash Credit Accounts (Refer Schedule 3)	-	54,987
	1,130,084	**102,974**

Schedules to Accounts

(Rs. in Thousand)

9. OTHER CURRENT ASSETS

	31st March, 2011	31st March, 2010
Unsecured - Considered Good		
Unquoted - at Cost or under		
Miscellaneous Deposits	240,583	237,660
Derivative Assets	130,713	100,960
	371,296	**338,620**

10. LOANS AND ADVANCES

	31st March, 2011	31st March, 2010
Unsecured-		
Considered Good (Unless indicated otherwise below)		
Advances recoverable in cash or in kind or for value to be received		
(including Rs.59,595 ; Previous Year Rs.69,097 considered doubtful)	1,564,494	1,842,193
Balance with Central Excise and Other Government Authorities	421,861	386,446
Loans/Advances to Subsidiaries	78,262	94,269
Accrued Interest	7,661	12,569
MAT Credit Entitlement	524,600	239,600
	2,596,878	2,575,077
Less : Provision for Doubtful Advances	59,595	69,097
	2,537,283	**2,505,980**

11. CURRENT LIABILITIES AND PROVISIONS

	31st March, 2011	31st March, 2010
Liabilities		
Acceptances		
- Capital Items	3,995,924	7,207,927
- Others	7,976,941	5,182,625
Sundry Creditors		
Outstanding dues to -		
- Micro and Small Enterprises (Note 6 on Schedule 18)	5,603	6,768
- Others	2,695,907	3,028,023
Sundry Advances from Customers	131,773	172,888
Dues to Subsidiaries	6,352	44,152
Investors Education and Protection Fund shall be		
credited by the following amounts namely [Note below]		
Unclaimed Dividend	5,711	4,780
Unclaimed Matured Fixed Deposits	812	1,078
Unclaimed interest on above	424	579
Derivative Liabilities	479,523	515,959
Miscellaneous Deposits	30,801	23,123
Interest accrued but not due on Loans	116,088	69,648
	15,445,859	**16,257,550**
Provisions		
Current Taxation (Net)	58,867	87,168
Fringe Benefit Tax	167	167
Proposed Dividend		
On Equity Shares	304,742	304,742
Tax thereon	48,496	49,708
	412,272	**441,785**
	15,858,131	**16,699,335**

Note: No amount is due at the balance sheet date for actual credit.

Schedules to Accounts

(Rs. in Thousand)

12. OTHER INCOME

	2010-11	2009-10
Income from Long Term Investments - Trade		
- Dividend from subsidiary companies	170,776	37,915
Income from Current Investments - Other than Trade		
- Dividend	6,181	28,905
Provision for Doubtful Debts and Advances no longer required written back	15,631	611
Liabilities no longer required written back	51,485	76,941
Profit on Sale of Fixed Assets (Net)	-	547
Claims Received	8,375	1,374
Sale of Certified Emission Reduction (Carbon Credit)	15,462	38,573
Miscellaneous Income	4,875	16,773
	272,785	**201,639**

13. RAW MATERIALS CONSUMED

	2010-11	2009-10
Opening Stock	2,059,897	862,904
Add : Purchases	11,484,667	9,503,249
	13,544,564	10,366,153
Deduct: Closing Stock	2,863,047	2,059,897
	10,681,517	**8,306,256**

14. (INCREASE) / DECREASE IN STOCK-IN-TRADE AND PARTLY FINISHED PRODUCTS

	2010-11		2009-10	
Opening Stock				
Stock-in-Trade	2,436,856		1,627,818	
Partly Finished Products (including Cost of Conversion Rs.127,667*; Previous Year Rs.134,679)	983,388	3,420,244	881,184	2,509,002
Deduct: Closing Stock				
Stock-in-Trade	2,343,014		2,436,856	
Partly Finished Products (including Cost of Conversion Rs.1,263,496 *; Previous Year Rs.127,667)	2,433,763	4,776,777	983,388	3,420,244
		(1,356,533)		**(911,242)**

* Includes cost of conversion on account of iron ore and fines Rs.1,174,689 (Previous Year Rs.70,738)

Schedules to Accounts

(Rs. in Thousand)

15. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES

	2010-11		2009-10	
Salaries, Wages and Bonus		876,000		673,079
Contribution to Provident and Other Funds		110,613		111,185
Workmen and Staff Welfare Expenses		274,942		205,285
Consumption of Stores and Spare Parts		1,933,843		1,472,975
Power and Fuel		3,242,580		2,073,242
Repairs and Maintenance				
Buildings		105,546		93,425
Plant and Machinery		612,332		383,239
Others		16,676		12,588
Royalty		280,025		93,435
Rent		25,559		17,767
Hire Charges/Lease Rentals of Plant and Machinery		31,419		20,593
Rates and Taxes (including Wealth Tax of Rs.1,500 ; Previous Year Rs.1,500)		9,675		16,912
Insurance		25,138		16,823
Commission to Selling Agents		23,448		26,745
Freight, Transport and Delivery		1,051,503		1,204,749
Directors' Remuneration (excluding perquisites and contributions to Provident and Other Funds Rs. 9,528 ; Previous Year Rs. 5,917 included in other heads) - Schedule 17		127,693		96,226
Travelling Expenses		90,790		68,654
Processing Charges		538,406		273,975
Brokerage and Discount on Sales		227,596		268,433
Loss on sale of Fixed Assets (Net)		4,930		-
Finance Charges		53,578		19,536
Exchange Gain (Net)		(114,923)		(516,362)
(Gain) / Loss on Derivative Contracts (Net)		(53,853)		89,059
Provisions for Doubtful Debts and Advances		3,318		17,862
Deferred Revenue Expenditure Written off		-		8,745
Bad Debts and Advances Written off	3,587		21,226	
Less : Write back of Provision for Doubtful Debts/ Advances	-	3,587	10,069	11,157
Share Issue Expenses	-		104,908	
Less : Adjusted against Securities Premium Account	-	-	104,908	-
Excise Duty on Stocks, Replacements etc.		84,156		58,462
Material Handling Charges		1,333,774		732,662
Miscellaneous Expenses		328,980		270,252
		11,247,331		7,820,703

Schedules to Accounts

(Rs. in Thousand)

16. PROVISION FOR TAXATION

	2010-11	2009-10
Current Tax	285,000	239,600
Less: MAT Credit	(285,000)	(239,600)
Deferred Tax Charge	457,731	469,964
	457,731	**469,964**

17. Schedule of Computation of Net Profit in accordance with Sections 198/349 of the Companies Act, 1956 for the purpose of Directors' remuneration :

	2010-11		2009-10	
Profit Before Taxation as per Profit and Loss Account		1,452,994		1,392,035
Add : Provision for Doubtful Debts, Advances	3,318		17,862	
Provision for Wealth Tax as per Accounts	1,500		1,500	
Fixed Assets written off	7,134	11,952	2,366	21,728
		1,464,946		1,413,763
Less : Capital Profit on Sale of Fixed Assets	711		1,097	
Provision for Doubtful Debts/ Advances no longer required written back	15,631		611	
Write back of Provision for Doubtful Debts/ Advances	-	16,342	10,069	11,777
		1,448,604		1,401,986
Add : Directors' Remuneration		137,221		102,143
Net Profit under Section 198/349		1,585,825		1,504,129
DIRECTORS' REMUNERATION				
Mr. Rajeev Jhawar				
Salary	3,600		3,240	
Other Allowances	2,370		1,890	
Commission @ 2% on Rs. 1,585,825 (Previous Year Rs. 1,504,129)	31,717		30,083	
Contribution to Provident and Other Funds	1,496		2,069	
Perquisites	2,694	41,877	2,105	39,387
Dr. P. Bhattacharya				
Salary	3,300		2,970	
Other Allowances	3,790		3,347	
Commission @ 1% on Rs. 1,585,825 (Previous Year Rs. 1,504,129)	15,858		15,041	
Contribution to Provident and Other Funds	1,630		1,016	
Perquisites	194	24,772	225	22,599
Dr. Vijay Sharma				
Salary	8,828		1,425	
Other Allowances	7,499		1,157	
Contribution to Provident and Other Funds	796		96	
Perquisites	1,441	18,564	206	2,884
Mr. P. K. Jain				
Salary	6,549		1,000	
Other Allowances	5,220		800	
Contribution to Provident and Other Funds	770		72	
Perquisites	507	13,046	128	2,000
Non-Executive Directors				
Commission to				
Mr. Prasant Jhawar @ 1.5% on Rs.1,585,825 (Previous Year Rs.1,504,129)	23,788		22,562	
Other Directors @ 1% on Rs.1,585,825 (Previous Year Rs.1,504,129)				
Rs.15,858 (Previous Year Rs.15,041) limited to	14,854		12,446	
	38,642		35,008	
Meeting Fees	320	38,962	265	35,273
		137,221		**102,143**

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS

1. Significant Accounting Policies

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable Accounting Standards prescribed under section 211 (3C) of the Companies Act, 1956 (the Act) and the relevant provisions of the Companies Act, 1956.

a) FIXED ASSETS

Fixed Assets (comprising both tangible and intangible items) are stated at cost of acquisition, manufacture and subsequent improvements thereto including taxes and duties (net of credits and draw backs), freight and other incidental expenses related to acquisition and installation. Preoperative expenses, where appropriate, are capitalised till the commercial use of the assets and write up due to revaluation of assets are separately stated.

b) DEPRECIATION

i) Depreciation (including amortisation) is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956 other than the following :

- Certain items of Plant and Machinery - 20%
- Computer Softwares - 20%

In respect of assets existing as on 16th December, 1993, the specified period has been recomputed in terms of the Notification No.GSR 756E dated 16th December, 1993 read with Circular No.14/93 dated 20th December, 1993 with respect to revised rates and depreciation has been provided by allocating net book value of fixed assets as at the beginning of the year over the remaining recomputed lives of respective assets.

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

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

iv) No depreciation is provided on assets which are being used for trial run.

v) Certain Plants are considered to be continuous process plant based on technical evaluation.

c) CAPITAL WORK-IN-PROGRESS

These are stated at cost and inclusive of preoperative expenses, project development expenses pending allocation and assets-in-transit.

d) IMPAIRMENT LOSS

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

e) INVESTMENTS

Current Investments i.e. investments which are expected to be liquidated within one year are treated as Current Assets and are valued at lower of cost and net realisable value. Long term investments are stated at cost or under and diminution in carrying amount, other than temporary, is written down/ provided for.

f) INVENTORIES

Inventories other than scrap are valued at lower of cost and estimated net realisable value. Cost is determined on Weighted Average basis. Scrap is valued at estimated net realisable value.

g) TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in Foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions. Exchange differences arising on settlement of transactions and/ or restatements are dealt with in the Profit and Loss Account.

h) DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

Effective April 1, 2009 the Company adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with existing Accounting Standards and other authoritative pronouncements of the Companies Act, 1956 of India and other regulatory requirements.

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

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

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

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

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

1. Significant Accounting Policies (contd.)

i) REVENUE RECOGNITION

Income and Expenditure are recognised on accrual basis unless otherwise stated. Revenue is recognised on completion of sale of goods, rendering of services and use of the Company's resources by third parties. Sales are recorded net of trade discount, sales return, rebates and sales taxes but including excise duties and export incentives.

Dividend income on investments is accounted for when the right to receive the payment is established.

Interest income is recognised on a prudent basis where there is reasonable certainty as to realisation.

j) EMPLOYEE BENEFITS

(i) Short -term Employee Benefits :

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

(ii) Post Employment Benefit Plans :

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

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

(iii) Other Long-term Employment Benefits (unfunded)

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

k) BORROWING COST

Borrowing Cost attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.

l) RESEARCH AND DEVELOPMENT EXPENDITURE

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

m) GOVERNMENT GRANTS

Government grants of the nature of promoters' contribution are credited to Capital Reserve.

Government grants related to specific fixed assets are deducted from gross values of related assets in arriving at their book values.

Government grants related to revenue are recognised on a systematic basis in the Profit and Loss Account over the periods necessary to match them with their related costs.

n) TAXATION

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

o) PROVISION AND CONTINGENT LIABILITIES

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

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

2. Outstanding Capital Commitments are estimated at Rs. 4,392,989 (Net of advances) (Previous Year Rs. 1,214,365)

3. a) According to the usual practice, Electricity Charges are being accounted for on the basis of bills received. Any supplementary bill arising out of revision in the rates will be accounted for as and when such bills are received.

   b) Provision for Fuel Surcharge upto December, 2003 had been made as per interim order passed by the Hon'ble High Court of Patna .

4. Research and Development Expenditure

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Revenue	7,428	5,001
Capital	927	1,022

5. There are Contingent Liabilities in respect of :

   a) Bills discounted with Banks Rs.1,103,368 (Previous Year Rs.1,073,915) including against Letter of Credit Rs.589,536 (Previous Year Rs.329,942)

   b) Bank Guarantees outstanding Rs.295,103 (Previous Year Rs.341,697)

   c) Disputed Income Tax matters amounting to Rs.194,022 (Previous Year Rs.55,178) for which the Company has preferred appeal before appropriate authorities.

   d) Demand for Sales Tax amounting to Rs.8,431 (Previous Year Rs.7,963) for earlier years not acknowledged as debts and in respect of which the Company has preferred appeals before appropriate authorities.

   e) Demand for Excise Duty and Service Tax Rs.443,346 (Previous Year Rs.134,982) not acknowledged as debts and in respect of which the Company has preferred appeal before appropriate authorities.

   f) Demand for Customs Duty Rs.12,439 (Previous year Rs.12,439) not acknowledged as debts and in respect of which the Company had preferred appeal before appropriate authorities.

   g) Corporate Guarantees given by the Company to secure the financial assistance / accommodation extended to other Bodies Corporate amounting to Rs.685,107 (Previous Year Rs.659,318).

   h) Claims against the Company not acknowledged as debts Rs.3,390 (Previous Year Rs.75,974).

6. Information relating to Micro and Small Enterprises (MSEs) :

	As at 31st March, 2011	As at 31st March, 2010
i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year		
Principal	5,601	6,768
Interest	2	Nil
ii) The amount of interest accrued and remaining unpaid at the end of accounting year	2	Nil
	2010-11	**2009-10**
iii) The amount of interest paid by the buyer in terms of Section 16 to the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
Principal	Nil	111
Interest	Nil	3

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Company and pursuant to amendment of Schedule VI to the Companies Act, 1956 (the Act) vide Notification dated 16th November, 2007 issued by the Central Government.

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

7. INVESTMENTS

	31st March, 2011	31st March, 2010
(At Cost or Under)		
Long Term		
Trade		
Unquoted		
Pengg Usha Martin Wires Private Limited (PUMWPL) 10,800,000 Equity Shares of Rs. 10/- each fully paid (See Footnote iii)	108,000	108,000
Pengg Usha Martin Wires Private Limited (PUMWPL) 440,000 0.50% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid (See Footnote iii)	44,000	44,000
Gustav Wolf Speciality Cords Limited (GWSCL)- 73,500 Equity Shares of Rs.10/- each fully paid up (See Footnote iii)	7,350	7,350
Usha Communications Technology Ltd 1,21,10,242 Ordinary Shares of USD 0.50 each fully paid	2,785	2,785
CCL Usha Martin Stressing Systems Limited (CCLUMSSL) 473,195 Equity Shares of Rs.10/- each fully paid (See Footnote iii)	4,732	4,732
Dove Airlines Private Limited (DAPL) 1,038,000 (Previous year 865,000 Equity Shares) of Rs.10/- each fully paid (See Footnote ii and iii)	32,500	32,500
Others		
Unquoted		
Adityapur Toll Bridge Company Limited - 100,000 Equity Shares of Rs.10/- each fully paid	1,000	1,000
UMI Special Steel Limited (under liquidation) 1,80,68,472 Equity Shares of Rs.10/- each fully paid	1	1
Investments in Subsidiary Companies -		
Unquoted		
Usha Martin International Limited 5,909,388 Ordinary Shares of GBP 1 each fully paid (See Footnote i)	618,118	618,118
UM Cables Limited - 1,11,29,660 Equity Shares of Rs. 10/- each fully paid	127,069	127,069
UM Cables Limited - 29,00,000 2% Redeemable Cumulative Preference Shares of Rs.100/-each fully paid	290,000	290,000
Usha Siam Steel Industries Public Company Limited 1,32,00,000 Ordinary Shares of Thai Baht 10 each fully paid (See Footnote i)	261,986	261,986
Usha Martin Singapore Pte Ltd 1,000,000 Ordinary Shares of SGD 1 each fully paid (See Footnote i)	26,805	26,805
Brunton Wolf Wire Rope, FZCO - 114 Ordinary Shares of AED 1,00,000 each fully paid (See Footnote i)	177,680	177,680
Usha Martin Americas Inc. - 40,00,000 Shares of USD 1 each fully paid (See Footnote i)	165,988	165,988
Usha Martin Power and Resources Limited 49,940 Ordinary Shares of Rs.10/- each fully paid	499	499
Bharat Minex Private Limited 200,000 Equity Shares @ Rs. 10 each fully paid	1,000	1,000
UMICOR Africa (Proprietary) Limited - (under liquidation) 3,044,451 Ordinary Shares of Rand 1 each fully paid (See Footnote iv)	-	-
	1,869,513	**1,869,513**

FOOTNOTES :

(i) The Investments in overseas subsidiaries have been accounted for at the exchange rate prevailing on the date of remittance/ advice.

(ii) During the year, DAPL had issued and alloted 173,000 Bonus shares in the proportion of one new fully paid up Equity share of Rs.10 each for every five fully paid Equity shares of Rs.10 each.

(iii) The Company's ownership interest and other particulars relating to GWSCL, PUMWPL, CCLUMSSL and DAPL, the Joint Venture Companies have been set out in Note 26 below.

(iv) Transfer of 3,044,451 Ordinary Shares in UMICOR Africa (Proprietary) Limited in the name of the Company could not be processed as the said UMICOR have gone into liquidation and placed under final winding up vide Order dated 30th July, 2008 of the High Court of South Africa (Witwatersrand Local Division).

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

(v) Current Investments acquired and sold during the year as under

	2010-11	2009-10
Investment (Face Value of Rs. 10/- each)	No. of Units	No. of Units
Baroda Pioneer Liquid Fund Institutional Daily Dividend Plan	1,998,973.101	-
Baroda Pioneer Treasury Advantage Fund Institutional Daily Dividend Plan	2,003,294.595	-
Birla Sun Life Cash Plus Institutional Daily Dividend Reinvestment	9,257,827.693	-
Birla Sun Life Savings Fund Institutional Daily Dividend Reinvestment	10,056,745.390	-
DWS Insta Cash Plus Fund Super Institutional Plan Daily Dividend Reinvestment	14,956,545.614	-
DWS Treasury Fund Cash Institutional Plan Daily Dividend Reinvestment	4,995,043.097	-
DWS Ultra Short Term Fund Institutional Daily Dividend Reinvestment	9,998,244.396	-
Fidelity Cash Fund Super Institutional Daily Dividend	9,776,695.303	-
Fidelity Ultra Short Term Debt Fund Super Institutional Daily Dividend	10,024,417.262	-
Fidelity Ultra Short Term Debt Fund Super Institutional Growth	8,206,019.419	-
IDBI Liquid Fund Daily Dividend Reinvestment	5,000,600.000	-
IDBI Ultra Short Term Fund Daily Dividend Reinvestment	5,008,856.519	-
IDFC Cash Fund Institutional Plan B Daily Dividend	1,890,334.537	-
ING Liquid Fund Institutional Daily Dividend Option	1,997,926.701	-
ING Treasury Advantage Fund Institutional Daily Dividend Option	2,002,697.629	-
JP Morgan India Liquid Fund Super Institutional Daily Dividend Reinvestment	36,975,599.681	-
JP Morgan India Treasury Fund Super Institutional Daily Dividend Reinvestment	17,037,463.102	-
LIC Savings Plus Fund Daily Dividend Plan	26,144,776.056	-
LICMF Liquid Fund Dividend Plan	25,485,874.253	-
Peerless Liquid Fund Super Institutional Daily Dividend Reinvestment	15,002,919.047	-
Peerless Ultra Short Term Fund Super Institutional Daily Dividend Reinvestment	10,023,408.331	-
Pramerica Liquid Fund Daily Dividend Option - Reinvestment	28,102,987.656	-
Pramerica Liquid Fund Growth Option Dividend Option	6,000,000.000	-
Pramerica Ultra Short Term Bond Fund Daily Dividend	3,014,917.000	-
Pramerica Ultra Short Term Bond Fund Daily Dividend Option Reinvestment	15,028,666.837	-
Religare Liquid Fund Institutional Daily Dividend	1,999,897.420	-
Religare Liquid Fund Institutional Growth Dividend Option	2,278,579.078	-
Religare Ultra Short Term Fund Institutional Daily Dividend	5,001,247.887	-
Religare Ultra Short Term Fund Institutional Growth Dividend Option	2,259,346.146	-
Shinsei Liquid Fund - Institutional Plan - Daily Dividend Option	39,984.618	-
Shinsei Treasury Advantage Fund - Daily Dividend Option	40,062.073	-
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvestment	269,843.255	-
Templeton India Ultra Short Bond Fund Institutional Plan - Daily Dividend Reinvestment	7,013,236.305	-
Templeton Rate Income Fund Long Term Plan Daily Dividend	20,110,031.061	-
DWS Insta Cash Plus Fund Super Institutional Plan - Daily Dividend	-	50,211,604.562
Fortis Money Plus Institutional Plan - Daily Dividend	-	45,239,099.909
Franklin Floating Rate Income Fund Long Term Super Institutional - Daily Dividend Reinvestment	-	85,474,113.124
HDFC Cash Management Fund Treasury Advantage Plan - Wholesale Daily Dividend	-	75,076,299.434
ICICI Ultra Short Term Plan Super Premium - Daily Dividend	-	20,003,677.281
J P Morgan India Treasury Fund - Super Institutional Daily Dividend Plan - Reinvestment	-	50,234,073.988
LIC Income Plus Fund - Daily Dividend Plan	-	100,674,935.406
Reliance Money Manager - Institutional Optional - Daily Dividend	-	752,482.287
UTI Treasury Advantage Plan - Institutional Plan -Daily Dividend Reinvestment	-	200,939.653

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

8. Lease Commitments

a) Operating Lease Commitments

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

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

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

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

	Lease Rent		Operation and Maintenance Charges	
	As at 31st March 2011	As at 31st March 2010	As at 31st March 2011	As at 31st March 2010
Up to one year	89,442	89,442	29,607	29,607
More than one year and up to five years	356,315	356,315	117,646	117,646
More than five years	421,619	511,060	107,518	137,125

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

	For the year ended 31st March 2011	For the year ended 31st March 2010
Lease Rent	89,442	82,279
Operation and Maintenance Charges	29,607	27,813
Escalation Charges and Taxes	29,401	25,837
Total	**148,450**	**135,929**

(b) The Company has entered into cancelable operating leases and transactions for leasing of accommodation for office spaces, employees residential accommodation etc. Tenure of leases generally vary between 1 and 3 years. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs.39,312 (Previous year Rs.15,949) have been debited to the Profit and Loss Account.

9.

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
(a) The following are included under other heads of expenses in the Profit & Loss Account:		
Consumption of Stores and Spare Parts	44,655	47,763
Material Handling Charges	76,970	64,635
Repairs and Maintenance - Plant and Machinery	29,858	18,341
Repairs and Maintenance - Building	2,368	1,417
Water Charges etc.	963	1,055
(b) Workmen and Staff Welfare Expenses (Schedule 15) include rent allowance paid to the employees	97,046	72,737
(c) Miscellaneous Deposits (Schedule 9) include the following amounts deposited with various Government Departments/Authorities etc :		
National Savings Certificate	15	5
Presidency Post Master	1	1
(d) Advances recoverable in cash or in kind or for value to be received (Schedule 10) includes CapitalAdvances	708,679	529,017

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

10. Interest is made up as follows :

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
On Debentures	78,109	105,740
On Loans * (including Rs. 661,802 on Term Loans, Previous year Rs. 902,871)	821,433	413,692
On Others	869,479	725,994
	1,769,021 *	1,245,426
Less : Interest Recovered **		
On Loans and Deposits	9,237	102,122
On Others	17,445	12,968
	1,742,339	**1,130,336**
* Net of interest capitalisation	28,722	574,332
** Net of Rs.9,458 (Previous year Rs. Nil) credited against interest capitalisation towards temporary investment of project borrowings		
** Tax deducted at source	1,696	11,610

11. Computation of Earning per Equity Share (Basic and Diluted)

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
I. Basic		
(a) (i) Number of Equity Shares at the beginning of the year	304,741,780	250,241,780
(ii) Number of Equity Shares issued during the year	-	54,500,000
(iii) Number of Equity Shares at the end of the year	304,741,780	304,741,780
(iv) Weighted average number of Equity Shares outstanding during the year	304,741,780	260,843,150
(v) Face Value of each Equity Share Re.	1	1
(b) Profit after tax attributable to Equity Shareholders		
Profit after Taxation	995,263	922,071
	995,263	**922,071**
(c) Basic Earning per Share [(b) / (a)(iv)] - Rs.	3.27	3.53
II. Diluted		
(a) Dilutive Potential Equity Shares	-	-
Diluted Earnings per Share [same as I (c) above]	3.27	3.53

12. Auditors' Remuneration paid/payable as Auditors during the year included in

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
(a) Miscellaneous Expenses		
Audit Fee	4,500	3,500
Tax Audit Fee	600	600
Other Matters (Certificates etc.)	1,955	2,145
Reimbursement of Expenses	86	162
Above fees are exclusive of Service Tax Rs.633 (Previous Year Rs.1,309) not routed through Profit and Loss Account during the year.		

13. Value of Imports Calculated on C.I.F. basis:

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
Raw Materials	3,936,834	2,613,732
Components and Spare Parts	491,777	230,349
Capital Goods	486,461	686,604

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

14. Expenditure (including on Capital Account) in Foreign Currency on account of :

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
Share Issue Expenses (Net)	-	9,479
Technical Know How, Drawings and Designs, Consultancy and Foreign Technician Fees	1,018	672
Travelling Expenses	7,849	5,964
Seminar and Training Expenses	294	99
Ocean Freight	71,453	107,063
Interest	135,967	347
Commission to Selling Agents	8,287	13,466
Subscription etc.	718	1,031
Bank Charges	248	291
Cash Discount	19,376	21,128
Legal Expenses	1,238	3,072
Professional Fees	2,320	489
Export Sales Expenses	8,019	15,450

15. Amount Remitted in Foreign Currency on account of:

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
Dividend	1	1
Year to which the dividend relates	Year ended 31st March, 2010	Year ended 31st March, 2009
Number of non-resident Shareholders	2	2
Number of Shares held by non-resident Shareholders	1,040	1,040

16. Earnings in Foreign Currency on account of:

	For the year ended, 31st March,2011	For the year ended, 31st March,2010
Export of Goods (On F.O.B. basis)	3,956,134	4,554,381
Interest Received	4,991	12,590
Service Charges	327	153
Dividend	164,975	25,656
Sale of certified emission reduction (carbon credit)	15,462	38,573

17. Year-end Deferred Tax balance comprises the following :

	As at 31st March, 2011	As at 31st March, 2010
Timing Difference resulting in liabilities/ (assets) on account of :		
Depreciation as per tax law and books	2,533,680	2,052,978
Unabsorbed tax depreciation/loss *	(326,892)	(224,673)
Disallowances allowable for tax purpose on payment	(37,987)	(36,867)
Provision for doubtful debts and advances	(44,184)	(50,473)
Exchange gain / (loss) pertaining to fixed assets as per tax law and books	25,255	(47,728)
Deferred Revenue Expenditure	(1,124)	(2,220)
Net Deferred Tax Liability	2,148,748	1,691,017

* Absorption expected based on future Taxable Income.

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

18. Related party disclosures pursuant to Accounting Standard 18 prescribed under the Act.

(i) Related Parties	
(a) Where control exists :	
Name	Relationship
Usha Martin International Limited (UMIL)	Subsidiary
Usha Martin Americas Inc. (UMAI)	-do-
Usha Martin UK Limited (UMUK)	-do-
UMICOR Africa (Pty) Limited (UMICOR)	-do-
Usha Martin Vietnam Co. Limited (UMVCL)	-do-
Usha Martin Australia Pty Limited (UMAUS)	-do-
European Management and Marine Corporation Limited (EMMC)	-do-
EMM Caspian Limited (EMM Caspian)	-do-
E M M Kazakhstan Limited (EMMK) (effective upto 16.07.2010)	-do-
Usha Siam Steel Industries Public Company Limited (USSIL)	-do-
Brunton Shaw UK Limited (BSUK)	-do-
Usha Martin Singapore Pte. Limited (UMSPL)	-do-
Brunton Wolf Wire Ropes FZCO. (BWWR)	-do-
P. T. Usha Martin Indonesia (PTUMI)	-do-
De Ruiter Staalkabel BV (De Ruiter)	-do-
UM Cables Limited (UMCL)	-do-
Usha Martin Power and Resources Limited (UMPRL)	-do-
Bharat Minex Private Limited (BMPL)	-do-
(b) Others :	
Gustav Wolf Speciality Cords Limited (GWSCL)	Joint Venture Company
Pengg Usha Martin Wires Private Limited (PUMWPL)	-do-
CCL Usha Martin Stressing Systems Limited (CCLUMSSL)	-do-
Dove Airlines Private Limited (DAPL)	-do-
UMI Special Steel Limited (UMISSL) - (under liquidation)	Substantial Interest in voting power of the entity
Mr. Rajeev Jhawar, Managing Director	Key Management Personnel
Dr. P Bhattacharya, Joint Managing Director	-do-
Dr. Vijay Sharma, Executive Director	-do-
Mr. P. K. Jain, Executive Director	-do-
Mr. Brij K Jhawar	Relative of a Key Management Personnel
Mrs. Shanti Devi Jhawar	-do-
Mrs. Susmita Jhawar	-do-
Mrs. Vineeta Ruia	-do-
Ms. Stuti Jhawar	-do-
Ms. Shreya Jhawar	-do-
Ms. Amisha Jhawar	-do-

SCHEDULES TO THE ACCOUNTS

18. Notes on Accounts (Contd...)

(ii) Particulars of Transactions during the year ended 31st March, 2011

	Transactions during the year														Balance outstanding at the year end					
Name and Relationship	Sale of Goods and Services	Purchase of Goods	Purchase of Fixed Assets	Dividend Received	Dividend Paid	Interest Paid/ (Recovered) (Net)	Directors' Remmuneration	Cash Discount	Directors' Commission Paid (Net of tax deducted at source)	Reimbursement/ (Recoveries) of Expenses (Net)	Rendering/ (Recoveries) of Management and other Services	Sales Commission	Investment in Equity and Preference Shares	Loans/ Advances (taken)/ given (net)	Corporate Guarantees Given	Sundry Debtors	Sundry Creditors	Deposits	Loans and Advances	Investments in Equity and Preference Shares
Substantial interest in voting power of the Company																				
UMISSL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Subsidiary Companies																				
UMIL	**-**	**-**	**-**	**105,734**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**618,118**
	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	618,118
UMAI	**347,127**	**-**	**-**	**-**	**-**	**-**	**-**	**1,754**	**-**	**144**	**-**	**-**	**-**	**(14)**	**299,200**	**31,652**	**2,523**	**-**	**1,769**	**165,988**
	581,491	-	29,298	-	-	(3,210)	-	1,825	-	190	-	-	-	(230)	296,340	16,411	31,839	-	1,783	165,988
UMUK	**640,796**	**3,222**	**-**	**-**	**-**	**-**	**-**	**11,420**	**-**	**1,725**	**-**	**-**	**-**	**-**	**-**	**32,651**	**-**	**-**	**-**	**-**
	714,339	-	414	-	-	-	-	12,129	-	900	-	-	-	-	-	87,880	375	-	-	-
UMVCL	**4,647**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(31)**	**-**	**-**	**-**	**-**
	27,361	-	-	-	-	(156)	-	31	-	-	-	-	-	-	-	124	-	-	-	-
UMAUS	**134,582**	**-**	**-**	**-**	**-**	**-**	**-**	**525**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50,804**	**-**	**-**	**-**	**-**
	102,429	-	-	-	-	(517)	-	278	-	-	-	-	-	-	-	54,127	-	-	-	-
UMPRL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**499**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	499
BMPL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,750**	**-**	**-**	**-**	**-**	**2,750**	**1,000**
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000
USSIL	**573,443**	**24,658**	**-**	**-**	**-**	**(4,989)**	**-**	**547**	**-**	**(540)**	**-**	**-**	**-**	**(18,513)**	**177,537**	**50,427**	**3,523**	**-**	**73,743**	**261,986**
	425,922	11,440	-	-	-	(8,677)	-	2,720	-	(348)	-	-	-	(40,454)	166,462	37,959	11,045	-	92,256	261,986
DE RUITER	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**473**	**-**	**-**	**-**	**-**	**-**	**-**	**160**	**-**	**-**	**-**
	5,235	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-
UMSPL	**685,461**	**-**	**-**	**35,187**	**-**	**-**	**-**	**5,129**	**-**	**277**	**-**	**779**	**-**	**-**	**-**	**63,797**	**24**	**-**	**-**	**26,805**
	728,180	-	-	-	-	(30)	-	7,057	-	4,292	-	2,350	-	-	-	40,462	751	-	-	26,805
BWWR	**551,911**	**-**	**-**	**24,055**	**-**	**-**	**-**	**-**	**-**	**2,571**	**-**	**-**	**-**	**(230)**	**42,470**	**48,453**	**-**	**-**	**-**	**177,680**
	434,109	-	-	25,656	-	-	-	-	-	(216)	-	-	-	230	90,016	27,129	142	-	230	177,680
UMCL	**2,805**	**881**	**-**	**5,800**	**-**	**1,339**	**-**	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**-**	**323**	**122**	**-**	**-**	**417,069**
	11,592	1,300	-	12,259	-	(9,449)	-	-	-	-	12,000	-	(30,000)	(40,000)	-	795	-	-	-	417,069
Total	**2,940,772**	**28,761**	**-**	**170,776**	**-**	**(3,650)**	**-**	**19,375**	**-**	**4,654**	**-**	**779**	**-**	**(16,007)**	**519,207**	**278,076**	**6,352**	**-**	**78,262**	**1,669,145**
	3,030,658	12,740	29,712	37,915	-	(22,039)	-	24,040	-	4,818	12,000	2,350	(30,000)	(80,454)	552,818	264,887	44,152	-	94,269	1,669,145

Name and Relationship	Transactions during the year														Balance outstanding at the year end					
	Sale of Goods and Services	Purchase of Goods	Purchase of Fixed Assets	Dividend Received	Dividend Paid	Interest Paid/ (Recovered) (Net)	Directors' Remmuneration	Cash Discount	Directors' Commission Paid (Net of tax deducted at source)	Reimbursement/ (Recoveries) of Expenses (Net)	Rendering/ (Recoveries) of Management and other Services	Sales Commission	Investment in Equity and Preference Shares	Loans/ Advances (taken)/ given (net)	Corporate Guarantees Given	Sundry Debtors	Sundry Creditors	Deposits	Loans and Advances	Investments in Equity and Preference Shares
Joint Venture Company																				
GWSCL	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**6,428** (49)	**3,145** 9,625	**-** -	**-** -	**-** -	**-** -	**1,267** (17,076)	**-** -	**2,500** 2,500	**-** -	**7,350** 7,350
PUMWPL	**202,908** 83,901	**4,160** 474	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**(31,847)** (17,219)	**10,539** 855	**-** -	**-** 36,000	**-** -	**102,000** -	**69,226** 361	**-** 108	**-** -	**-** -	**152,000** 152,000
CCLUMSSL	**-** 1,859	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**4,732** 4,732
DAPL	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**46,970** 39,039	**-** -	**-** -	**-** -	**-** -	**63,900** 106,500	**-** -	**54** -	**500** 500	**-** -	**32,500** 32,500
Total	**202,908** 85,760	**4,160** 474	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**21,551** 21,771	**13,684** 10,480	**-** -	**-** 36,000	**-** -	**165,900** 106,500	**70,493** (16,715)	**54** 108	**2,500** 3,000	**-** -	**196,582** 196,582
Key Management Personnel and Relatives																				
Mr. Rajeev Jhawar	**-** -	**-** -	**-** -	**-** -	**185** 185	**-** -	* **41,877** * 39,387	**-** -	**20,787** 31,864	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**32,016** 30,083	**-** -	**-** -	**-** -
Dr. P. Bhattacharya	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	* **24,772** * 22,599	**-** -	**10,394** 15,932	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**15,938** 15,041	**-** -	**-** -	**-** -
Dr. Vijay Sharma	**-** -	**-** -	**-** -	**-** -	**-** -	-	* **18,564** * 2,884	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**4,028** 625	-	**-** -	**-** -
Mr. P. K. Jain	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	* **13,046** * 2,000	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**2,949** 400	**-** -	**-** -	**-** -
Mr. Brij K Jhawar	**-** -	**-** -	**-** -	**-** -	**421** 125	**-** -	**820** 840	**-** -	**720** 1,256	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**800** 800	**-** -	**-** -	**-** -
Mrs. Shanti Devi Jhawar	**-** -	**-** -	**-** -	**-** -	**238** 238	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -
Mrs. Susmita Jhawar	**-** -	**-** -	**-** -	**-** -	**133** 133	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -
Mrs. Vineeta Ruia	**-** -	**-** -	**-** -	**-** -	**85** 85	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -
Ms. Shreya Jhawar	**-** -	**-** -	**-** -	**-** -	**91** 91	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -
Ms. Amisha Jhawar	**-** -	**-** -	**-** -	**-** -	**184** 184	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -
Ms. Stuti Jhawar	**-** -	**-** -	**-** -	**-** -	**163** 163	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -
Total	**-** -	**-** -	**-** -	**-** -	**1,500** 1,204	**-** -	**99,079** 67,710	**-** -	**31,901** 49,052	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**-** -	**55,731** 46,949	**-** -	**-** -	**-** -

iii) Figures in normal font relates to previous year.
* Refer Schedule 17.

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

19. (a) Consumption :-

	For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Value	%	Value	%
(i) Raw Materials				
Imported	1,224,287	11.81	1,689,388	20.61
Indigenous	9,142,684	88.19	6,507,652	79.39
	10,366,971	100.00	8,197,040	100.00
(ii) Stores and Spare Parts				
Imported	344,041	17.79	231,087	15.69
Indigenous	1,589,802	82.21	1,241,888	84.31
	1,933,843	100.00	1,472,975	100.00

(b) Raw Materials Consumed :-

		For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Unit	Quantity	Value	Quantity	Value
Metallic (Ferrous bearing)	M.T.	686,739	2,959,299	430,397	3,863,536
Coke	M.T.	245,066	4,243,333	97,178	1,463,469
Alloys	M.T.	14,355	1,496,267	7,087	662,528
Other Materials (individual item does not exceed 10% of total consumption)			1,668,072		2,207,507
			10,366,971		8,197,040

As per consistent practice, Raw Materials Consumed has been computed after taking into consideration material content included in Partly Finished Products (Schedule 14).

(c) In line with the presentation of the financial information followed for the purpose of Listing Agreements with Stock Exchanges, (Increase)/ Decrease in stock of Partly Finished Products has been presented along with movement in Stock-in-Trade (Schedule 14) instead of the earlier practice of presenting the movement in Partly Finished Products together with Raw Materials Consumed (Schedule 13). However such change in presentation does not have any impact on the profit for the year. Previous Year's figures have also been regrouped.

20 (a) Capacity and Production

Class of Products	Unit	Licensed capacity	Installed capacity $	Production	
Wire Rods	M.T.	**N.A.** N.A.	**400,000** 400,000	**318,567** 282,690	a
Bars	M.T.	**N.A.** N.A.	**323,000** 323,000	**173,048** 41,454	b
Billets	M.T.	**N.A.** N.A.	**1,000,000** 1,000,000	**500,140** 280,228	c
Pig Iron/Hot Metal	M.T.	**N.A.** N.A.	**570,000** 200,000	**292,994** 119,671	d
Sponge Iron	M.T.	**N.A.** N.A.	**300,000** 300,000	**237,209** 123,747	e
Rolled Products	M.T.	**N.A.** N.A.	**72,300** 72,300	**42,581** 51,972	f
Wire Ropes, Strands including Locked Coil Wire Ropes	M.T.	**N.A.** N.A.	**129,708** 124,068	**104,004** 93,843	g
Wires	M.T.	**N.A.** N.A.	**111,060** 109,980	**80,087** 70,464	h
Bright Bar	M.T.	**N.A.** N.A.	**25,480** 25,480	**19,278** 13,139	i
Conveyor Cord	M.T.	**N.A.** N.A.	**3,600** 3,600	**1,786** 1,775	

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

Class of Products	Unit	Licensed capacity	Installed capacity $	Production	
Wire Drawing and Allied Machines	Nos.	**N.A.** N.A.	**60** 50	**12** 11	j
Hydraulic Machines including Presses	Pcs.	**N.A.** N.A.	**100** 100	**60** 45	k
Blocks, Dies etc.	Sets	**N.A.** N.A.	**400** 400	**19** 20	n
Ferrules, Slings, Fitting	Pcs.	**N.A.** N.A.	**700,000** 700,000	**116,057** 76,693	
Equipment for Prestressed Concrete System	Pcs.	**N.A.** N.A.	**6,500,000** 6,500,000	**1,892,326** 2,304,701	l
Jointing Equipment	Pcs.	**N.A.** N.A.	**100,000** 100,000	**20,637** 8,011	m

$ As certified by the Management.

a Including internal consumption 192,229 M.T. (Previous Year 175,423 M.T.)

b Including internal consumption 16,006 M.T. (Previous Year 27,404 M.T.) ; excluding trial production Nil M.T. (Previous Year 48,049 M.T.)

c Including internal consumption 503,410 M.T. (Previous Year 378,925 M.T.) and purchase (net) 6,895 M.T. (Previous Year 27,749 M.T.); excluding trial production Nil M.T. (Previous Year 77,100 M.T.)

d Including internal consumption 312,286 M.T. (Previous Year 119,650 M.T.) excluding trial run production 45,669 M.T. (Previous year Nil M.T.)

e Including internal consumption 240,123 M.T. (Previous Year 147,303 M.T.) ; excluding trial production Nil M.T. (Previous Year 39,283 M.T.)

f Including internal consumption 99 M.T. (Previous Year 2,371 M.T.)

g Including internal consumption 3,100 M.T. (Previous Year 3,663 M.T.)

h including internal consumption 7,447 M.T. (Previous Year 6,155 M.T.)

i Including internal consumption 2,977 M.T.(Previous Year 1,070 M.T.) ; excluding trial production Nil M.T. (Previous Year 995 M.T.)

j Including internal consumption 6 Nos. (Previous Year 3 Nos.).

k Including internal consumption Nil Sets. (Previous Year 2 Sets).

l Including internal consumption 16,277 Pcs. (Previous Year 61,029 Pcs.).

m Including internal consumption Nil Pcs. (Previous Year 5 Pcs.).

n Including internal consumption 2 Sets (Previous Year Nil set).

(b) Purchase of General Merchandise

	Unit	Quantity	Value
Coal	M.T.	**-** 32,857	**-** 33,750
Tube Unit	Pcs.	**50,809** 50,065	**24,325** 24,103
Buncher Machines	Pcs.	**1** -	**11,384** -
Miscellaneous items (individual item does not exceed 10% of total purchase)			**1,850** 1,633
			37,559 59,486

Figures in normal type relates to previous year

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

20 (c) Opening Stock, Turnover, Closing Stock

Class of Products		Opening Stock		Turnover (Gross)			Closing Stock		
	Unit	Quantity	Rupees	Quantity	Rupees		Quantity	Rupees	
(i) Manufactured Items :-									
Wire Rods	M.T.	12,587 11,757	379,667 362,263	128,117 106,437	5,291,351 3,968,787		10,808 12,587	932,335 379,667	
Bars	M.T.	11,846 3,018	459,556 127,088	152,586 38,356	6,904,479 1,540,463	(a)	16,302 11,846	128,775 459,556	(c)
Billets	M.T.	9,774 5,392	284,902 162,546	6,589 1,770	210,535 46,874		6,810 9,774	198,171 284,902	
Pig Iron/Hot Metal	M.T.	2,306 2,285	43,367 50,011	5,177 -	125,310 -		23,506 2,306	430,425 43,367	
Sponge Iron	M.T.	8,764 1,321	74,532 10,823	- 8,284	- 105,334		5,850 8,764	56,572 74,532	
Rolled Product	M.T.	443 999	11,563 28,902	42,164 50,157	1,446,023 1,523,432		761 443	25,734 11,563	
Wire Ropes, Strands including Locked Coil Wire Ropes	M.T.	3,890 4,283	174,984 212,545	99,759 90,573	7,429,439 6,726,021		5,035 3,890	244,503 174,984	
Wires	M.T.	2,965 4,018	120,492 175,881	72,330 65,362	3,880,086 3,231,483		3,275 2,965	141,647 120,492	
Bright Bar	M.T.	1,337 1,612	55,441 69,303	15,812 12,455	1,013,221 716,098	(b)	1,826 1,337	83,887 55,441	(d)
Conveyor Cord	M.T.	21 55	1,222 3,180	1,766 1,809	194,042 177,882		41 21	2,566 1,222	
Wire Drawing and Allied Machines	Nos.	- -	- -	6 8	8,565 24,543		- -	- -	
Hydraulic Machines including Presses	Pcs.	- -	- -	60 43	1,342 478		- -	- -	
Blocks, Dies etc.	Sets	5 2	16 10	18 17	243 349		4 5	16 16	
Ferrules, Slings, Fitting	Pcs.	10,519 16,840	654 733	123,976 83,014	7,463 6,220		2,600 10,519	151 654	
Equipment for Prestressed Concrete System	Pcs.	147,183 68,602	11,138 9,971	1,874,096 2,165,091	121,854 129,139		149,136 147,183	7,483 11,138	
Jointing Equipment	Pcs.	- -	- -	20,637 8,006	541 134		- -	- -	
Spares and Accessories			- -		20,361 27,575			- -	
			1,617,534 1,213,256		26,654,855 18,224,812			2,252,265 1,617,534	

(a) Excluding trial production sale of Nil M.T. (Previous Year 14,915 M.T.) of Rs.Nil (Previous Year Rs. 555,949)
(b) Excluding trial production sale of Nil M.T. (Previous Year 884 M.T.) of Rs.Nil (Previous Year Rs. 58,932)
(c) Includes stock out of trial production Nil M.T. (Previous Year 8,969 M.T.) of Rs. Nil(Previous Year Rs. 352,678)
(d) Includes stock out of trial production Nil M.T. (Previous Year 111 M.T.) of Rs. Nil (Previous Year Rs. 5,031)

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

20 (c) Opening Stock, Turnover, Closing Stock

Class of Products		Opening Stock		Turnover (Gross)		Closing Stock	
	Unit	Quantity	Rupees	Quantity	Rupees	Quantity	Rupees
(ii) General Merchandise							
Tube Unit	Pcs.	**5,941** 5,404	**2,928** 2,388	**52,326** 49,528	**32,009** 31,526	**4,424** 5,941	**2,180** 2,928
Buncher Machines	Pcs.	**-** -	**-** -	**1** -	**13,700** -	**-** -	**-** -
Coal	M.T.	- -	- -	- 32,857	- 42,054		
Miscellaneous items (individual item does not exceed 10% of total purchases)			**1,180** 993		**39,689** 23,566		**1,114** 1,180
			4,108 3,381		**85,398** 97,146		**3,294** 4,108
(iii) Product Scrap (Footnote 1)			**815,214** 411,181		**471,226** 1,078,892		**87,455** 815,214
(iv) Service Charges			- -		**23,852** 14,630		- -
(v) DEPB/ Pass Book Gain			- -		**187,023** 184,783		- -
			815,214 411,181		**682,101** 1,278,305		**87,455** 815,214
TOTAL			**2,436,856** 1,627,818		**27,422,354** 19,600,263		**2,343,014** 2,436,856

Footnotes :

1. Includes Slag, Dust, etc.

2. Figures in normal type relates to previous year

21. Segment Information for the year ended 31st March, 2011

A. Primary Segment Reporting (by Business Segments)

I. Composition of Business Segments

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

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

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

II Inter Segment Transfer Pricing

Inter segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective for the Company.

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

III Segment Revenues, Results and Other Information

	Steel	Wire and Wire Ropes	Others	Total of Reportable Segment
External Sales *	**13,355,623** 8,036,842	**11,911,396** 10,467,013	**-** -	**25,267,019** 18,503,855
Inter Segment Sales*	**6,466,475** 5,168,522	**1,635** 55,861	**-** -	**6,468,110** 5,224,383
Other Income	**73,601** 111,590	**169,000** 32,248	**5,800** 12,259	**248,401** 156,097
Segment Revenues	**19,895,699** 13,316,954	**12,082,031** 10,555,122	**5,800** 12,259	**31,983,530** 23,884,335
Segment Result (PBIT)	**1,903,768** 773,312	**1,663,837** 1,742,885	**5,800** 11,655	**3,573,405** 2,527,852
Segment Assets	**36,662,967** 31,826,501	**10,728,177** 8,825,989	**417,146** 417,137	**47,808,290** 41,069,627
Segment Liabilities	**12,564,582** 13,584,400	**2,076,080** 1,859,107	**5,487** 5,487	**14,646,149** 15,448,994
Capital Expenditure (net)	**3,093,566** 5,531,502	**1,402,083** 736,234	**-** -	**4,495,649** 6,267,736
Depreciation	**1,483,197** 802,925	**272,102** 259,393	**-** 604	**1,755,299** 1,062,922
Non cash expenses other than depreciation	**11,813** 17,883	**2,226** 1,613	**-** -	**14,039** 19,496

* Net of excise duty

IV Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit	Assets	Liabilities *
Total of Reportable Segments	**31,983,530** 23,884,335	**3,573,405** 2,527,852	**47,808,290** 41,069,627	**14,646,149** 15,448,994
Corporate - Unallocated (net)	**24,385** 45,542	**(378,072)** (5,481)	**1,861,203** 718,827	**19,452,792** 11,342,542
Inter Segment Sales	**(6,468,110)** (5,224,383)	**-** -	**-** -	**-** -
Interest (net)	**-** -	**(1,742,339)** (1,130,336)	**-** -	**-** -
Provision for taxation -Current	**-** -	**(285,000)** (239,600)	**-** -	**-** -
MAT Credit	**-** -	**285,000** 239,600	**-** -	**-** -
Provision for taxation -Deferred	**-** -	**(457,731)** (469,964)	**-** -	**-** -
As per Financial Statements	**25,539,805** 18,705,494	**995,263** 922,071	**49,669,493** 41,788,454	**34,098,941** 26,791,536

*Excluding Shareholders' Funds.

B. Secondary Segment Reporting (by Geographical Segments)

	Domestic	Exports	Total
Revenues	**21,365,730** 13,921,880	**4,149,690** 4,738,072	**25,515,420** 18,659,952
Total Assets	**47,808,290** 41,069,627	**-** -	**47,808,290** 41,069,627
Capital Expenditure	**4,495,649** 6,267,736	**-** -	**4,495,649** 6,267,736

Figures in normal type relates to previous year

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

22. Total capitalisation includes following expenses (net of revenue/ captive consumption) during trial run production of various projects of the Company.

	2010-2011	2009-2010
Raw Materials Consumed	990,058	752,591
Consumption of Stores and Spares Parts	24,661	145,164
Repairs and Maintenance (Plant & Machinery)	6,942	19,441
Material Handling Charges	19,820	34,878
Power and Fuel	43,020	337,210
Salaries, Wages and Bonus (Net)	-	1,516
Other Expenses	-	3,874
Total (A)	**1,084,501**	**1,294,674**
Sales during trial run (net of excise duty)	-	563,284
Closing Stock out of trial run production	-	329,794
Absorbed in subsequent production process during trial run for captive consumption	676,759	-
Total (B)	**676,759**	**893,078**
Net Trial Run Expenses (A - B)	**407,742**	**401,596**

23. Particulars of disputed demands in respect of Income Tax, Sales Tax, Excise Duty , Service Tax and Customs Duty as on 31st March, 2011 which have not been deposited are set out below :

Name of the Statute	Nature of the dues	Amount (Rs. in thousand)	Period to which the amount related	Forum where dispute is pending
Central and State Sales Tax Acts.	Taxes including interest	747 66 7,426 192	1986-87, 2003-04 and 2004-05 1984-85 2005-06 to 2006-07 2005-06	Sales Tax Appellate Tribunal Deputy Commissioner of Commercial Taxes Joint Commissioner of Commercial Taxes Allahabad High Court
Central Excise Act, 1944	Excise Duty including penalty	429,898 4,806 6,249 612	2001-02 to 2009-10 2004-05 to 2007-08 2005-06 to 2009-10 2006-07	Central Excise and Service Tax Appellate Tribunal Additional Commissioner of Central Excise Commissioner of Central Excise & Service Tax (Appeal) Allahabad High Court
Finance Act, 1994	Service Tax	1,781	2001-02	Joint Commissioner of Central Excise & Service Tax
Customs Act, 1962	Customs Duty	1,585 1,593 5,166 4,095	1995-96, 1996-97, 1998-99, 2000-01, 2008-09 1989-90, 1992-93, 1993-94 1989-90, 1996-97, 2002- 03 2005-06	Deputy Commissioner of Customs Central Excise and Service Tax Appellate Tribunal Assistant Commissioner of Customs Commissioner of Customs (Appeals)
Income Tax Act, 1961	Income Tax	55,178 138,844	Assessment Year 1998-99 Assessment Year 2007-08	Ranchi High Court Commissioner of Income Tax (Appeals), Ranchi

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

24. Disclosure pursuant to SEBI's circular no SMD/POLICY/CIR-02/2003

I.	Name	Classification
	Bharat Minex Private Limited	a
	Rs.2,750	b, e
	Rs.2,750	d
	Usha Siam Steel Industries Public Company Limited	a
	Rs. 73,743	b, e
	Rs.92,197	d
	Usha Martin Americas Inc.	a
	Rs.1,769	c
	Rs.1,783	d
	Brunton Wolf Wire Ropes FZCO.	a
	Rs. Nil	c
	Rs.246	d
	UM Cables Limited	a
	Rs. Nil	b
	Rs.35,000	d

Legends to classification :-

a - denotes Subsidiaries

b - denotes Loans outstanding as at 31st March, 2011

c - denotes amount due on account of accrued interest, management service charges and recovery of expenses outstanding as at 31st March, 2011

d - denotes maximum amount outstanding during the year ended 31st March, 2011

e - denotes no repayment schedule or repayment beyond seven years.

II. In view of voluminous data furnishing of particulars such as name, amount outstanding at the year end and maximum amount outstanding during the year in respect of loans and advances in the nature of loan given to employees for medical, furniture, housing, vehicle etc. with interest rate varying from 0 - 6 per cent and repayment terms varying from 1 - 10 years is not considered practicable. Aggregate amount of such advances and loans outstanding at the year end is Rs.13,249 (Previous year Rs.19,098).

25. Employee Benefits

(I) Post Employment Defined Contribution Plans

During the year an amount of Rs. 45,594 (Previous year Rs.38,539) has been recognised as expenditure towards Defined Contribution Plans of the Company.

(II) Post Employment Defined Benefit Plans

Gratuity (Funded)

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the scheme, the Gratuity Trust Funds managed by the Life Insurance Corporation of India (LIC) and other insurance companies make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary for specified number of days (ranging from fifteen days to one month) depending upon the tenure of service subject to a maximum limit of twenty months' salary. Vesting occurs upon completion of five years of service. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as set out in Note 1 (j) (ii) above, based upon which, the Company makes contributions to the Gratuity Funds.

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company for the year ended 31st March, 2011

	Description	As at 31st March, 2011	As at 31st March, 2010
(a)	**Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation**		
	Present Value of Obligation at the beginning of the year	289,588	246,514
	Current Service Cost	10,101	9,224
	Interest Cost	23,453	18,714
	Actuarial (Gains)/ Losses	17,951	40,326
	Benefits Paid	(27,346)	(25,190)
	Present Value of Obligation at the end of the year	**313,747**	**289,588**
(b)	**Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets**		
	Fair Value of Plan Assets at the beginning of the year	242,339	224,003
	Expected Return on Plan Assets	19,387	17,920
	Actuarial Gains/ (Losses)	2,819	3,095
	Contributions	46,836	22,511
	Benefits Paid	(27,346)	(25,190)
	Fair Value of Plan Assets at the end of the year	**284,035**	**242,339**
(c)	**Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets**		
	Present Value of Obligation at the end of the year	313,747	289,588
	Fair Value of Plan Assets at the end of the year	284,035	242,339
	Assets/ (Liabilities) recognised in the Balance Sheet	**(29,712)**	**(47,249)**
(d)	**Expense recognised in the Profit and Loss Account**		
	Current Service Cost	10,101	9,224
	Interest Cost	23,453	18,714
	Expected Return on Plan Assets	(19,387)	(17,920)
	Actuarial (Gains)/ Losses	15,132	37,231
	Total Expense recognised *	**29,299**	**47,249**
	* Recognised under Contribution to Provident and other Funds in Schedule 15.		
(e)	**Category of Plan Assets**		
	Fund with LIC	276,287	235,355
	Fund with SBI Life Insurance	3,171	2,909
	Fund with HDFC Standard Life	3,132	2,970
	Others (including bank balances)	1,445	1,105
	Total	**284,035**	**242,339**
(f)	**Actual Return on Plan Assets**	22,206	21,015
(g)	**Principal Actuarial Assumptions**		
	Discount Rate	8.50%	8.00%
	Salary Escalation	6.00%	6.00%
	Expected Return on Asset	8.00%	8.00%

Schedules to Accounts

(Rs. in Thousand)

18. NOTES ON ACCOUNTS (contd.)

(h)	Other Disclosure	2010-11	2009-10	2008-09	2007-08
	Present Value of the Plan Obligation as at the end of the year	313,747	289,588	246,514	233,915
	Fair Value of Plan Assets as at the end of the year	284,035	242,339	224,003	225,121
	(Surplus) / Deficit as at the end of the year	(29,712)	(47,249)	(22,511)	(8,794)
	Experience Adjustments on Plan Obligation [(Gain)/ loss]	2,819	3,095	1,824	3,234
	Experience Adjustments on Plan Assets [(Gain) / loss]	17,951	40,326	18,256	(374)

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

(i) Contributions towards provident funds are recognised as expense. 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. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. In terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any. However, there is no such interest shortfall at the year end which is required to be made good by the Company. The Actuary has expressed his inability to provide an actuarial valuation of the provident fund liability as at the year end in the absence of any guidance from the Actuarial Society of India. Accordingly, complete information required to be considered as per AS 15 in this regard are not available and the same could not be disclosed. During the year, the Company has contributed Rs. 35,720 (Previous year Rs.25,397) to the Provident Fund.

26. Disclosure in respect of Joint Ventures

(a) Details of Joint Ventures

Name of Joint Venture	Country of Incorporation	Description of Interest	Proportion of Ownership Interest	
			As at 31st March, 2011	As at 31st March, 2010
Pengg Usha Martin Wires Private Limited (PUMWPL)	India	Jointly Controlled Entity	40%	40%
Gustav Wolf Speciality Cords Limited (GWSCL)	India	Jointly Controlled Entity	49%	49%
CCL Usha Martin Stressing Systems Limited (CCLUMSSL)	India	Jointly Controlled Entity	49.99%	49.99%
Dove Airlines Private Limited (DAPL)	India	Jointly Controlled Entity	50%	50%

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

	PUMWPL	GWSCL	CCLUMSSL	DAPL
ASSETS as at 31st March, 2011				
Fixed Assets (Net Block)	**144,076** 151,232	**-** -	**244** 488	**69,513** 82,552
Capital Work-in-Progress	**10,431** 1,437	**-** -	**-** -	**-** -
Current Assets, Loans and Advances				
Inventories	**37,113** 18,896	**-** -	**279** 278	**-** -
Sundry Debtors	**33,653** 13,032	**20,839** 9,538	**-** 625	**238** 734
Cash and Bank Balances	**146** 681	**791** 407	**2,654** 1,581	**20,807** 17,049
Other Current Assets	**1,158** 470	**1,225** 1,225	**-** -	**7,530** 1,124
Loans and Advances	**16,900** 15,132	**-** 8,401	**153** 334	**1,620** 1,335
Total	**243,477** 200,880	**22,855** 19,571	**3,330** 3,306	**99,708** 102,794
LIABILITIES as at 31st March, 2011				
Secured Loan	**80,661** 76,428	**-** -	**-** -	31,950 53,250
Unsecured Loan	**-** -	**7,982** 7,982	**-** -	**23,875** 16,375

Schedules to Accounts

18. NOTES ON ACCOUNTS (contd.)

(Rs. in Thousand)

	PUMWPL	GWSCL	CCLUMSSL	DAPL
Current Liabilities and Provisions				
Liabilities	**36,798** 6,765	**8,440** 6,519	**40** 117	**3,818** 1,060
Provisions	**(262)** (178)	**(2,070)** (1,863)	**(47)** (267)	**248** (776)
Deferred Tax Liability	- -	- -	- -	**52** 52
Total	**117,197** 83,015	**14,352** 12,638	**(7)** (150)	**59,943** 69,961
INCOME for the year 2010-2011				
Sales/ Operating Income	**121,829** 62,145	**4,691** 4,716	**88** 1,752	**54,222** 44,512
Other Income	**143** 204	- -	**9** 393	- -
Total	**121,972** 62,349	**4,691** 4,716	**97** 2,145	**54,222** 44,512
EXPENSES for the year 2010-2011				
Raw Materials Consumed	**63,549** 32,551	- -	- 1,036	- -
(Increase)/ Decrease in Stock-in-Trade	**(141)** 1,022	- -	- -	- -
Manufacturing, Selling and Administrative Expenses	**32,909** 21,084	**2,517** 3,919	**125** 1,106	**26,732** 17,190
Depreciation	**7,719** 7,507	- -	**244** 244	**13,537** 16,062
Interest	**9,521** 8,115	- -	**(153)** (93)	**5,285** 5,715
Taxation				
Current Tax	- -	**604** 175	- 12	**1,736** 942
Deferred Tax	- -	- -	- -	- 52
Total	**113,557** 70,279	**3,121** 4,094	**216** 2,305	**47,290** 39,961
Share of Bank Guarantees outstanding	- 938	- -	**250** 807	**16,450** 16,535
Share of Custom Duty Demand not acknowledged as debt	- -	- -	- -	**65,591** 65,591
Share of estimated outstanding Capital Commitments	**9,498** -	- -	- -	- -

(c) Figures in normal font relate to previous year

27. Provision for Dividend Tax is net of write back of excess provision Rs.1,177 (Previous year Rs. Nil) made in earlier year.

28. Figures for the previous year have been regrouped/ rearranged wherever necessary to make them comparable with the current year's figures.

Signatures to Schedule '1' to '18'

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790
Kolkata
11th May, 2011

P. Jhawar
Chairman

R. Jhawar
Managing Director

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Cash Flow Statement For the year ended 31st March, 2011

(Rs. in Thousand)

A. Cash flow from operating activities :	2010-11		2009-10	
Net profit before tax and extraordinary items		1,452,994		1,392,035
Adjustments for :				
Depreciation	1,764,869		1,072,517	
Interest (Net)	1,742,339		1,130,336	
Finance Charges	53,578		19,536	
Dividend received from Subsidiary Companies	(170,776)		(37,915)	
Dividend received from Current Investments - Other than Trade	(6,181)		(28,905)	
Loss/(Profit) on Sale of Fixed Assets (Net)	4,930		(547)	
Fixed Assets Written off	7,134		2,366	
Provision for Doubtful Debts and Advances	3,318		17,862	
Bad Debts written off/ Provision written back (Net)	(12,044)		10,546	
Liabilities no longer required written back	(51,485)		(76,941)	
Deferred Revenue Expenditure written off	-		8,745	
Derivatives (Gain)/Loss (Net)	(130,466)		69,185	
Exchange (Gain)/Loss (Net)	(173,005)	3,032,211	(562,872)	1,623,913
Operating profit before working capital changes		4,485,205		3,015,948
Increase / Decrease in :				
Trade and other receivables	(736,828)		1,141,401	
Inventories	(2,905,528)		(2,683,945)	
Trade payables	2,400,322	(1,242,034)	5,023,473	3,480,929
Cash generated from operations		3,243,171		6,496,877
Direct taxes paid	(313,301)		(232,886)	
Payment of Compensation under Voluntary Retirement Scheme	-	(313,301)	(1,440)	(234,326)
Net Cash from Operating Activities		**2,929,870**		**6,262,551**
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets [including interest capitalisation Rs.19,264; (Previous Year Rs. 574,332)]	(7,767,545)		(4,350,356)	
Sale of Fixed Assets	6,890		1,915	
Investments in Joint Venture Companies	-		(36,000)	
Loans and Advances to Subsidiary Companies (Net)	19,990		80,454	
Redemption of Investments	-		38,753	
Interest received	31,590		110,886	
Dividend received from Subsidiary Companies	170,776		37,915	
Dividend received from Current Investments - Other than Trade	6,181		28,905	
Net Cash used in Investing Activities		(7,532,118)		(4,087,528)
Carried forward		(4,602,248)		2,175,023

Cash Flow Statement (Contd...)

(Rs. in Thousand)

	2010-11		2009-10	
Brought forward		(4,602,248)		2,175,023
C. Cash flow from Financing Activities :				
Proceeds from issuance of Equity Shares	-		4,576,642	
Long term borrowings (Net of finance charges relating to prepayment				
of loans and other items) - Receipts / (Payment)	6,201,038		(2,959,536)	
Short term borrowings - Receipts / (Payment)	1,503,393		(2,875,260)	
Interest paid	(1,722,735)		(1,286,697)	
Dividend paid (including tax thereon Rs.48,531; Previous Year Rs. 42,529)	(352,342)		(291,651)	
Net Cash from / (used in) Financing Activities		5,629,354		(2,836,502)
Net increase/(decrease) in cash and cash equivalents during the year		1,027,106		(661,479)
D. Effect of Foreign Exchange Differences on Cash and Cash Equivalents		4		(229)
		1,027,110		(661,708)
Cash and Cash Equivalents as at 31st March, 2010				
[Refer Schedule 8 to Accounts]	102,974		764,682	
Cash and Cash Equivalents as at 31st March, 2011				
[Refer Schedule 8 to Accounts]	1,130,084	1,027,110	102,974	(661,708)

Notes :

1. The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statements prescribed under the Companies Act, 1956 of India.
2. Schedule referred to above forms an integral part of the Cash Flow Statement.
3. Figures for the previous year have been regrouped/rearranged wherever necessary.
   This is the Cash Flow Statement referred to in our report of even date.

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

P. Jhawar
Chairman

R. Jhawar
Managing Director

(P. Law)
Partner
Membership No. 51790
Kolkata
11th May, 2011

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Balance Sheet Abstract

(Rs. in Thousand)

Information pursuant to Part IV of Schedule VI of the Companies Act ,1956

Balance Sheet Abstract And Company's General Business Profile

I Registration Details

Registration No: 9 1 6 2 1

State Code: 2 1

Balance Sheet Date: 3 1 0 3 2 0 1 1

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue: N I L

Rights Issue: N I L

Bonus Issue: N I L

Private Placement: N I L

III Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)

Total Liabilities: 3 4 0 9 8 9 4 1

Total Assets: 4 9 6 6 9 4 9 3

Sources Of Funds *

Paid-up Capital: 3 0 5 4 2 0

Reserves & Surplus: 1 5 2 6 5 1 3 2

Secured Loans: 1 6 0 9 2 0 6 2

Unsecured Loans: N I L

* Do not include Deferred Tax Liabilities Rs.2,148,748

Application of Funds

Net Fixed Assets: 3 1 2 9 9 9 6 5

Investments: 1 8 6 9 5 1 3

Net Current Assets: 6 4 1 8 8 4

Misc. Expenditure: N I L

Accumulated Losses: N I L

IV Performance of Company (Amount in Rs . Thousands)

Turnover (Gross): 2 7 4 2 2 3 5 4

Total Expenditure: 2 4 0 8 6 8 1 1

+ - Profit/Loss before Tax: ✓ | 1 4 5 2 9 9 4

+ - Profit/Loss after Tax: ✓ | 9 9 5 2 6 3

(Please tick appropriate box + for Profit - for Loss)

Earning per Share in Rs.

Basic: 3 . 2 7

Diluted: 3 . 2 7

Dividend rate %: 1 0 0

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Product Description :	Item Code No. (ITC Code)
i) Wire Ropes, Strands including Locked Coil Wire Rope	7 3 1 2
ii) Wires	7 2 1 7
iii) Wire Rods	7 2 1 3

P. Jhawar
Chairman

R. Jhawar
Managing Director

Kolkata
11th May, 2011

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Consolidated Auditors' Report

Auditors' Report on the Consolidated Financial Statements Of Usha Martin Limited

THE BOARD OF DIRECTORS OF
USHA MARTIN LIMITED

1. We have audited the attached Consolidated Balance Sheet of Usha Martin Limited (the "Company") and its subsidiaries and its jointly controlled entities; hereinafter referred to as the "Group" (refer Note [2(a)] on Schedule 17 to the attached Consolidated Financial Statements) as at 31st March, 2011, the related Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the subsidiaries and the jointly controlled entities included in the Consolidated Financial Statements, which constitute total assets of Rs. 7,929,388 thousand and net assets of Rs. 4,695,221 thousand as at 31st March, 2011, the total revenue of Rs. 8,358,092 thousand, net profit of Rs. 623,113 thousand and net cash outflows amounting to Rs. 25,072 thousand for the year ended 31st March, 2011. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, and Accounting Standard (AS) 27- Financial Reporting of Interests in Joint Ventures notified under sub-section 3C of Section 211 of the Companies Act, 1956.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;

   (b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For PRICE WATERHOUSE
Firm Registration Number: 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

Consolidated Balance Sheet of Usha Martin Limited and its Subsidiaries as at 31st March, 2011

(Rs. in Thousand)

	Schedule Reference	31st March, 2011		31st March, 2010	
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1	305,420		305,420	
Reserves and Surplus	2	17,538,028	17,843,448	16,569,824	16,875,244
Minority Interest			174,931		162,457
Loan Funds	3				
Secured Loans		17,218,512		9,672,574	
Unsecured Loans		304,320	17,522,832	285,249	9,957,823
Deferred Tax Liability (Net) [Note 14 on Schedule 17]			2,236,978		1,783,963
			37,778,189		**28,779,487**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		43,947,376		37,039,869	
Less: Depreciation		13,276,165		11,194,226	
Impairment Loss		164,205		164,011	
Net Block		30,507,006		25,681,632	
Capital Work-in-progress		3,886,386	**34,393,392**	6,095,259	**31,776,891**
Investments	5		3,786		3,786
Current Assets, Loans and Advances					
Inventories	6	11,938,342		8,877,522	
Sundry Debtors	7	4,436,986		3,097,661	
Cash and Bank Balances	8	1,478,191		476,153	
Other Current Assets	9	399,905		361,221	
Loans and Advances	10	2,694,505		2,716,176	
		20,947,929		**15,528,733**	
Less:					
Current Liabilities and Provisions	11				
Liabilities		17,109,280		18,099,358	
Provisions		457,638		430,565	
		17,566,918		18,529,923	
Net Current Assets			3,381,011		(3,001,190)
			37,778,189		**28,779,487**
Notes on Accounts	17				

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

Schedules referred to above form an integral part of the Consolidated Balance Sheet.

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

P. Jhawar
Chairman

R. Jhawar
Managing Director

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Consolidated Profit and Loss Account of Usha Martin Limited and its Subsidiaries for the year ended 31st March, 2011

(Rs. in Thousand)

	Schedule Reference	2010-11		2009-10	
INCOME					
Turnover (Gross)			32,683,990		26,303,287
Less : Excise Duty			2,218,252		1,159,199
Turnover (Net)			30,465,738		25,144,088
Other Income	12		205,797		255,061
			30,671,535		**25,399,149**
EXPENDITURE					
Purchase of General Merchandise			38,699		59,684
Raw Materials Consumed	13		13,305,877		11,544,952
(Increase)/Decrease in Stock-in-Trade and Partly Finished Products	14		(1,520,623)		(815,521)
Manufacturing, Selling and Administrative Expenses	15		13,018,429		9,860,903
Depreciation and Amortisation		2,075,869		1,328,292	
Less : Transferred from Fixed Assets Revaluation Reserve		66,311	2,009,558	33,626	1,294,666
[Note 16(f) on Schedule 17]					
Interest (Note 7 on Schedule 17)			1,822,772		1,255,038
Adjustments for Items Capitalised and					
Departmental Orders for own consumption			(43,906)		(200,973)
			28,630,806		**22,998,749**
PROFIT BEFORE TAXATION AND MINORITY INTEREST			2,040,729		2,400,400
Provision for Taxation	16		640,385		685,212
PROFIT AFTER TAXATION AND BEFORE MINORITY INTEREST			1,400,344		1,715,188
Minority Interest			30,012		28,990
PROFIT AFTER TAXATION AND MINORITY INTEREST			1,370,332		1,686,198
Profit brought forward from Previous year			2,121,445		1,320,783
PROFIT AVAILABLE FOR APPROPRIATIONS			**3,491,777**		**3,006,981**
APPROPRIATIONS					
Transfer to General Reserve			500,119		500,000
Transfer to Capital Redemption Reserve			-		30,000
Proposed Dividend on Equity Shares			304,742		304,742
Dividend Tax on Proposed Dividend (Refer Note 18 on Schedule 17)		47,319		49,708	
Dividend Tax relating to Inter Group Dividend		963	48,282	1,086	50,794
Balance Carried to Balance Sheet			2,638,634		2,121,445
			3,491,777		**3,006,981**
Notes on Accounts	17				
Basic Earning per Equity Share of Re.1 each Rs.			4.50		6.46
Diluted Earning per Equity Share of Re.1 each Rs.			4.50		6.46
(Note 8 on Schedule 17)					

This is the Consolidated Profit & Loss Account referred to in our report of even date

Schedules referred to above form an integral part of the Consolidated Profit and Loss Account

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

P. Jhawar
Chairman

R. Jhawar
Managing Director

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Schedules to Accounts

(Rs. in Thousand)

1. SHARE CAPITAL

		31st March, 2011		31st March, 2010	
Authorised					
500,000,000	Equity Shares of Re.1 each		500,000		500,000
10,000,000	Redeemable Cumulative Preference Shares of Rs.50 each		500,000		500,000
			1,000,000		1,000,000
Issued, Subscribed and Paid-up					
304,741,780	Equity Shares of Re. 1 each fully paid up	304,742		304,742	
	Add: Shares Forfeited	678	305,420	678	305,420
			305,420		**305,420**

2. RESERVES AND SURPLUS

	As at 31st March, 2010	Additions during the year	Transfer during the year	As at 31st March, 2011
Capital Reserve	372,075	-	-	372,075
Capital Redemption Reserve	373,081	-	-	373,081
Fixed Assets Revaluation Reserve	385,851	-	64,987 [Note 1 below]	320,864
Securities Premium Account	8,559,304	-	-	8,559,304
General Reserve	5,160,455	500,119	-	5,660,574
Foreign Currency Translation Adjustment Account	(286,538)	85,451	-	(201,087)
Hedging Reserve Account [Note 2 below]	(115,849)	12,149	81,717	(185,417)
Profit and Loss Account	2,121,445	2,638,634	2,121,445	2,638,634
	16,569,824	**3,236,353**	**2,268,149**	**17,538,028**

Notes :

1. Comprises withdrawals of Rs.66,311 on account of depreciation on the amount added on revaluation [Refer Note 16(f) on Schedule 17], and Rs.1,324 on adjustment against Minority Interest.
2. Refer Note 1(h) on Schedule 17.

Schedules to Accounts

(Rs. in Thousand)

3. LOANS

	31st March, 2011	31st March, 2010
Secured Loans		
Term Loans From -		
Financial Institution		
Rupee Loan	2,500,000	-
Banks		
Rupee Loans	6,334,400	2,586,000
Foreign Currency Loans	6,588,044	6,564,229
Corporate Body - Rupee Loan	31,950	53,250
Vehicle Loans from Banks	2,163	225
Working Capital Loans from		
Banks		
Rupee Loans	1,522,236	106,508
Foreign Currency Loans	238,089	361,476
Interest accrued and due on above	1,630	886
	17,218,512	**9,672,574**
Unsecured Loans		
Loans from		
Corporate Bodies (Short Term)		
Rupee Loans	20,125	16,375
Foreign Currency Loans	7,982	7,982
Banks (Short Term)		
Foreign Currency Loans	97,242	92,817
Financial Institution - Foreign Currency Loan	178,971	168,075
	304,320	**285,249**
	17,522,832	**9,957,823**

CONSOLIDATED FINANCIAL STATEMENTS OF USHA MARTIN LIMITED AND ITS SUBSIDIARIES

Schedules to Accounts

(Rs. in Thousand)

4 . FIXED ASSETS	GROSS BLOCK - at Cost / Valuation				DEPRECIATION AND AMORTISATION				IMPAIRMENT LOSS			NET BLOCK	
	As on 31st March, 2010	Additions during the year [Note (ii) below]	Sales / Adjustments during the year [Note (iii) below]	As on 31st March, 2011	As on 31st March, 2010	For the year	On Items Sold / Adjusted during the year [Note (iv) below]	Total up to 31st March, 2011	As on 31st March, 2010	On Items Sold / Adjusted during the year [Note (v) below]	As on 31st March, 2011	As on 31st March, 2011	As on 31st March, 2010
A. Tangible Assets													
Land and Site Development													
Freehold	1,033,051	31,549	(10,971)	1,075,571	-	-	-	-	-	-	-	1,075,571	1,033,051
Leasehold	193,996	2,386	-	196,382	13,637	2,264	-	15,901	-	-	-	180,481	180,359
Mining Lease and Development [Note (vii) below]	1,059,015	-	-	1,059,015	124,958	103,804	-	228,762	-	-	-	830,253	934,057
Buildings	3,938,881	118,522	(21,707)	4,079,110	935,693	134,455	(8,929)	1,079,077	533	(31)	564	2,999,469	3,002,655
Plant and Machinery													
Own	27,554,404	5,952,854	(73,165)	33,580,423	9,148,907	1,632,925	(42,816)	10,824,648	152,878	(424)	153,302	22,602,473	18,252,619
On Finance Lease [Note (viii) below]	1,925	2,419	1,910	2,434	390	245	503	132	261	261	-	2,302	1,274
Aircraft	135,294	-	-	135,294	53,637	13,228	-	66,865	-	-	-	68,429	81,657
Railway Sidings	266,695	-	-	266,695	40,077	12,668	-	52,745	-	-	-	213,950	226,618
Electrical Installation	1,590,453	691,956	1	2,282,408	450,250	122,433	1	572,682	-	-	-	1,709,726	1,140,203
Water Treatment and Supply Plant	157,904	-	-	157,904	81,174	5,775	-	86,949	-	-	-	70,955	76,730
Office Equipment	139,045	12,753	(1,473)	153,271	85,943	8,672	(894)	95,509	-	-	-	57,762	53,102
Furniture and Fixtures	148,383	10,199	27,995	130,587	83,245	13,025	28,178	68,092	-	-	-	62,495	65,138
Vehicles													
Own	141,553	29,235	23,472	147,316	75,218	16,174	18,464	72,928	-	-	-	74,388	66,335
On Finance Lease [Note (viii) below]	4,132	-	32	4,100	1,680	706	28	2,358	-	-	-	1,742	2,452
	36,364,731	**6,851,873**	**(53,906)**	**43,270,510**	**11,094,809**	**2,066,374**	**(5,465)**	**13,166,648**	**153,672**	**(194)**	**153,866**	**29,949,996**	**25,116,250**
B. Intangible Assets													
Goodwill													
Arising on Consolidation	563,471	-	-	563,471	-	-	-	-	10,339	-	10,339	553,132	553,132
Others	30,358	-	(874)	31,232	23,533	7,102	(597)	31,232	-	-	-	-	6,825
Computer Softwares (Acquired)	74,455	989	135	75,309	69,518	2,149	(8)	71,675	-	-	-	3,634	4,937
Technical Know-how	6,854	-	-	6,854	6,366	244	-	6,610	-	-	-	244	488
	675,138	**989**	**(739)**	**676,866**	**99,417**	**9,495**	**(605)**	**109,517**	**10,339**	**-**	**10,339**	**557,010**	**565,382**
Capital Work-in-progress												3,886,386	6,095,259
	37,039,869	**6,852,862**	**(54,645)**	**43,947,376**	**11,194,226**	**2,075,869**	**(6,070)**	**13,276,165**	**164,011**	**(194)**	**164,205**	**34,393,392**	**31,776,891**
Previous Year	24,377,342	13,038,021	375,494	37,039,869	10,081,979	1,328,292	216,045	11,194,226	166,856	2,845	164,011		

Schedules to Accounts

(Rs. in Thousand)

4. Fixed Assets (Contd.)

Notes :

(i) Land and Buildings include Rs.100,100 (Previous Year Rs.101,709) in respect of which Deed of Conveyance, Registration and other formalities are yet to be completed.

(ii) Includes amount added on revaluation Rs.Nil (Previous Year Rs.151,459).

(iii) Net of Rs.149,304 (Net) [Previous Year Inclusive of Rs.189,052 (Net)] on account of foreign exchange adjustment.

(iv) Net of Rs.78,946 (Net) [Previous Year Inclusive of Rs. 73,611 (Net)] on account of foreign exchange adjustment.

(v) Includes foreign exchange adjustment Rs.732 (Previous Year Rs.492).

(vi) The year end gross block includes the following assets which are stated at valuation as indicated in Note 16 on Schedule 17 :

Assets	As on 31st March, 2011					As on 31st March, 2010				
	Rupees (Thousand)	Thai Baht (Thousand)	Rupees (Thousand)	Great Britain Pound (Thousand)	Total Rupees (Thousand)	Rupees (Thousand)	Thai Baht (Thousand)	Rupees (Thousand)	Great Britain Pound (Thousand)	Total Rupees (Thousand)
Land and Site Development	190,465	129,140	-	-	190,465	180,141	129,140	-	-	180,141
Buildings	237,168	160,806	79,092	1,104	316,260	224,313	160,806	75,237	1,104	299,550
Plant and Machinery	1,502,669	1,018,848	-	-	1,502,669	1,421,220	1,018,848	-	-	1,421,220
	1,930,302	**1,308,794**	**79,092**	**1,104**	**2,009,394**	**1,825,674**	**1,308,794**	**75,237**	**1,104**	**1,900,911**

(vii) Gross Block includes Rs.106,103 (Previous Year Rs.106,103) towards provision for final mines closure expenditure pursuant to Rule 23 under Mineral Conservation and Development (Amendment Rules, 2003) read with Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957 of India. The depreciation for the current year includes Rs.17,868 (Previous Year Rs.17,739) on account of amortisation of the same.

(viii) Obligation under Finance Lease :

The Group has acquired certain fixed assets under finance lease arrangements. Minimum Lease Payments outstanding as at 31st March, 2011 and other particulars in respect of leased assets are as under:

	31st March, 2011			31st March 2010		
	Total minimum lease payments outstanding	Interest	Present value of minimum lease payments	Total minimum lease payments outstanding	Interest	Present value of minimum lease payments
Within One year	1,414	200	1214	1073	132	941
Later than one year and not later than five years	1841	210	1631	1735	279	1456
Later than five years	-	-	-	-	-	-
Total	3,255	410	2,845*	2,808	411	2,397*
* Included in Sundry Creditors						

5. INVESTMENTS

	31st March, 2011	31st March, 2010
- At Cost or Under		
Long Term		
Unquoted		
Ordinary Shares in a company	2,785	2,785
Ordinary Shares in a subsidiary company	-	-
[Refer Note 2(d) on Schedule 17]		
Others	1,001	1,001
	3,786	3,786

Schedules to Accounts

(Rs. in Thousand)

6. INVENTORIES

	31st March, 2011	31st March, 2010
[Note 1(f) on Schedule 17]		
Stores and Spare Parts	586,407	500,238
Loose Tools	193,111	176,640
Raw Materials	3,459,270	2,672,281
Goods-in-Transit	1,252,152	607,163
Partly Finished Products	2,551,964	1,080,128
Stock-in-Trade @	3,944,145	3,895,358
	11,987,049	8,931,808
Deduct : Provision for slow moving items and		
diminution in realisable value	48,707	54,286
	11,938,342	**8,877,522**

@ Comprises Finished Products, Scrap and General Merchandise.

7. SUNDRY DEBTORS

	31st March, 2011	31st March, 2010
Unsecured -		
Exceeding six months -		
Considered Good	74,335	126,281
Considered Doubtful	97,031	126,287
	171,366	252,568
Others -		
Considered Good	4,362,651	2,971,380
	4,534,017	3,223,948
Less : Provision for Doubtful Debts	97,031	126,287
	4,436,986	**3,097,661**

8. CASH AND BANK BALANCES

	31st March, 2011	31st March, 2010
Cash in hand [including Drafts and Cheques of Rs.82,588 ; (Previous Year Rs.Nil)]	85,499	3,283
Remittances-in-transit	140,918	35,206
Balances with Banks (Note below)	1,251,774	437,664
	1,478,191	476,153
Note : Includes balances held as / under :		
Collateral for issuing Bank Guarantee	20,674	12,222
Unpaid Dividend Accounts	5,711	4,780
	26,385	**17,002**

9. OTHER CURRENT ASSETS

	31st March, 2011	31st March, 2010
Unsecured - Considered Good		
Miscellaneous Deposits	266,227	257,457
Others (Refer Note 11 on Schedule 17)	2,965	2,804
Derivative Assets	130,713	100,960
	399,905	**361,221**

Schedules to Accounts

(Rs. in Thousand)

10. LOANS AND ADVANCES

	31st March, 2011	31st March, 2010
Unsecured-		
Considered Good (Unless indicated otherwise below)		
Advances recoverable in cash or in kind or for value to be received (including Rs.65,568 ; Previous Year Rs.75,070 considered doubtful)	1,682,987	2,026,627
Balance with Central Excise and Other Government Authorities	536,977	512,074
Advance against Purchase of Land	3,550	-
Inter Corporate Loans	3,750	-
Accrued Interest	8,209	12,945
MAT Credit Entitlement	524,600	239,600
	2,760,073	2,791,246
Less : Provision for Doubtful Advances	65,568	75,070
	2,694,505	**2,716,176**

11. CURRENT LIABILITIES AND PROVISIONS

	31st March, 2011	31st March, 2010
Liabilities		
Acceptances	12,273,681	12,138,938
Sundry Creditors	4,063,973	5,162,723
Sundry Advances from Customers	134,932	181,839
Derivative Liabilities	479,523	515,959
Miscellaneous Deposits	33,270	22,669
Unpaid Dividend	5,711	4,780
Interest accrued but not due on Loans	117,766	71,871
Interest payable on Fixed Deposits and Debentures (Unclaimed Warrants issued but not encashed)	424	579
	17,109,280	**18,099,358**
Provisions		
Current Taxation (Net)	104,237	75,952
Fringe Benefit Tax (Net)	163	163
Proposed Dividend		
On Equity Shares	304,742	304,742
Tax on Dividends	48,496	49,708
	457,638	**430,565**
	17,566,918	**18,529,923**

Schedules to Accounts

(Rs. in Thousand)

12. OTHER INCOME

	2010-11	2009-10
Income from Current Investments		
- Dividend	6,181	28,905
Provision for Doubtful Debts, Advances and Stocks no longer required written back	78,582	80,872
Liabilities no longer required written back	73,193	82,947
Profit on Sale of Fixed Assets (Net)	-	2,130
Claims Received	8,490	1,443
Sale of Certified Emission Reduction (Carbon Credit)	15,462	38,573
Gain on Reversal of Impairment Loss	538	1,049
Miscellaneous Income	23,351	19,142
	205,797	**255,061**

13. RAW MATERIALS CONSUMED

	2010-11	2009-10
Opening Stock	2,672,281	1,238,735
Add : Purchases	14,092,866	12,978,498
	16,765,147	14,217,233
Deduct: Closing Stock	3,459,270	2,672,281
	13,305,877	**11,544,952**

14. (INCREASE)/DECREASE IN STOCK-IN-TRADE AND PARTLY FINISHED PRODUCTS

	2010-11		2009-10	
Opening Stock				
Stock-in-Trade	3,895,358		3,042,366	
Partly Finished Products	1,080,128	4,975,486	1,117,599	4,159,965
Deduct: Closing Stock				
Stock-in-Trade	3,944,145		3,895,358	
Partly Finished Products	2,551,964	6,496,109	1,080,128	4,975,486
		(1,520,623)		**(815,521)**

Schedules to Accounts

(Rs. in Thousand)

15. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES

	2010-11		2009-10	
Salaries, Wages and Bonus		1,610,811		1,442,216
Contribution to Provident and Other Funds		133,590		127,767
Workmen and Staff Welfare Expenses		282,394		211,114
Consumption of Stores and Spare Parts		2,029,138		1,564,398
Power and Fuel		3,435,595		2,271,627
Repairs and Maintenance				
Buildings (Net)		115,096		113,889
Plant and Machinery		634,464		401,114
Others		30,851		23,910
Royalty		281,182		96,232
Rent		87,006		70,981
Hire Charges/Lease Rentals of Plant and Machinery		40,623		32,163
Rates and Taxes		27,721		45,543
Insurance		54,478		44,390
Commission to Selling Agents		59,245		80,179
Freight, Transport and Delivery		1,373,168		1,587,251
Directors' Remuneration (excluding perquisites and Contribution to Provident and Other Funds included in other heads)		174,476		137,510
Travelling Expenses		69,793		53,472
Processing Charges		534,475		273,789
Brokerage and Discount on Sales		208,528		288,607
Write down in carrying amount of land		-		1,541
Loss on Sale of Fixed Assets (Net)		7,301		-
Finance Charges		53,578		19,536
Bad Debts and Advances written off	4,011		38,103	
Less : Written back of Provision from Doubtful Debts / Advances	19	3,992	20,479	17,624
Share Issue Expenses	-		104,908	
Less : Adjusted against Securities Premium Account	-	-	104,908	-
Exchange Gain (Net)		(131,825)		(504,374)
(Gain)/Loss on Derivative Contracts (Net)		(53,853)		89,059
Provisions for Doubtful Debts and Advances		5,410		31,641
Provisions for slow moving items and diminution in realisable value		27,249		43,918
Deferred Revenue Expenditure Written off		-		8,745
Excise Duty on Stocks, Replacements etc.		86,593		55,879
Material Handling Charges		1,332,233		731,076
Miscellaneous Expenses		505,117		500,106
		13,018,429		**9,860,903**

16. PROVISION FOR TAXATION

	2010-11	2009-00
Current Tax	472,850	437,647
Less: MAT Credit	(285,000)	(239,600)
Deferred Tax Charge	452,535	487,165
	640,385	**685,212**

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS

1. Significant Accounting Policies

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India and the applicable Accounting Standards prescribed under Section 211(3C) of the Companies Act, 1956 of India (the Act).

a) FIXED ASSETS

Fixed Assets (comprising both tangible and intangible items) are stated at cost other than certain classes of assets of subsidiary companies which are stated at valuation (Refer Note 16 below). Cost comprises cost of acquisition, manufacture and subsequent improvements thereto including taxes and duties (net of credits and drawback), freight and other incidental expenses related to acquisition and installation. Preoperative expenses, where appropriate, are capitalised till the commercial use of the assets.

b) DEPRECIATION

i) Depreciation (including amortisation) is provided under "Straight Line Method" at the rates specified in Schedule XIV to the Companies Act, 1956 other than the following :

- Certain items of Plant and Machinery - 20%
- Computer Softwares - 20%

In respect of assets existing as on 16th December, 1993, the specified period has been recomputed in terms of the Notification No. GSR 756E dated 16th December, 1993 read with Circular No.14/93 dated 20th December, 1993 with respect to revised rates and depreciation has been provided by allocating net book value of fixed assets as at the beginning of the year over the remaining recomputed lives of respective assets.

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

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

iv) Goodwill arising on acquisition is amortised over the estimated useful life of five years.

v) No depreciation is provided on assets which are being used for trial run.

vi) Certain Plants are considered to be continuous process plant based on technical evaluation.

vii) In case of certain subsidiaries and a joint venture company depreciation is provided under "Reducing Balance Method" and/or "Straight Line Method" at the following rates which are different from those applied by the Parent Company:

Class of Assets	Reducing Balance Method	Straight Line Method
Land and Site Development - Leasehold		20%
Buildings		2% - 5% , 10%
Plant and Machinery		7% - 10% , 20%
Furniture and Fittings	10% - 25%	10%, 15% , 25%
Office Equipment	10% - 25%	10%-12.5%, 25%, 100%
Vehicles	25.89%	10% - 25%
Aircraft	16.20%	
Computer	40%	

c) CAPITAL WORK-IN-PROGRESS

These are stated at cost and inclusive of preoperative expenses, project development expenses pending allocation and assets-in-transit.

d) IMPAIRMENT LOSS

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

e) INVESTMENTS

Current investments i.e. investments which are expected to be liquidated within one year are treated as Current Assets and are valued at lower of cost and net realisable value. Long term investments are stated at cost or under and diminution in carrying amount, other than temporary, is written down/provided for.

f) INVENTORIES

Inventories other than scrap are valued at lower of cost and estimated net realisable value. Cost is determined on Weighted Average Basis. Scrap is valued at estimated net realisable value.

g) TRANSACTIONS IN FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions. Exchange differences arising on settlement of transactions and/ or restatements are dealt with in the Profit and Loss Account.

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

1. Significant Accounting Policies (Contd....)

h) DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

Effective April 1, 2009 the Group adopted Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with existing Accounting Standards and other authoritative pronouncements of the Companies Act, 1956 of India and other regulatory requirements.

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

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

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

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

i) REVENUE RECOGNITION

Income and Expenditure are recognised on accrual basis unless otherwise stated.

Revenue is recognised on completion of sale of goods, rendering of services and use of the Company's resources by third parties. Sales are recorded net of trade discount, sales return, rebates and sales taxes but including excise duties and export incentives.

Dividend income on investments is accounted for when the right to receive the payment is established.

Interest income is recognised on a prudent basis where there is reasonable certainty as to realisation.

j) EMPLOYEE BENEFITS :

(i) Short-term Employees Benefits :

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

(ii) Post Employment Benefit Plans :

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

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

(iii) Other Long-term Employment Benefits (unfunded)

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

k) BORROWING COST

Borrowing Cost attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the period in which these are incurred.

l) RESEARCH AND DEVELOPMENT EXPENDITURE

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

m) GOVERNMENT GRANTS

Government grants of the nature of promoters' contribution are credited to Capital Reserve.

Government grants related to specific fixed asset are deducted from gross values of related assets in arriving at their book values.

Government grants related to revenue are recognised on a systematic basis in the Profit and Loss Account over the periods necessary to match them with their related costs.

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

1. Significant Accounting Policies (Contd....)

n) TAXATION

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

o) PROVISION AND CONTINGENT LIABILITIES

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

p) CONSOLIDATION

i) **Consolidated Financial Statements relate to Usha Martin Limited, the Parent Company and its subsidiaries (the Group). The Consolidated Financial Statements are in conformity with the Accounting Standard (AS) - 21 on Consolidated Financial Statements, prescribed under the Act and are prepared as set out below :**

- The financial statements of the Parent Company and its subsidiaries have been combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses, after adjustments / elimination of inter-company balances and transactions including unrealised profits on inventories etc.
- The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.
- The excess of cost to the Parent Company of its investment in the subsidiaries over the Parent's portion of equity of the subsidiaries at the dates they became subsidiaries is recognised in the financial statements as goodwill.
- Minority interest in the consolidated financial statements is identified and recognised after taking into consideration :

  - The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.

  - The minorities' share of movement in equity since the date parent - subsidiary relationship came into existence.

  - Adjustment of the losses attributable to the minorities against the minority interest in the equity of the subsidiaries and thereafter adjustment of the excess of loss, if any, over the minority interest in the equity against the majority interest.
- The results of operations of subsidiary with which parent-subsidiary relationship ceases to exist are included in the consolidated financial statements until the date of cessation of the relationship.
- The translation of the functional currencies into Indian Rupees (reporting currency) is performed for equity in the foreign subsidiaries, assets and liabilities using the closing exchange rates at the balance sheet date, for revenues, costs and expenses using average exchange rates prevailing during the year. The resultant exchange difference arising out of such transactions is recognised as part of equity (Foreign Currency Translation Adjustment Account) by the Parent Company until the disposal of investment.

ii) Investments in Joint Ventures (i.e. jointly controlled entities) are accounted in accordance with AS-27 on Financial Reporting of Interest in Joint Ventures , prescribed under the Act, using proportionate consolidation principles based on the financial statements of the respective entities.

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

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

	Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
			As at 31st March, 2011	As at 31st March, 2010
(i)	**Subsidiary**			
	Domestic :			
	UM Cables Limited	India	100%	100%
	Usha Martin Power and Resources Limited	India	99.88%	99.88%
	Bharat Minex Private Limited (BMPL)	India	100%	100%
	Overseas :			
	Usha Martin International Limited	United Kingdom	100%	100%
	Usha Martin UK Limited	United Kingdom	100%	100%
	European Management and Marine Corporation Limited	United Kingdom	100%	100%
	EMM Caspian Limited	United Kingdom	100%	100%
	EMM Kazakhstan Limited [Note (b) below]	United Kingdom	-	100%
	Brunton Shaw UK Limited	United Kingdom	100%	100%
	De Ruiter Staalkabel B.V.	Netherlands	100%	100%
	Brunton Wolf Wire Ropes FZCO.	United Arab Emirates, Dubai	60%	60%
	Usha Martin Americas Inc.	United States of America	100%	100%
	Usha Siam Steel Industries Public Company Limited	Thailand	97.98%	97.98%
	Usha Martin Singapore Pte. Limited	Singapore	100%	100%
	Usha Martin Australia Pty Limited	Australia	100%	100%
	Usha Martin Vietnam Company Limited	Vietnam	100%	100%
	PT Usha Martin Indonesia	Indonesia	100%	100%
(ii)	**Joint Venture Company**			
	Gustav Wolf Speciality Cords Limited (GWSCL)	India	49%	49%
	Pengg Usha Martin Wires Private Limited (PUMWPL)	India	40%	40%
	CCL Usha Martin Stressing System Limited (CCLUMSSL)	India	49.99%	49.99%
	Dove Airlines Private Limited (DAPL) [Note (c) below]	India	50%	50%

b) EMM Kazakhstan Limited, a wholly owned subsidiary of Usha Martin International Limited has been dissolved on 16th July 2010.

c) During the year DAPL, a joint venture company has issued and allotted 173,000 Equity Shares of Rs. 10 each by capitalisation of its Securities Premium Account in the proportion of one Equity Share for every five fully paid Equity Shares of Rs.10 each held by the Group, resulting in no change in the proportion of ownership interest of the said Joint Venture Company.

d) The accounts of UMICOR Africa (Pty) Limited (UMICOR), a wholly owned subsidiary has been excluded for consolidation since it has gone into liquidation and placed under final winding up vide Order dated 30th July, 2008 of the High Court of South Africa (Witwatersrand Local Division) and according to the management the control is intended to be temporary.

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

3. The Group's financial interest in the joint venture companies accounted for using proportionate consolidation principles based on its financial statements are set out below :

	PUMWPL	GWSCL	CCLUMSSL	DAPL
ASSETS as at 31st March, 2011				
Fixed Assets (Net Block)	**144,076** 151,232	**-** -	**244** 488	**69,513** 82,552
Capital Work-in-Progress	**10,431** 1,437	**-** -	**-** -	**-** -
Current Assets, Loans and Advances				
Inventories	**37,113** 18,896	**-** -	**279** 278	**-** -
Sundry Debtors	**33,653** 13,032	**20,839** 9,538	**-** 625	**238** 734
Cash and Bank Balances	**146** 681	**791** 407	**2,654** 1,581	**20,807** 17,049
Other Current Assets	**1,158** 470	**1,225** 1,225	**-** -	**7,530** 1,124
Loans and Advances	**16,900** 15,132	**-** 8,401	**153** 334	**1,620** 1,335
Total	**243,477** 200,880	**22,855** 19,571	**3,330** 3,306	**99,708** 102,794

LIABILITIES as at 31st March, 2011				
Shareholders' Funds-Reserve and Surplus	**(25,720)** (34,135)	**1,153** (417)	**(1,395)** (1,276)	**7,265** 333
Deferred Tax Liability	**-** -	**-** -	**-** -	**52** 52
Loan Fund				
Secured Loan	**80,661** 76,428	**-** -	**-** -	**31,950** 53,250
Unsecured Loan	**-** -	**7,982** 7,982	**-** -	**23,875** 16,375
Current Liabilities and Provisions				
Liabilities	**36,798** 6,765	**8,440** 6,519	**40** 117	**3,818** 1,060
Provisions	**(262)** (178)	**(2,070)** (1,863)	**(47)** (267)	**248** (776)
Total	**91,477** 48,880	**15,505** 12,221	**(1,402)** (1,426)	**67,208** 70,294

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

	PUMWPL	GWSCL	CCLUMSSL	DAPL
INCOME for the year 2010-2011				
Sales/Operating Income	**121,829** 62,145	**4,691** 4,716	**88** 1,752	**54,222** 44,512
Other Income	**143** 204	**-** -	**9** 393	**-** -
Total	**121,972** 62,349	**4,691** 4,716	**97** 2,145	**54,222** 44,512

EXPENSES for the year 2010-2011				
Raw Material Consumed	**63,549** 32,551	**-** -	**-** 1,036	**-** -
(Increase)/Decrease in Stock-in-trade	**(141)** 1,022	**-** -	**-** -	**-** -
Manufacturing, Selling and Administrative Expenses	**32,909** 21,084	**2,517** 3,919	**125** 1,106	**26,732** 17,190
Depreciation	**7,719** 7,507	**-** -	**244** 244	**13,537** 16,062
Interest	**9,521** 8,115	**-** -	**(153)** (93)	**5,285** 5,715
Total	**113,557** 70,279	**2,517** 3,919	**216** 2,293	**45,554** 38,967

RESULTS				
Profit/(Loss) before Taxation	**8,415** (7,930)	**2,174** 797	**(119)** (148)	**8,668** 5,545
Current Tax	**-** -	**604** 175	**-** 12	**1,736** 942
Deferred Tax	**-** -	**-** -	**-** -	**-** 52
Profit/(Loss) after Taxation	**8,415** (7,930)	**1,570** 622	**(119)** (160)	**6,932** 4,551
Profit/(Loss) brought forward from Previous Year	**(34,135)** (26,205)	**(417)** (1,039)	**(1,276)** (1,116)	**333** (4,218)
Balance carried to Balance Sheet	**(25,720)** (34,135)	**1,153** (417)	**(1,395)** (1,276)	**7,265** 333
Share of Bank Guarantees Outstanding @	**-** 938	**-** -	**250** 807	**16,450** 16,535
Share of Custom Duty demand not acknowledged as debts	**-** -	**-** -	**-** -	**65,591** 65,591
Share of estimated outstanding Capital Commitments #	**9,498** -	**-** -	**-** -	**-** -

@ Not included in Note 4 below

Not included in Note 5 below

Figures in normal type relate to previous year

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

4. There are Contingent Liabilities in respect of :
   a) Bank Guarantees outstanding Rs.421,810 (Previous Year Rs.494,696)
   b) Demand for Sales Tax amounting to Rs.8,431 (Previous Year Rs.7,963) for earlier years not acknowledged as debts and in respect of which appeal has been preferred before appropriate authorities.
   c) Demand for Excise Duty and Service Tax Rs.443,890 (Previous Year Rs.134,982) not acknowledged as debts and in respect of which appeal has been preferred before appropriate authorities.
   d) Demand for Customs Duty Rs.61,619 (Previous year Rs.60,219) not acknowledged as debts and in respect of which the Group has preferred appeal before the appropriate authorities.
   e) Other Claims not acknowledged as debts Rs.3,390 (Previous Year Rs.76,079).
   f) Bills discounted with banks Rs.613,761 (Previous Year Rs. 338,476) including against Letter of Credit Rs.589,536 (Previous Year Rs.329,942)
   g) Demand for Income Tax not acknowledged as debts Rs.194,123 (Previous Year Rs. 55,496)
5. Outstanding Capital Commitments are estimated at Rs.4,399,883 (net of advance) (Previous Year Rs.1,232,119)
6. Total capitalisation includes following expenses (net of revenue/ captive consumption) during trial run production of various projects of the Parent Company.

	2010-2011	2009-2010
Raw Materials Consumed	990,058	752,591
Consumption of Stores and Spares Parts	24,661	145,164
Repairs and Maintenance (Plant and Machinery)	6,942	19,441
Material Handling Charges	19,820	34,878
Power and Fuel	43,020	337,210
Salaries, Wages and Bonus (Net)	-	1,516
Other Expenses	-	3,874
Total (A)	1,084,501	1,294,674
Sales during trial run (net of excise duty)	-	563,284
Closing stock out of trial run production	-	329,794
Absorbed in subsequent production process during trial run for captive consumption	676,759	-
Total (B)	676,759	893,078
Net Trial Run Expenses (A - B)	407,742	401,596

7. Interest is made up as follows :

	2010-2011	2009-2010
Interest Expenses	1,847,944 *	1,348,479
Less : Interest Recovered	25,172 #	93,441
	1,822,772	1,255,038

* Net of interest capitalisation Rs.28,722 (Previous Year Rs.574,332)

Net of Rs.9,458 (Previous Year Rs. Nil) credited against interest capitalisation towards temporary investment of project borrowings.

8. Computation of Earning per Equity Share (Basic and Diluted)

	2010-2011	2009-2010
I. Basic		
(a) (i) Number of Equity Shares at the beginning of the year	304,741,780	250,241,780
(ii) Number of Equity Shares issued during the year	-	54,500,000
(iii) Number of Equity Shares at the end of the year	304,741,780	304,741,780
(iv) Weighted average number of Equity Shares outstanding during the year	304,741,780	260,843,150
(v) Face Value of each Equity Share - Re.	1	1
(b) Profit after tax attributable to Equity Shareholders of the Parent Company		
Profit after Taxation and Minority Interest	1,370,332	1,686,198
	1,370,332	**1,686,198**
Basic Earning Per Share [(b) / (a)(iv)] - Rs.	4.50	6.46
II. Diluted		
(a) Dilutive Potential Equity Shares	-	-
(b) Diluted Earning Per Share [I (b) / II(a)(iv)] - Rs.	4.50	6.46

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

9. Depreciation for the year and year-end Accumulated Depreciation includes approximately Rs.262,794 (Previous Year Rs.203,958) and Rs.1,930,520 (Previous Year Rs.1,648,172) respectively computed by certain subsidiaries and a joint venture company applying different depreciation method/rates as set out in Note 1(b)(vii) above. Had the depreciation method / rates of the Parent Company been followed by such subsidiaries and a joint venture company, the impact thereof on depreciation charge for the year and year-end accumulated depreciation are not ascertainable at this stage.

10. In line with the presentation of the financial information followed for the purpose of Listing Agreements with Stock Exchanges, (Increase)/ Decrease in stock of Partly Finished Products has been presented along with movement in Stock-in-Trade (Schedule 14) instead of the earlier practice of presenting the movement in Partly Finished Products together with Raw Materials Consumed (Schedule 13). However such change in presentation does not have any impact on the profit for the year. Previous Year's figures have also been regrouped.

11. Other Current Assets - Others represent land valued at Rs.2,965(Thai Baht 2,010 thousand) [Previous Year Rs.2,804 (Thai Baht 2,010 thousand)], at the current exchange rate, which is not used in operations. During the years 2003-04 and 2009-10, the carrying amount of such Land had been written down by Rs. 3,089 (Thai Baht 2,736 thousand) and Rs.1,541 (Thai Baht 1090 thousand) respectively based on appraisals carried by an independent valuers.

12. **Related party disclosures pursuant to Accounting Standard 18 prescribed under the Act.**

(i) Related Parties

Name	Relationship
Mr. Rajeev Jhawar, Managing Director	Key Management Personnel
Dr. P Bhattacharya, Joint Managing Director	-do-
Dr. Vijay Sharma, Executive Director	-do-
Mr. P. K. Jain, Executive Director	-do-
Mr. Brij K Jhawar	Relative of a Key Management Personnel
Mrs. Shanti Devi Jhawar	-do-
Mrs. Susmita Jhawar	-do-
Mrs. Vineeta Ruia	-do-
Ms. Stuti Jhawar	-do-
Ms. Shreya Jhawar	-do-
Ms. Amisha Jhawar	-do-

(ii) Particulars of Transactions during the year ended 31st March, 2011

Name and Relationship	Transactions during the year			Balance outstanding at the year end
	Dividend Paid	Directors' Remuneration	Directors' Commission Paid (Net of tax deducted at source)	Sundry Creditors
Key Management Personnel and Relatives				
Mr. Rajeev Jhawar	**185** 185	**41,877** 39,387	**20,787** 31,864	**32,016** 30,083
Dr. P. Bhattacharya	**-** -	**24,772** 22,599	**10,394** 15,932	**15,938** 15,041
Dr. Vijay Sharma	**-** -	**18,564** 2,884	**-** -	**4,028** 625
Mr. P. K. Jain	**-** -	**13,046** 2,000	**-** -	**2,949** 400
Mr. Brij K Jhawar	**421** 125	**820** 840	**720** 1,256	**800** 800
Mrs. Shanti Devi Jhawar	**238** 238	**-** -	**-** -	**-** -
Mrs. Susmita Jhawar	**133** 133	**-** -	**-** -	**-** -
Mrs. Vineeta Ruia	**85** 85	**-** -	**-** -	**-** -
Ms. Stuti Jhawar	**163** 163	**-** -	**-** -	**-** -
Ms. Shreya Jhawar	**91** 91	**-** -	**-** -	**-** -
Ms. Amisha Jhawar	**184** 184	**-** -	**-** -	**-** -
Total	**1,500** 1,204	**99,079** 67,710	**31,901** 49,052	**55,731** 46,949

Figures in normal type relate to previous year.

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

13. Segment Information for the year ended 31st March, 2011

A. Primary Segment Reporting (by Business Segments)

I. Composition of Business Segments

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

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

Steel : Steel Wire Rods, Rolled Products, Billets, Pig Iron and allied products.

Wire and Wire Ropes : Steel Wires, Strands, Wire Ropes, Cord, Bright Bar, related accessories including Wire Drawing and allied machines etc.

Others : Jelly Filled Telecommunication Cables, etc.

II. Inter Segment Transfer Pricing

Inter Segment prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective for the Group.

III. Segment Revenues, Results and Other Information

	Steel	Wire and Wire Ropes	Others	Total of Reportable Segment
External Sales *	**12,709,105** 7,582,523	**16,907,526** 16,221,265	**849,107** 1,340,300	**30,465,738** 25,144,088
Inter Segment Sales *	**7,112,993** 5,622,842	**4,440** 67,995	**882** 1,300	**7,118,315** 5,692,137
Other Income	**73,602** 111,590	**91,303** 95,874	**16,509** 14,055	**181,414** 221,519
Segment Revenues	**19,895,700** 13,316,955	**17,003,269** 16,385,134	**866,498** 1,355,655	**37,765,467** 31,057,744
Segment Result	**1,897,868** 815,915	**2,294,626** 2,744,526	**49,079** 112,735	**4,241,573** 3,673,176
Segment Assets	**36,402,378** 31,633,951	**16,111,952** 13,917,713	**1,003,900** 1,073,261	**53,518,230** 46,624,925
Segment Liabilities	**12,564,583** 13,584,400	**4,785,889** 4,789,932	**389,253** 471,900	**17,739,725** 18,846,232
Capital Expenditure	**3,093,498** 5,531,358	**1,537,295** 1,273,466	**437** 119	**4,631,230** 6,804,943
Depreciation	**1,483,197** 802,925	**463,490** 421,573	**53,302** 60,572	**1,999,989** 1,285,070
Non cash expenses other than depreciation	**11,813** 17,883	**32,189** 77,193	**656** 9,179	**44,658** 104,255

* Net of excise duty.

IV. Reconciliation of Reportable Segments with the Financial Statements

	Revenues	Results/Net Profit	Assets	Liabilities @
Total of Reportable Segments	**37,765,467** 31,057,744	**4,241,573** 3,673,176	**53,518,230** 46,624,925	**17,739,725** 18,846,232
Corporate - Unallocated (Net)	**24,383** 33,542	**(378,072)** (17,738)	**1,826,877** 684,485	**19,587,003** 11,425,477
Inter Segment Sales	**(7,118,315)** (5,692,137)	**-** -	**-** -	**-** -
Interest (Net)	**-** -	**(1,822,772)** (1,255,038)	**-** -	**-** -
Provision for Taxation				
- Current	**-** -	**(472,850)** (437,647)	**-** -	**-** -
- MAT Credit	**-** -	**285,000** 239,600	**-** -	**-** -
- Deferred	**-** -	**(452,535)** (487,165)	**-** -	**-** -
As per Financial Statements	**30,671,535** 25,399,149	**1,400,344** 1,715,188 @@	**55,345,107** 47,309,410	**37,326,728** 30,271,709

@ Excluding Shareholders' Funds and Minority Interest

@@ Profit After Taxation and before Minority Interest.

Figures in normal type relates to previous year.

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

B. Secondary Segment Reporting (by Geographical Segments)

	Within India	Outside India	Total
Revenues - External	**22,000,858** 14,693,661	**8,646,294** 10,671,946	**30,647,152** 25,365,607
Total Assets	**46,921,723** 40,064,175	**6,596,507** 6,560,750	**53,518,230** 46,624,925
Capital Expenditure	**4,501,710** 6,241,548	**129,520** 563,395	**4,631,230** 6,804,943

Figures in normal type relates to previous year.

14. Year-end Deferred Tax balance comprises the following :

	As at 31st March, 2011	As at 31st March, 2010
Timing Difference resulting in liabilities / (assets) on account of :		
Depreciation as per tax law and books	2,626,023	2,155,212
Unabsorbed tax depreciation / loss *	(326,892)	(224,673)
Disallowances allowable for tax purpose on payment	(39,236)	(37,288)
Provision for doubtful debts and advances	(46,406)	(58,224)
Exchange loss pertaining to fixed assets as per tax law and books	25,255	(47,728)
Deferred Revenue Expenditure	(1,124)	(2,219)
Others	(642)	(1,117)
Deferred Tax Liability (Net)	**2,236,978**	**1,783,963**

* Absorption expected based on future Taxable Income.

Note : Deferred Tax charge/(credit) for the year includes exchange loss of Rs. 480 [Previous year Rs.1,271 (gain)] on account of re-instatement of year-end deferred tax assets and liabilities.

15. Operating Lease Commitments

(a) The Group has entered into various non-cancellable operating lease agreements in connection with certain Property and Plant and Equipment in earlier years. The Future minimum lease commitments of the Group are as follows :

	As at 31st March, 2011		As at 31st March, 2010	
	Lease Rent	Operation and Maintenance Charges	Lease Rent	Operation and Maintenance Charges
Up to one year	103,461	29,607	121,821	29,607
More than one year and up to five years	376,984	117,646	376,011	117,646
More than five years.	421,619	107,518	511,060	137,125

In the current financial year the Group has charged the following items in the Profit and Loss Account on account of the aforesaid operating lease.

	2010-11	2009-10
Lease Rent	122,306	119,948
Operation and Maintenance Charges	29,607	27,813
Escalation Charges and Taxes	31,402	25,837
Total	**183,315**	**173,598**

(b) The Group has entered into cancellable operating leases and transactions for leasing of accommodation for office spaces, employees' residential accommodations etc. Tenure of leases generally vary between 1 and 3 years. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs.39,390 (Previous Year Rs.16,027) have been debited to Profit and Loss Account for the year.

16. (a) Land of a subsidiary company was appraised in 1992-93 and was reappraised in 2005-06 by an independent appraiser on the basis of Market Approach. The resultant increase (at the current exchange rate) of Rs.165,407 [Thai Baht 112,150 thousand] [Previous Year Rs.156,441 (Thai Baht 112,150 thousand)] was added to the carrying amount of the Land and the corresponding amount was recognised as Fixed Assets Revaluation Reserve.

(b) Building and Plant and Machinery of three subsidiary companies were appraised by independent appraisers on an open Market Approach basis / the basis of fair values in 2005-06. The resultant increases of Rs.240,022 [Thai Baht 162,741 thousand] [Previous

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

Year Rs.227,012 (Thai Baht 162,741 thousand)] and Rs.24,573 [Great Britain Pound 343 thousand] [Previous Year Rs.23,375 (Great Britain Pound 343 thousand)] at the current exchange rate, have been added to the carrying amount of respective assets and the corresponding amounts were credited to the Fixed Assets Revaluation Reserve.

(c) Buildings of a subsidiary company have been appraised in 2006-07 by independent appraisers on an open market basis. The resultant increase (at the current exchange rates) of Rs.46,180 [Great Britain Pound 645 thousand] [Previous Year Rs.43,930 (Great Britain Pound 645 thousand)] has been added to the carrying amount of said asset and credited to Fixed Assets Revaluation Reserve.

(d) Land, Building and Machinery of a subsidiary company were appraised in 2008-09 by an independent appraiser using Market Approach basis. The resultant increases (at the current exchange rate), of Rs.13,050 (Thai Baht 8,848 thousand), [Previous Year Rs.12,342 (Thai Baht 8,848 thousand)] have been added to the carrying amount of respective assets and credited to the Fixed Assets Revaluation Reserve.

(e) Land, Building and Machinery of a subsidiary company were appraised in 2009-10 by an independent appraiser using Market Approach basis. The resultant increases (at the current exchange rate), of Rs.158,041 [Thai Baht 107,156 thousand] [Previous Year Rs.151,459 (Thai Baht 107,156 thousand)] have been added to the carrying amount of respective assets and credited to the Fixed Assets Revaluation Reserve.

(f) Depreciation charge of Rs.66,311 (Previous Year Rs.33,626) for the year, which is attributable to amount added on revaluation as indicated in paragraphs (b), (c), (d) and (e) above, has been adjusted by way of transfer from Revaluation Reserve.

17. Employee Benefits

(I) Post Employment Defined Contribution Plans

During the year an amount of Rs.61,966 (Previous Year Rs.50,802) has been recognised as expenditure towards Defined Contribution Plans of the Group.

(II) Post Employment Defined Benefit Plans

Gratuity (Funded)

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

Further one Indian subsidiary also provides for gratuity, a defined benefit retirement plan covering its eligible employees. As per this scheme, the Gratuity Trust Fund managed by LIC, makes payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's eligible salary and the tenure of employment. Vesting occurs upon completion of five years of service.

Liabilities with regard to the aforesaid gratuity plans are determined by actuarial valuation as set out in Note 1 (j) (ii) above, based upon which, the respective entities make contributions to the employees' gratuity funds.

Gratuity (Unfunded)

An overseas subsidiary provides for gratuity, a defined benefit retirement plan, covering its eligible employees. Pursuant to the plan, gratuity benefit equivalent to eligible salary for specified number of days for each year of completed service is paid to respective employees upon retirement, death or cessation of service. Vesting generally occurs upon completion of five years of service.

A joint venture company provides for gratuity, a defined benefit retirement plan covering its eligible employees. As per the scheme, gratuity benefit equivalent to eligible salary for specified number of days (ranging from fifteen days to one month) depending upon the tenure of service subject to a maximum limit of twenty months' salary is paid to respective employees upon retirement, death or termination of employment . Vesting occurs upon completion of five years of service.

Liabilities with regard to the aforesaid unfunded gratuity plans are determined by actuarial valuation as set out in Note 1 (j) (ii) above

Retirement Compensation (Unfunded)

An overseas subsidiary provides for retirement compensation, a defined benefit plan, covering its employees. Pursuant to the plan, retirement compensation is paid to employees based on last drawn salary and length of service upon retirement, death or resignation. Vesting occurs upon completion of 120 days of service. Liability with regard to the aforesaid plan is determined by actuarial valuation as set out in Note 1 (j) (ii) above.

The following Tables set forth the particulars in respect of the aforesaid Defined Benefit plans of the Group (including proportionate amount of a joint venture company)

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

17. Employee Benefits (Contd....)

		For the year ended 31st March 2011			For the year ended 31st March 2010		
	Description	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)
(a)	**Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation**						
	Present Value of Obligation at the beginning of the year	291,229	3,242	58,970	248,200	2,607	58,812
	Actuarial adjustment/Plan Amendments to above	1,104	-	-	-	-	-
	Current Service Cost	10,511	972	7,674	9,674	987	7,170
	Interest Cost	23,561	277	5,183	18,839	176	4,570
	Actuarial (Gains)/ Losses	18,156	(395)	(5,503)	39,949	(62)	(10,177)
	Benefits Paid	(27,909)	(48)	(1,972)	(25,433)	(466)	(1,405)
	Present Value of Obligation at the end of the year	**316,652**	**4,048**	**64,352**	**291,229**	**3,242**	**58,970**
(b)	**Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets**						
	Fair Value of Plan Assets at the beginning of the year	245,000	Not applicable as the Scheme is unfunded	Not applicable as the Scheme is unfunded	226,062	Not applicable as the Scheme is unfunded	Not applicable as the Scheme is unfunded
	Expected Return on Plan Assets	19,577			18,100		
	Actuarial Gains/ (Losses)	2,836			3,141		
	Contributions	46,836			23,130		
	Benefits Paid	(27,909)			(25,433)		
	Fair Value of Plan Assets at the end of the year	**286,340**			**245,000**		
(c)	**Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets**						
	Present Value of Obligation at the end of the year	316,652	4,048	64,352	291,229	3,242	58,970
	Fair Value of Plan Assets at the end of the year	286,340	-	-	245,000	-	-
	Assets/ (Liabilities) recognised in the Balance Sheet	**(30,312)**	**(4,048)**	**(64,352)**	**(46,229)**	**(3,242)**	**(58,970)**
(d)	**Expense recognised in the Profit and Loss Account**						
	Current Service Cost (including past service cost)	10,511	972	7,674	9,674	987	7,170
	Interest Cost	23,561	277	5,183	18,839	176	4,570
	Expected Return on Plan Assets	(19,577)	-	-	(18,100)	-	-
	Actuarial (Gains)/ Losses	15,320	(395)	(5,503)	36,808	(62)	(10,177)
	Total Expense recognised	**@ 29,815**	**@ 854**	**# 7,354**	**@ 47,221**	**@ 1,101**	**# 1,563**
	@ Recognised under Contribution to Provident and Other Funds in Schedule 15.						
	# Recognised under Salaries, Wages and Bonus in Schedule 15						
(e)	**Category of Plan Assets :**						
	Fund with LIC	278,592	Not applicable as the Scheme is unfunded	Not applicable as the Scheme is unfunded	238,016	Not applicable as the Scheme is unfunded	Not applicable as the Scheme is unfunded
	Fund with SBI Life Insurance	3,171			2,909		
	Fund with HDFC Standard Life	3,132			2,970		
	Others (including bank balances)	1,445			1,105		
	Total	**286,340**			**245,000**		
(f)	**Actual Return on Plan Assets**	**22,413**			**21,241**		
(g)	**Principal Actuarial Assumptions**						
	Discount Rate	8.35% / 8.50%	8.00%	8.00%	8.00%	8.00%	8.00%
	Salary Escalation	6% / 5%	10% / 12%	3.00%	6% / 5%	10% / 12%	3.00%
	Expected Return on Asset	8.00%	Not Applicable	Not Applicable	8.00%	Not Applicable	Not Applicable

Schedules to Accounts

(Rs. in Thousand)

17. NOTES ON ACCOUNTS (Contd....)

17. Employee Benefits (Contd....)

(h) Other Disclosure	2010-11			2009-10			2008-09			2007-08		
	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)
Present Value of the Plan Obligation as at the end of the year	316,652	4,278	64,352	291,229	3,242	58,970	248,200	2,607	58,812	235,352	1,036	50,453
Fair Value of Plan Assets as at the end of the year	286,340	-	-	245,000	-	-	226,062	-	-	227,836	-	-
(Surplus)/Deficit as at the end of the year	30,312	4,278	64,352	46,229	3,242	58,970	22,138	2,607	58,812	7,516	1,036	50,453
Experience Adjustments on Plan Obligation [(Gain)/ Loss]	(2,438)	(322)	(8,950)	40,128	296	(8,274)	18,899	315	(8,754)	(477)	238	(6,064)
Experience Adjustments on Plan Assets [(Gain)/Loss]	(17,934)	-	-	3,141	-	-	1,837	-	-	3,185	-	-

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.

The expected return on plan assets is determined after taking into consideration composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

(i) Contributions towards provident funds are recognised as expense. Provident fund contributions in respect of employees of the Parent Company are made to Trusts administered by the Parent Company and such Trusts invest funds following a pattern of investments prescribed by the Government of India. 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 of India and shortfall, if any, on account of interest is to be made good by the Parent Company. In terms of the Guidance on implementing Accounting Standard (AS) 15 on Employee Benefits issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, a provident fund set up by company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any. However, there is no such interest shortfall at the year-end which is required to be made good by the Parent Company. The Actuary has expressed his inability to provide an actuarial valuation of the provident fund liability as at the year-end in the absence of any guidance from the Actuarial Society of India.

Accordingly, complete information required to be considered as per AS 15 in this regard are not available and the same could not be disclosed. During the year, the Parent Company has contributed Rs.35,720 (Previous year Rs.25,397) to the Provident Fund.

18. Provision for Dividend Tax on Proposed Dividend is net of write back of excess provision Rs.1,177 (Previous Year Rs. Nil) made in earlier year.

19. Figures for the previous year have been regrouped/ rearranged wherever necessary to make them comparable with the current year's figures.

Signatures to Schedule 1 to 17.

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

P. Jhawar
Chairman

R. Jhawar
Managing Director

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Consolidated Cash Flow Statement of Usha Martin Limited and its Subsidiaries For The Year Ended 31st March, 2011

(Rs. in Thousand)

	2010-11		2009-10	
A. Cash flow from Operating Activities :				
Net Profit Before Taxation and Minority Interest		2,040,729		2,400,400
Adjustments for :				
Depreciation and Amortisation	2,009,558		1,294,666	
Interest (Net)	1,822,772		1,255,038	
Finance Charges	53,578		19,536	
Loss/(Profit) on Sale of Fixed Assets (Net)	7,301		(2,130)	
Fixed Assets written off	7,134		3,103	
Gain on Reversal of Impairment Loss (Net)	(538)		(1,049)	
Write down in carrying amount of land	-		1,541	
Dividend received from Current Investments	(6,181)		(28,905)	
Provision for Doubtful Debts and Advances	5,410		31,641	
Provision for slow moving items and diminution in realisable value	27,249		43,918	
Bad Debts written off / Provision for Doubtful Debts,				
Advances and Stocks written back etc (Net)	(73,718)		(43,391)	
Liabilities no longer required written back	(73,193)		(82,947)	
Deferred Revenue expenditure written off	-		8,745	
(Gain)/Loss on Derivative Contracts (Net) - Unrealised	(130,466)		69,185	
Exchange Gain (Net) - Unrealised	(174,226)		(588,415)	
Effect of change in Foreign Exchange Translation	35,840	3,510,520	(123,160)	1,857,376
Operating profit before working capital changes		**5,551,249**		**4,257,776**
Increase / Decrease in :				
Trade and Other Receivables	(781,882)		752,955	
Inventories	(3,088,069)		(2,408,227)	
Trade Payables	2,244,537	(1,625,414)	5,490,722	3,835,450
Cash generated from operations		**3,925,835**		**8,093,226**
Direct Taxes paid	(444,564)		(551,365)	
Payment against Voluntary Retirement Scheme	-	(444,564)	(1,440)	(552,805)
Net cash from Operating Activities		**3,481,271**		**7,540,421**
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(7,902,678)		(4,887,563)	
Sale of Fixed Assets	7,347		41,422	
Advance against purchase of Land	(3,550)		-	
Redemption of Investments	-		8,753	
Inter Corporate Loans Given	(3,750)		-	
Interest Received	29,908		90,460	
Dividend received from Current Investments	6,181		28,905	
Net Cash used in Investing Activities		**(7,866,542)**		**(4,718,023)**
Carried forward		(4,385,271)		2,822,398

Consolidated Cash Flow Statement of Usha Martin Limited and its Subsidiaries *(Contd...)*

(Rs. in Thousand)

	2010-11		2009-10	
Brought forward		(4,385,271)		2,822,398
C. Cash flow from Financing Activities :				
Proceeds from issuance of Equity Shares	-		4,576,642	
Proceeds from Borrowings (Net of finance charges) - Receipts/ (Payments)	7,577,818		(6,329,973)	
Interest Paid	(1,801,459)		(1,387,806)	
Dividend Paid [including tax thereon Rs.49,494 ; (Previous Year Rs.43,525)]	(353,306)		(293,733)	
Dividend Paid by a subsidiary company to Minority Shareholders	(15,720)		(16,742)	
Net Cash from / (used in) Financing Activities		5,407,333		(3,451,612)
		1,022,062		(629,214)
D. Exchange differences on Translation of Foreign Currency Cash and Cash Equivalents		(20,024)		16,822
		1,002,038		(612,392)
Cash and Cash Equivalents as at 31st March, 2010 (Schedule 8)	476,153		1,087,966	
Add : Acquisition from a joint venture company	-		579	
	476,153		1,088,545	
Cash and Cash Equivalents as at 31st March, 2011 (Schedule 8)	1,478,191	1,002,038	476,153	(612,392)

Notes :
1. The above Consolidated Cash Flow Statements have been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements prescribed under the Companies Act, 1956 of India.
2. Schedule referred to above forms an integral part of the Consolidated Cash Flow Statements.
3. Refer Note 19 on Schedule 17 to Accounts.

These are the Consolidated Cash Flow Statements referred to in our report of even date.

For PRICE WATERHOUSE
Firm Registration Number : 301112E
Chartered Accountants

(P. Law)
Partner
Membership No. 51790

Kolkata
11th May, 2011

P. Jhawar
Chairman

R. Jhawar
Managing Director

Dr. P. Bhattacharya
Jt. Managing Director

A. K. Somani
Company Secretary

Statement giving financial information of subsidiary companies for the year ended 31st March, 2011 as per direction given by Ministry of Corporate Affairs,New Delhi under General Circular No.2/2011 dated 8th February, 2011, under Section 212(8) of the Companies Act, 1956.

Sl No	Particulars	UM Cables Limited	Usha Martin Power & Resources Limited	Bharat Minex Private Limited	Usha Siam Steel Industries Public Company Limited	Usha Martin Americas Inc	Brunton Wolf Wire Ropes FZCO	Usha Martin Singapore Pte. Limited	Usha Martin Australia Pty Limited	Usha Martin International Limited	De Ruiter Staalkabel BV Sliedrecht	Usha Martin UK Limited	Brunton Shaw UK Limited	European Management and Marine Corporation Limited	EMM Caspian Limited	P T Usha Martin Indonesia	Usha Martin Vietnam Company Limited
1	Share Capital	401,296.60	500.00	2,000.00	210,910.70	178,200.00	230,527.00	25,515.48	9,216.50	423,353.87	1,139.10	275,817.47	0.07	0.07	0.14	4,455.00	3,724.73
2	Reserves and Surplus	92,378.29	(72.60)	(1,196.41)	569,561.73	61,211.61	172,857.52	594,426.02	48,874.36	179,757.76	208,295.46	827,848.64	-	-	-	(901.96)	(5,845.49)
3	Liabilities (Note 1 below)	387,984.57	3.00	2,856.62	1,072,359.48	400,569.90	2, 64,919.25	768,901.86	137,842.67	11,121.89	169,125.88	518,382.45	-	-	-	6,866.45	74,234.37
4	**Total Liabilities**	**881,659.45**	**430.40**	**3,660.21**	**1,852,831.91**	**639,981.51**	**6,68,303.77**	**1,388,843.35**	**195,933.53**	**614,233.53**	**378,560.45**	**1,622,048.55**	**0.07**	**0.07**	**0.14**	**10,419.49**	**72,113.61**
5	**Total Assets**	**881,659.45**	**430.40**	**3,660.21**	**1,852,831.91**	**639,981.51**	**668,303.77**	**1,388,843.35**	**195,933.53**	**614,233.53**	**378,560.45**	**1,622,048.55**	**0.07**	**0.07**	**0.14**	**10,419.49**	**72,113.61**
6	Investments - Long Term (excluding investments in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Turnover (Net)	849,988.99	-	-	2,400,463.04	679,270.51	836,121.60	1,027,261.30	321,915.39	-	587,102.97	2,564,164.29	-	-	-	11,554.09	106,279.84
8	Profit/(Loss) before Taxation	29,718.07	(12.10)	(122.76)	186,709.11	63,818.77	66,931.34	50,179.92	48,985.10	111,383.62	58,583.76	212,894.76	-	-	-	(848.72)	3,183.44
9	Provision for Taxation	9,738.47	-	-	58,683.88	14,538.67	-	3,726.30	14,099.08	346.46	12,847.65	66,955.16	-	-	-	-	79.24
10	Profit/(Loss) after Taxation	19,979.60	(12.10)	(122.76)	128,025.23	49,280.10	66,931.34	46,453.61	34,886.02	111,037.16	45,736.10	145,939.61	-	-	-	(848.72)	3,104.20
11	Paid / Proposed Dividend	5,800.00	-	-	-	-	38,338.91	-	-	105,831.52	-	-	-	-	-	-	-
	Currency of the Subsidiaries	INR	INR	INR	BHAT	USD	AED	USD	A $	GBP	EURO	GBP	GBP	GBP	GBP	USD	VND
	Exchange rate as on 31st March, 2011 (used for conversion CY Vs INR)				1.4749	44.5500	12.1330	44.5500	46.0825	71.6409	63.2833	71.6409	71.6409	71.6409	71.6409	44.5500	0.0021

Notes :

(1) Liabilities include Secured Loans, Unsecured Loans, Deferred Tax Liabilities and Current Liabilities.

(2) UMICOR Africa (Pty) Limited, a wholly owned subsidiary is under liquidation process, hence has not been considered in the above statement.

(3) The businesses of Brunton Shaw UK Limited, European Management and Marine Corporation Limited and EMM Caspian Limited have been taken over by Usha Martin UK Limited and are functioning as separate divisions.

(4) EMM Kazakhstan Limited being a subsidiary of Usha Martin International Limited, dissolved w.e.f. 16.07.2010, and hence not considered in the above statement.

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

For Usha Martin Limited

Kolkata
11th May, 2011

P.Jhawar
Chairman

Notice to the Shareholders

NOTICE is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING of the members of USHA MARTIN LIMITED will be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019 on Friday, 29th day of July, 2011 at 2.00 p.m to transact following businesses :

As Ordinary Business

1. To receive and adopt the Profit & Loss Account of the Company for the year ended 31st March, 2011 and the Balance Sheet as at that date, together with Directors' and Auditors' Reports.
2. To declare dividend on equity shares for the year ended 31st March, 2011.
3. To appoint a director in place of Mr. Prashant Jhawar who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Salil Singhal who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a director in place of Dr. Vijay Sharma who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration and for the purpose to pass the following resolution as Ordinary Resolution :

   RESOLVED that pursuant to the provision of Section 224 of the Companies Act, 1956, M/s. Price Waterhouse, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided mutually between the Board of Directors and the Auditors.

   As Special Business

   To consider and if thought fit to pass with or without modification(s), the following resolutions :

7. **As an Ordinary Resolution**

   RESOLVED that subject to applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded for allowing any one or more of the following allowances /benefits/ perquisites (namely maintenance and electricity charges for company provided accommodation, maintenance and running charges for company provided generator(s), maintenance and running charges for company provided car(s), phones at residence and mobile phones and /or health insurance policy) to Mr Rajeev Jhawar, Managing Director under revised and merged consolidated limit of Rs 135000/- per month.

   RESOLVED further that other terms and conditions relating to appointment of Mr Rajeev Jhawar shall remain unchanged.

8. **As an Ordinary Resolution**

   RESOLVED that subject to applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded for allowing any one or more of the following allowances /benefits/ perquisites (namely maintenance and electricity charges for company provided accommodation, maintenance and running charges for company provided generator(s), maintenance and running charges for company provided car(s), phones at residence and mobile phones and / or health insurance policy) to Dr. Vijay Sharma, Executive Director and Chief Executive (Steel Business) under revised and merged consolidated limit of Rs 70000/- per month.

   RESOLVED further that other terms and conditions relating to appointment of Dr. Vijay Sharma shall remain unchanged.

9. **As an Ordinary Resolution**

   RESOLVED that subject to applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded for allowing any one or more of the following allowances /benefits/ perquisites (namely maintenance and electricity charges for company provided accommodation, maintenance and running charges for company provided generator(s), maintenance and running charges for company provided car(s), phones at residence and mobile phones and / or health insurance policy) to Mr. P. K. Jain, Executive Director and Chief Executive (Wire & Wire Ropes Business) under revised and merged consolidated limit of Rs 40000/- per month.

   RESOLVED further that other terms and conditions relating to appointment of Mr. P. K. Jain shall remain unchanged.

Registered Office :
2A, Shakespeare Sarani
Kolkata – 700 071
Dated : 1st July, 2011

By Order of the Board
A K Somani
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited at the registered office of the Company at least 48 hours before commencement of the meeting.
2. The Registers of Members and the Share Transfer Books of the Company will remain closed from 21st July, 2011 to 29th July, 2011 (both days inclusive).
3. The dividend as recommended by the Board, if declared at the meeting, will be paid (on or after 3rd August,

2011) to those members whose names appear on the Company's Register of Members on 29th July, 2011. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL and CDSL for this purpose.

4. The shareholders of the Company are informed that pursuant to the Companies (Amendment) Act, 1999 the amount of dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Education and Protection Fund ["the Fund"] constituted by the Central Government and the shareholder(s) would not be able to claim any amount of the dividend so transferred to the Fund. All unclaimed /unpaid dividends declared for and upto the financial year ended 31st March, 2003 has been transferred to the said Fund. The unclaimed/ unpaid dividend declared for the financial year ended 31st March, 2004 shall be deposited in the Fund on or before August, 2011.

5. The shareholders who have not encashed their earlier dividend warrants are requested to write to the Company immediately for claiming outstanding dividends declared by the Company.

6. Members holding shares in identical order of names in more than one folio are requested to write to the Company's R & T Agent, namely, MCS Limited, 77/2A, Hazra Road, Kolkata - 700029 for consolidation of holding in one folio. The relevant share certificates are also to be sent to them for this purpose.

7. As per RBI notification, with effect from 1st October, 2009, the remittance of the money through ECS was replaced by National -Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS Platform. For the shareholders holding shares in electronic form, please furnish the new Bank Account Number as allotted to you by the bank after implementation of its Core Banking Solutions alongwith a photocopy of a cheque pertaining to the concerned account to your Depository Participant.

8. The Equity shares of the Company are tradable in dematerialised form with effect from 21st March, 2000. In view of the same and to avail of the in-built advantages of the ECS payment, nomination facility and other advantages, the shareholders are requested to get their shares in demat form. The ISIN No. of the Company is INE 228A01035.

9. Pursuant to the Circular Nos. 17/ 2011dated 21st April, 2011 and 18/2011 dated 29th April, 2011 issued by the Ministry of Corporate Affairs (MCA) , the Company has implemented the "Green Initiative" which will enable electronic delivery of notices/documents and annual reports to the shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered email address for serving notices/ documents including those covered under Section 219 of the Companies Act,1956. The Notice of AGM and the copies of audited financial statements, directors report, auditors' report etc will also be displayed on website -*www.ushamartin.com* and other requirements of the MCA Circulars will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to MCS Limited, 77/ 2A, Hazra Road, Kolkata – 700029, the RTA of the Company quoting their folio number(s).

10. **Pursuant to the requirements of the Clause 49 of the listing agreements with the stock exchanges information about the directors proposed to be re-appointed is given below :**

Item No.3

Prashant Jhawar, aged 48 years, is a commerce graduate and has studied Management Development courses at the Wharton Business School. He has been closely associated with the Company since its inception. After his appointment on the board on 24th June, 1992, he was appointed as the Vice-Chairman with effect from 11th April, 1994 and was appointed Chairman with effect from 10th May, 2010. He has industrial experience of more than 23 years and under his leadership, the Usha Martin Group has successfully diversified its business activities.

He also holds other directorships in following public/ private limited companies in India:

Sl No.	Name of the Company	Director/ Chairman
1.	Usha Breco Limited	Chairman
2.	Usha Martin Finance Limited	Chairman
3.	Usha Martin Education & Solutions Limited	Chairman
4.	Web Development Company Limited	Director
5.	Bonsai Engineers Private Limited	Director
6.	Usha Breco Realty Limited	Chairman
7.	Usha Comm India Private Limited	Director
8.	Bonsai Network India (P) Limited	Director
9.	Usha Martin Strategic Management Limited	Director
10	Neutral Publishing House Limited	Director
11	PARS Consultancy & Services Pvt Ltd	Director

He does not hold any membership in any committee of the aforesaid companies.

Mr. Jhawar holds 1414147 equity shares in the Company.

Item No. 4

Mr. Salil Singhal aged 65 years is an industrialist. He was the Chairman of Crop Care Foundation (erstwhile Pesticides Association of India) for 17 years. He was subsequently elected as Chairman Emeritus for life by the members of the

Foundation. Mr. Singhal was also a member of the Executive Committee of the Federation of Indian Chamber of Commerce and Industry [FICCI] and the Chairman of Environment Committee of FICCI for 5 years. He was also the past Chairman of Confederation of Indian Industry (CII), Northern Region. He is presently the Chairman of the National Council of SMEs of CII and is a member of National Council of CII.

Mr. Singhal has travelled extensively and addressed conferences and seminars on Indian agriculture, environment, chemical industry and agrochemicals.

Mr. Singhal is also associated with a number of social, cultural and educational organizations.

Mr. Singhal is on the Board of the following companies :

Sl No.	Name of the Company	Director / Chairman	As Committee Member [Audit/Remuneration/ Shareholders' Grievance]
1.	PI Industries Limited	Chairman and Managing Director	Shareholders' Grievance cum Share Transfer Committee
2.	Secure Meters Limited	Chairman	
3.	Wolkem India Limited	Chairman	
4.	Lake Palace Hotels & Motels Pvt. Ltd.	Director	
5.	Historic Resort Hotels Pvt. Ltd.	Director	
6.	PILL Finance & Investments Limited	Director	
7.	Corp Care Federation of India	Chairman Emeritus	
8.	Somany Ceramics Limited	Director	Audit Committee – Member

Mr. Singhal is not holding any equity shares in the Company.

Item No. 5

Dr. Vijay Sharma, aged about 56 years has joined the Company on 6th January, 2010 and is responsible for steel business. He is credited with successful implementation, turnaround and operation of steel plants with over total experience of 34 years including 12 years with Usha Martin Group from 1977 to 1989. He is a Metallurgical Engineer from IIT, Kharagpur (1977) and completed his MS in Materials Engineering from R P I New York, USA (1980). He holds MBA from XLRI, Jamshedpur (1984) and Ph.D from Anna University, Chennai (2009).

Dr. Vijay Sharma is a director in Usha Martin Power & Resources Limited but does not hold any other committee memberships in any other company nor holds any shares in the Company.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 and pursuant to Clause 49 of the Listing Agreement with stock exchanges in connection with the items of special business is given below :

Item Nos. 7-9

The members of the Company at their Annual General Meeting held on 30th July, 2008 had approved reappointment and remuneration payable to Mr.Rajeev Jhawar, Managing Director for a period of 5 years with effect from 19th May, 2008. Further, the Members of the Company at their Annual General Meeting held on 27th July, 2010 also approved the appointment and remuneration payable to Dr.Vijay Sharma and Mr.P K Jain, Executive Directors for a period of 5 years with effect from 1st February, 2010.

The Board of Directors of the Company on recommendation of Remuneration Committee at their meeting held on 11th May, 2011 decided to allow any one or more of the following allowances/ benefits/perquisites to undernoted wholetime directors under revised and merged consolidated limits mentioned against their respective names, subject to approval of shareholders:

- maintenance and electricity charges for company provided accommodation,
- maintenance and running charges for company provided generator(s),
- maintenance and running charges for company provided car(s),
- phones at residence and mobile phones, and
- health insurance policy.

Names	Consolidated Limit (in Rs. per month)
Mr Rajeev Jhawar, Managing Director	1,35,000
Dr Vijay Sharma, Executive Director	70,000
Mr P K Jain, Executive Director	40,000

The above remuneration is within limits prescribed under applicable provisions of the Companies Act, 1956 and will be calculated as per IT Rules. An abstract of the above variation in the remuneration as required under Section 302 of the Companies Act, 1956 was sent to the members of the Company. The other terms and conditions of their appointment remain the same.

The Directors recommend the adoption of the Resolutions as mentioned at Items 7 to 9 of the Notice.

No Director of the Company is in any way concerned or interested in the Resolutions at Item Nos.7 to 9 of the Notice except Mr.Rajeev Jhawar, Dr. Vijay Sharma and Mr.P K Jain to the extent of revision in their respective remuneration and Mr.Brij K Jhawar being a relative of Mr.Rajeev Jhawar.

usha martin

Usha Martin Limited

2A, Shakespeare Sarani, Kolkata – 700 071

PROXY FORM

I / We...

of...

being a Member/Members of Usha Martin Limited, hereby appoint..

of..or failing him/her..

of..or failing him/her..

of..as my/ our proxy to attend and to vote for me/us on my/ our behalf at the twenty fifth Annual General Meeting of the Company to be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019 on Friday, 29th day of July, 2011 at 2.00 p.m. and at any adjourment thereof.

Signed this.................................... day of 2011

Affix Re 1 Revenue Stamp

Signature(s) of the Shareholder(s) (1)... (2)... (3)...

DP ID No...Folio No./ Client I.D. No...No. of Shares held.........................

Note:

The Proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid Meeting

usha martin

Usha Martin Limited

2A, Shakespeare Sarani, Kolkata – 700 071

ATTENDANCE SLIP

DP ID No.	Attending as	Shareholder/Proxy
Folio No./Client I.D. No.	Representing No. of Shares	

I hereby record my presence at the twenty fifth Annual General Meeting of the Company to be held at Ghanshyam Das Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Kolkata – 700 019 on Friday, 29th day of July, 2011 at 2.00 p.m. and at any adjourment thereof.

....

Name of the Shareholder/Proxy
IN BLOCK LETTERS

....
Signature of the Shareholder/Proxy

Notes:

Please fill the admission slip and hand it over at the entrance of the hall.

Please strike out whichever is not applicable.

50 years of Usha Martin

In the year 1961, Usha Martin Limited embarked on a journey of innovation and perseverance with honesty and integrity as its companions. From the small beginnings, it has evolved into a global enterprise that today stands at the cusp of international leadership. Forging strong and sustainable partnerships with an empowered community it has emerged as a reputed corporate entity with a conscience.

These 50 years have been witness to many memorable moments, successes and setbacks, outstanding achievements as well as times of uncertainty; all of which have left us stronger and better equipped to deal with challenges that the future will surely pose.

We take this opportunity to accompany you on a journey through time, recounting and reliving priceless moments that are reminiscent of a wonderful and exciting five decades of enterprise at Usha Martin Limited.

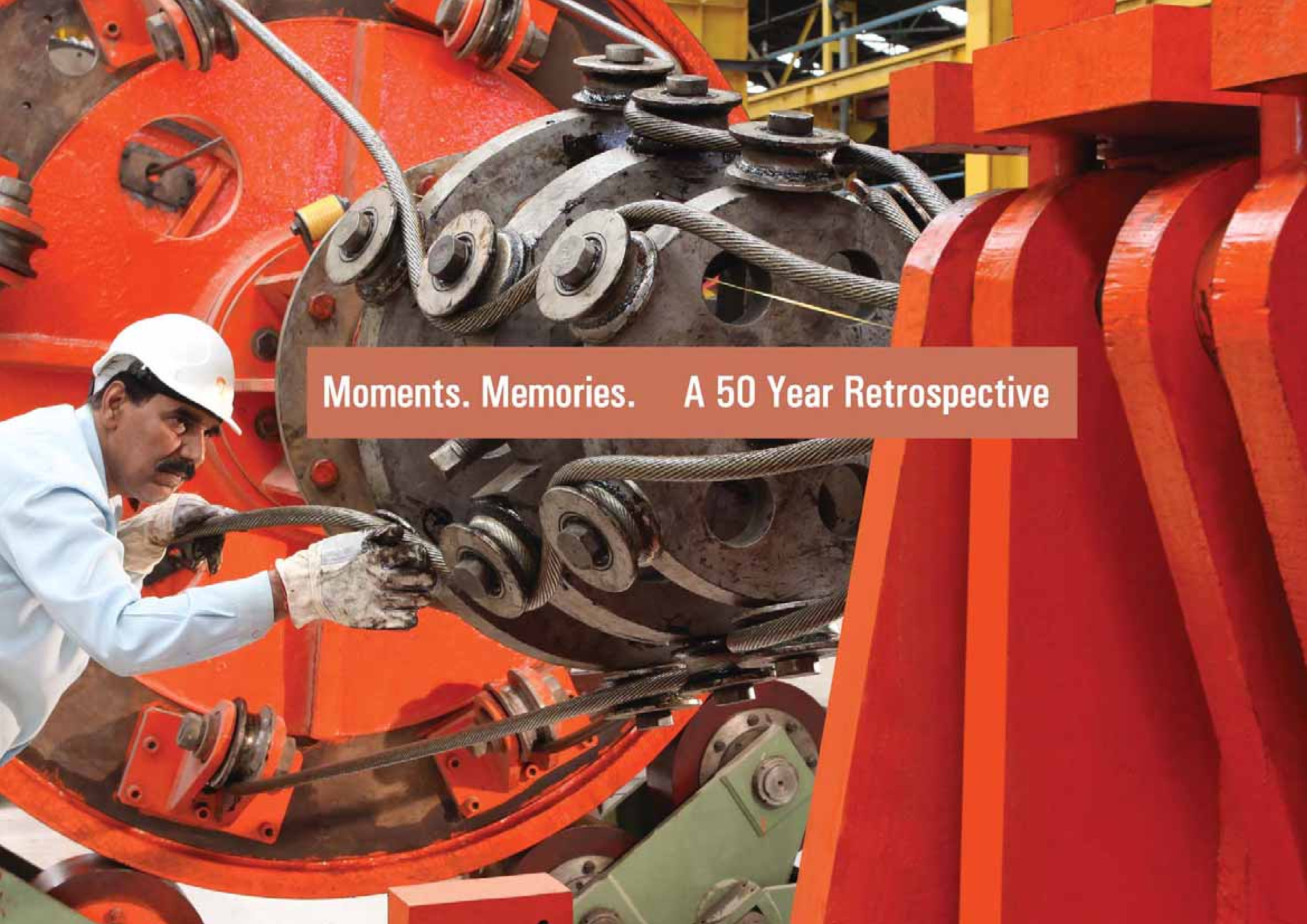
Stay Cables for Vidyasagar Setu, The Pride of Kolkata

Our Evolving Corporate Identity

USHA WIRE ROPES

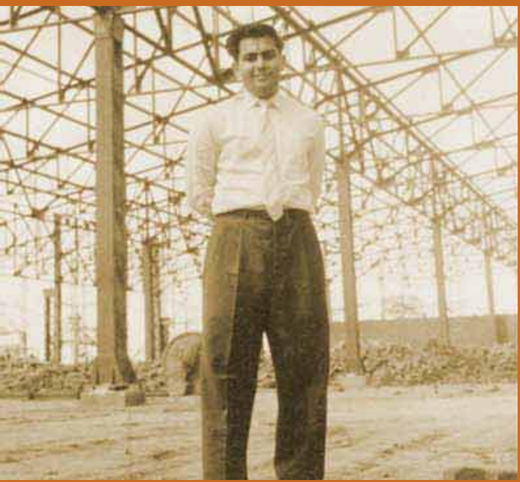
usha martin

Moments. Memories. A 50 Year Retrospective

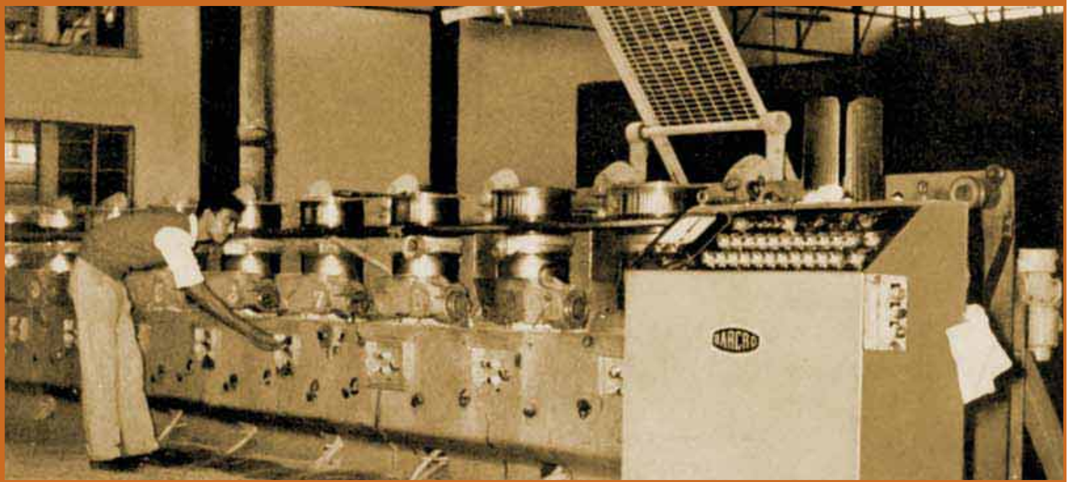


The Board of Directors, circa 1961

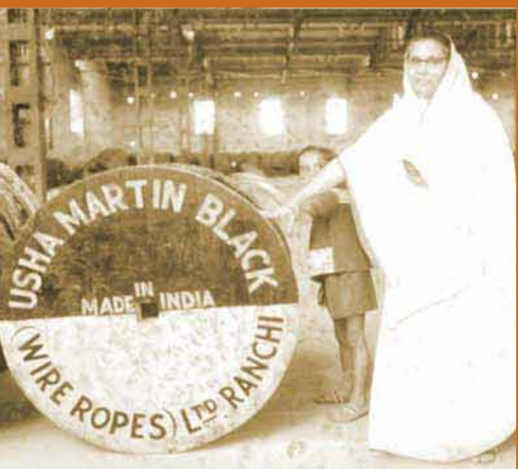
The first share certificate



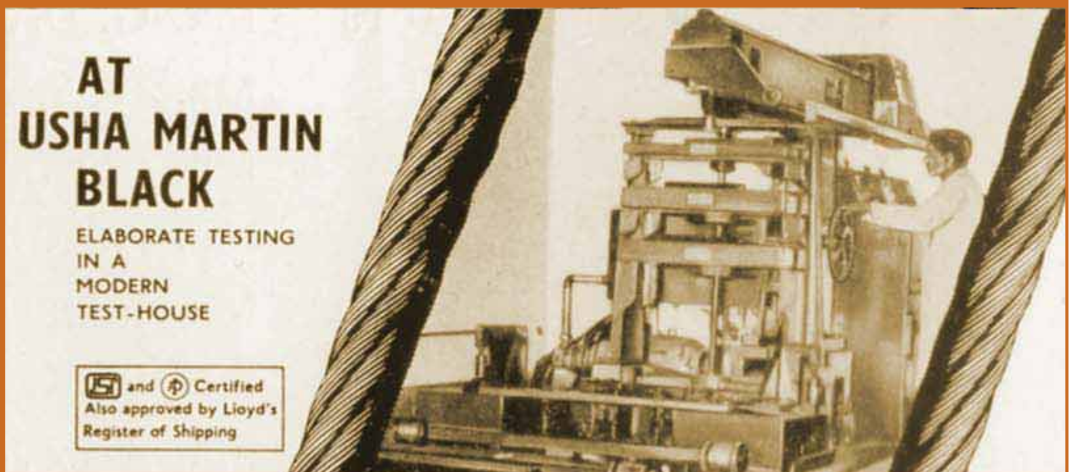
The Structure of a Dream Ranchi, August 1961



High-speed drawing machines



A Mother's Touch-the first despatch, March 1962



First Ad campaign 1964

1960 : The journey begins

The Wire Rope Plant with a capacity of 3600 TPA was set up at Tatisilwai, Ranchi in collaboration with Martin Black & Company (Wire Ropes) Ltd, UK.

1962 : First steps

Usha Martin (UM) commenced production of wire and wire ropes

1965 : Spreading Wings

UM promoted "Usha Ismal Limited" in collaboration with CCL Systems Ltd, UK for manufacture of rope accessories and splicing equipment at its factory in Ranchi. UIL merged with UM in 1990 and became a division of the company.

1971 Paving new paths

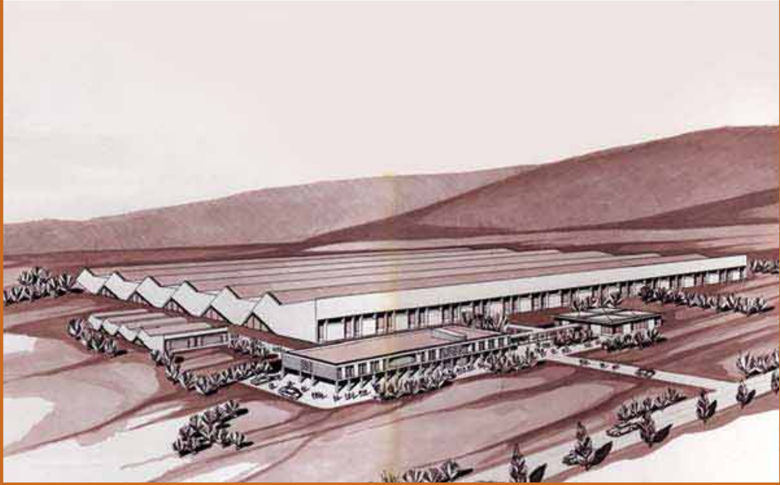
UM promoted " Usha Alloys & Steels Limited" for the manufacture of steel billets at Adityapur, Jamshedpur. UASL merged with UM in 1988.

1975 : Staying on course

UM set up its Machinery Division at Bangalore for manufacture of wire drawing and allied products in collaboration with Marshall Richards Barcro Ltd , UK.

1979 : Reaching out

In order to obtain steady supply of wire rods for its wire rope plant, UASL set up a Wire Rod Rolling Mill at Jamshedpur.



Artist Impression of proposed factory of wire drawing and allied machinery in collaboration with Marshall Richards Barcro Ltd , UK.

The FICCI Award, 1981 for outstanding performance in rural development being received by Brij K. Jhawar

BP Tekriwal, OP Kapila, P Jhawar, BK Jhawar, Brij K. Jhawar, R Jhawar, Rana Pratap and S Kumra at the opening of JFTC plant, Ranchi

The Thailand venture in canvas

Special ropes supplied for India's 'most wanted' INS Vikrant, 1971

The CII Productivity Award, 1993 being received by P. Jhawar

1980 : Finding new ground

The joint venture company " Usha Siam Steel Industries Public Limited Company" was incorporated in Thailand for manufacture of wire, wire ropes and auto cables

1986 : Getting on track

UM, alongwith Bihar State Electronics Development Corporation, promoted Usha Beltron Ltd. (UBL) in collaboration with AEG KABEL of Germany for the manufacture of Jelly Filled Telephone Cables.

1994 : Making great strides

The Company established Usha Martin Europe Limited as its subsidiary, in joint venture with Exim Bank of India to create worldwide marketing and distribution set up for export of wire ropes.

The Company made its first GDR issue of US$ 35,000,000.

1996 : Racing ahead

New state of the art Wire Rod Mill at Jamshedpur commissioned to produce higher weight coils for better productivity.

1998 : Leading the race

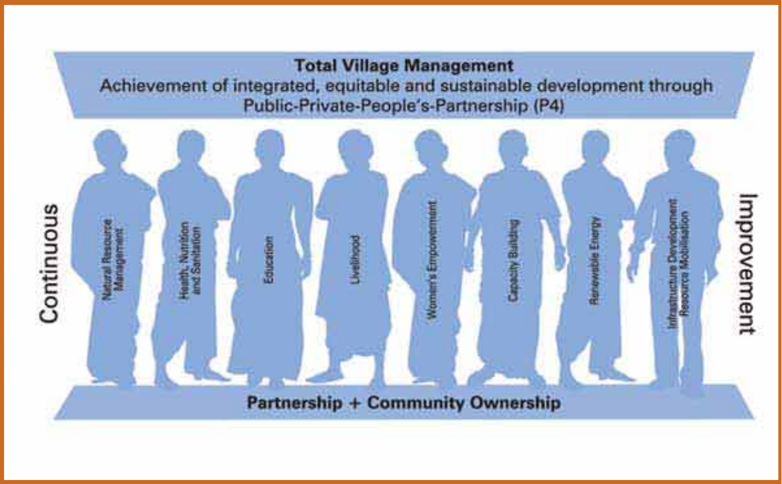
UM merged with UBL.

Acquired EMMC to provide services to offshore oil & gas sectors.

Wire Ropes for the World

KGVK Gurukul - Low Cost High Quality schools

DRI Plant, Jamshedpur



Total Village Management - Our Model for Inclusive Growth

25 MW Thermal Power Plant for captive consumption, Jamshedpur

B.K. Jhawar, R Jhawar with Dr. Ing Enrst Wolf MD Gustav Wolf (Germany) after signing the agreement for setting up steel cord manufacturing line

2000 : At new junctures

Commissioning of 25 MW thermal power plant at Jamshedpur for captive consumption.

The Company acquired a majority stake in Usha Siam Steel Industries Public Limited Company, Bangkok (engaged in manufacture of wire ropes at its plant in Bangkok).

The Company also acquired a stake in Brunton Shaw Limited, UK, from Carclo Group.

The Company established UM Cables Limited to set up a green field JFTC and OFC plant at Silvassa

Hived off IT business into a separate company UMITL.

2001 : Pacing up

The Company established Usha Martin Singapore (Pty.) Limited to set up a distribution center at Singapore for wire ropes.

Commissioning of 2nd SMS at Jamshedpur to enhance capacity to 350000 TPA and produce quality specialty steel.

2003 : Making a mark

The name of the Company was changed to Usha Martin Limited with effect from 1st May, 2003.

Brunton Wolf Wire Ropes FZCO Middle East, Dubai a JV between UM and Gustav Wolf commenced production

2004 : Moving further

The Company successfully commissioned DRI and WHRB

Iron ore mines, Barajamda

Usha Martin, UK

Mr. Peter Woicke (Executive VP IFC, Washington & MD World Bank) with BK Jhawar

Application of wire ropes for offshore oil rigs

The rich coal fields of Daltonganj

Usha Martin, Singapore

power plant at its Steel Division in Jamshedpur.

2005 : Outdistancing one and all

The Company signs an MOU with Joh.Pengg for manufacturing of the speciality oil tempered spring steel wire.

Takeover of JCT Ltd.'s steel division completed and successfully integrated with Usha Martin.

Iron ore mines were operational

Take over of JCT Ltd's steel division

2007 : Going beyond

The company acquired Netherland based distribution and rigging company De Ruiter Staalkabel B.V.

2008 : Going beyond

Joint venture with Joh Pengg of Austria for oil tempered and other type of specialty wires

2009-10

Major capacity expansion at steel plant

2010

Coal mines became operational

2011

Cost optimisation and wire ropes capacity enhancement projects undertaken.

Future Ready

An enterprise derives its values and achievements from its people. All forms of stakeholders, which include employees, shareholders, community, customers and financial organizations amongst others, have left an indelible mark on Usha Martin. The past belongs to them and so does the future.

Equipped with the latest technology and the brightest minds we are quite confident about the time that lies ahead of us. We are ready to take leap into the future, fully aware of our capabilities and eager to seize the opportunities that await us.

This is our moment.

Financial Summary

Standalone

(Rs/crs except mentioned)

	31-3-02	31-03-03	31-03-04	31-03-05	31-03-06	31-03-07	31-03-08	31-03-09	31-03-10	31-03-11
Gross Turnover	925.48	809.22	868.77	1270.58	1377.18	1573.74	1852.77	2307.21	1960.03	2742.24
Net Turnover	823.03	733.95	790.91	1189.87	1231.78	1408.60	1655.90	2127.23	1850.39	2526.70
PBDIT	144.86	161.48	163.09	198.93	249.89	285.98	357.01	422.43	359.49	496.02
Profit Before Tax	8.06	13.35	23.27	58.27	100.74	138.40	200.71	214.04	139.21	145.30
Profit After Tax	6.03	8.22	15.52	40.87	64.96	101.48	144.83	146.56	92.21	99.52
EPS - (Rs.) #	2.17	2.58	4.19	11.04	16.20	22.54	5.76	5.86	3.53	3.23
Rate of Dividend - (%)	10%	10%	15%	30%	55%	75%	100%	100%	100%	100%
Net Fixed Assets	930.49	898.18	898.43	893.78	954.28	1097.07	1449.08	2331.07	2857.54	3130.00
Net Current Assets	387.45	337.04	359.53	345.09	301.86	353.62	372.47	681.47	185.21	463.78
(Including Cash & Bank Balances)	42.38	42.57	28.12	38.97	51.75	37.08	46.36	76.47	10.30	113.01
Gross Debt	888.27	835.05	877.19	825.93	687.61	749.37	943.20	2061.24 *	1560.91 *	2008.80 *
Net Worth	362.22	403.82	419.44	444.79	587.36	717.96	897.38	1015.55	1499.69	1557.06
Debt Equity Ratio (X)	2.45	2.07	2.09	1.86	1.17	1.04	1.05	2.03	1.04	1.29

Consolidated

(Rs/crs except mentioned)

	31-3-02	31-03-03	31-03-04	31-03-05	31-03-06	31-03-07	31-03-08	31-03-09	31-03-10	31-03-11
Gross Turnover	1269.57	1117.62	1145.39	1648.48	1969.31	2148.42	2527.66	3146.79	2630.33	3268.40
Net Turnover	1147.40	1033.30	1062.52	1550.26	1801.96	1964.71	2308.77	2949.85	2514.41	3046.57
PBDIT	179.64	187.35	194.49	243.93	313.41	367.96	444.94	531.36	495.01	587.31
Profit Before Tax	11.46	9.63	25.54	70.68	126.47	182.92	246.84	280.59	240.04	204.07
Profit After Tax	4.92	3.23	16.36	50.08	84.34	137.44	175.38	185.33	168.62	137.03
EPS - (Rs.) #	1.70	1.01	4.42	13.53	21.03	30.52	6.97	7.41	6.46	4.50
Net Fixed assets	1119.24	1089.84	1117.23	1107.01	1194.77	1377.89	1740.97	2623.22	3177.69	3439.34
Net Current Assets	452.09	461.87	462.19	429.21	423.40	519.26	528.91	924.84	420.67	737.69
(Including Cash & Bank Balances)	59.52	50.35	38.81	49.28	67.66	49.04	72.12	108.80	47.62	147.82
Gross Debt	1167.08	1112.62	1134.88	1047.25	865.11	963.03	1137.47	2266.37 *	1716.58 *	2151.88 *
Net Worth	334.36	368.26	383.67	415.16	606.01	773.41	967.39	1135.50	1687.52	1784.34
Debt Equity Ratio (X)	3.49	3.02	2.96	2.52	1.43	1.25	1.18	2.00	1.02	1.21

Face value of each equity share is Rs.5/- upto FY '07 and Re.1/- thereafter
* Including capex L/Cs

Usha Martin Limited
2A, Shakespeare Sarani
Kolkata - 700 071
www.ushamartin.com