usha martin

Annual Report 2017-18

Jing Tang River Bridge
IN SHANGHAI

Completed in 2017. Full - locked coil ropes supplied by Usha Martin, China

Contents

CORPORATE INFORMATION

Board of Directors

Mr. B K Jhawar	*[DIN 00086237]*	-	Chairman Emeritus
Mr. G N Bajpai	*[DIN 00946138]*	-	Chairman
Mr. Brij K Jhawar	*[DIN 00086200]*	-	Director
Mr. Prashant Jhawar	*[DIN 00353020]*	-	Director
Mr. Salil Singhal	*[DIN 00006629]*	-	Director
Mr. Jitender Balakrishnan	*[DIN 00028320]*	-	Director
Mr. P.S. Bhattacharyya	*[DIN 00329479]*	-	Director
Mr. Mukesh Rohatgi	*[DIN 00136067]*	-	Director
Mrs. Aarthi Ramakrishnan	*[DIN 07672826]*	-	Director
Mr. V. Ramakrishna Iyer	*[DIN 02194830]*	-	Nominee Director
Mr. Rajeev Jhawar	*[DIN 00086164]*	-	Managing Director
Mr. P K Jain	*[DIN 02583519]*	-	Jt. Managing Director [Wire & Wire Rope Business]

Key Managerial Personnel

Mr. Rohit Nanda	- Chief Financial Officer
Mrs. Shampa Ghosh Ray	- Company Secretary

Senior Management

India

Mr. Karun Kant Dave	- President [Mining Division]
Mr. D J Basu	- President [HR]
Mr. Debasish Mazumdar	- President [Steel]
Mr. Jayanta Bhowmik	- Sr. Vice President [IT]
Mr. M A Dhere	- Sr. Vice President [SMS]
Dr. T Bhaskar	- Sr. Vice President [QA & Planning]
Mr. S B N Sharma	- Vice President [Head Works – Ranchi]

Europe

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

South East Asia

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

Middle East

Mr. S. Mazumder	- Vice President [Sales & Marketing] – Brunton Wolf Wire Ropes, FZCo.

United States of America

Mr. Malay Vyas	- Chief Executive Officer – Usha Martin Americas Inc.

Registered & Corporate Office

2A, Shakespeare Sarani
Kolkata – 700 071, India
CIN : L31400WB1986PLC091621
Phone : 033 - 71006300; Fax : 033 - 71006415
Email : investor@ushamartin.co.in
Website : www.ushamartin.com

Works

India

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

Overseas

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

Mines

Barajamda, Jharkhand
Brinda and Sasai (yet to be operational)

Bankers

State Bank of India
Axis Bank Limited
ICICI Bank Limited
HDFC Bank Limited
IndusInd Bank Limited
Bank of Baroda
RBL Bank Limited

Auditors

S.R. Batliboi & Co. LLP
Kolkata

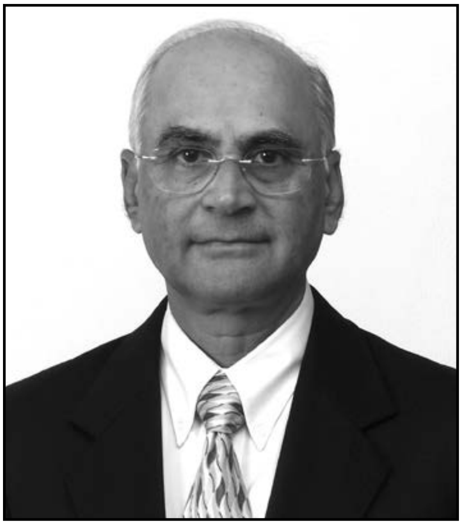
Share Listings

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

Registrar & Transfer Agent

MCS Share Transfer Agent Limited
12/1/5, Manoharpukur Road, Kolkata – 700 026
Phone : +91 33 – 40724051-53
Fax : +91 33 – 40724050
Email : mcssta@rediffmail.com

CHAIRMAN'S MESSAGE



Dear Shareholders,

It gives me great pleasure to inform you that Usha Martin Limited has shown an improvement in its operating results during the full year 2017-18, and more particularly during the fourth quarter of 2017-18. Both businesses of the Company viz., Steel and Wire & Wire Ropes (WWR) have witnessed a turnaround during the last Financial Year. Given the strong fundamentals of the Indian economy and the industry dynamics, the Company is expected to further improve its performance in the ensuing Financial Year.

Macro-economic fundamentals of the Indian economy indicate a continued growth recovery during the Financial Year 2018-19 with an estimated growth rate of 7.4%. The global economy steadily growing albeit at a modest pace; larger economies like USA, EU and China are growing at a lower rate than their respective trend growth rate. Some of the large central banks across the geographies continue to pursue accommodative monetary policy, while the US Federal Reserve has been gradually raising interest rates. Possible headwinds to the global economy inter alia include a withdrawal of monetary accommodation at an increased pace, a sharp rise in the price of crude oil and a possible trade war between USA and China. Besides this the geo-political risks like an escalation with Iran and/ or North Korea may unfold significant risks to a peaceful growth.

Sectors relevant to the Company's businesses like commercial vehicles, tractors, and infrastructure have shown robust growth in the last year and continue to indicate promise for continued strength. According to World Steel Association (WSA) China has shut down most of the Induction Furnace based steel capacities during the year 2017, which together with better domestic demand in China has helped balance the global steel demand-supply scenario leading to improvement in steel realisations. According to CRU, China is also on track to further cut down its steel capacities to bring it below 1 billion tons by 2020 (from 1.2 billion in 2015), which is expected to keep global steel markets balanced considering a moderate growth in aggregate steel demand. WSA expects the steel demand in India to grow at a healthy rate of 5.5-6% over 2018-19. It would therefore be reasonable to expect the buoyancy in steel continuing for some time. WWR Business has also witnessed strong demand revival in most of the end-use sectors except offshore oil and gas segment.

Your Company in the meantime has been working actively to bring about improvements in operational efficiencies to reduce conversion cost. It is also focussed on enriching the product mix in order to improve profit margins. It is an ongoing journey and we continue to be optimistic about the future of the Company. In order to improve the long term financial health of the Company, the management is also endeavouring to reduce leverage on the Balance Sheet by divesting one of the core businesses of the Company.

I gratefully acknowledge and thank all shareholders, lenders, vendors, employees and other stake-holders in this difficult time for their unstinted support. We shall continue to put in our best efforts to ensure a bright future for our Company.

G N Bajpai
Chairman
Date: 21st May, 2018

MANAGING DIRECTOR'S OVERVIEW

Dear Shareholders,

It is heartening to share with you that the year 2017-18 marked a turnaround of both the businesses of the Company. Wire & Wire Ropes business saw a significant jump in growth both within as well as outside India throughout the year. Steel business which had been facing the global headwinds, volatile raw material costs and pricing pressure, also showed signs of marked improvement in the fourth quarter of the year. On the back of this the Company posted better results both for the fourth quarter as well as for the full year as compared to the previous comparable periods.

At a macro level the recovery in GDP growth continued to be on an improving trend in India and the country looks poised to post a 7% plus growth in the year 2018-19. Automotive sector continued to show robust growth and this has translated into better realisations and better profitability for the Company in its Steel Business. Government of India has been actively seeking to improve business conditions in the country through multiple initiatives. While the National Steel Policy (NSP) 2017 seeks to create a globally competitive steel industry in India, the Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies which shall spearhead research and development activities in the iron and steel industry. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. Rolling out of one of the largest post-independence tax reforms in the form of Goods & Services Tax is also expected to augur well for the organised sector over medium to long term horizon. Overall, the past year was difficult but has ended with a lot of promise of improved economy and hence improved prospects for our products in both businesses.

The prices of some of the key raw materials continued to be volatile during the year but your Company continues to focus on improving its operational efficiencies to be a competitive force in the industry. The Company has also been working, albeit with moderate success, on the disposal of identified non-core assets as a short term measure to meet its liquidity challenges. Our endeavour to address the debt burden of the Company by looking for a buyer for our Wire and Wire Ropes business has not met with success so far. We do realise that in the changed business environment, deleveraging the Company is imperative and we'll continue to strive to achieve it in a manner which is in the best interest of all stakeholders.

Rajeev Jhawar

Managing Director

Date: 21st May, 2018

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS OVERVIEW

Usha Martin Limited, started its journey as the first wire rope manufacturer in the country in 1960. It has traversed a long distance since its inception to become one of the largest wire & wire rope (WWR) manufacturers in the world. The Company owns two wire and wire rope manufacturing facilities in India at Ranchi (Jharkhand) and Hoshiarpur (Punjab). It also has three wire rope facilities overseas in UK, Thailand and Dubai. The Company started its steel business in 1974 at Jamshedpur (Jharkhand) with an idea to have backward integration to its WWR manufacturing facilities and has today become one of the largest integrated steel manufacturers of Alloy Steel products (long) in India. In its quest to have a fully integrated business model, the Company also acquired Iron Ore mines which are at Barajamda (Jharkhand) and has a Coal mine at Brinda and Sasai (Jharkhand) which is currently under development.

The Company currently has a steel making capacity of 1 million tons and wire ropes capacity of 259,320 MT. The Company makes alloy steel long products like wire rods, bars, blooms and bright bars mostly for commercial vehicles and tractors. It also manufactures high carbon wire rods for captive consumption in its WWR business. Its WWR division manufactures wire, strands, LRPC and wire ropes of various varieties which have various industrial uses. Company's steel business is heavily dependent upon commercial vehicles and tractor industry fortunes, being the largest consumer of the steel products made by the Company. WWR business on the other hand has a much diversified end use and is therefore relatively resilient to the cyclical gyrations.

Global steel industry has witnessed a tectonic shift over the last decade and a half wherein China has emerged as the undisputed leader, having more than 50% of the global steel capacity. Local steel industry in China grew and prospered feeding the largest home market in the world which was growing at a breakneck pace. Therefore when the Chinese leadership tried to engineer a soft landing for their economy, it led to an imbalance in the steel demand and supply position globally, leading to a crash in steel prices. Besides, Indian economy has also got its share of growth pangs and it has taken 3-4 years for the domestic steel industry to emerge from this severe downturn.

Steel business of Usha Martin Limited has also gone through difficult times due to severe downturn in the steel industry. After hitting a bottom in the year 2015-16, the performance of its steel business has been on a mend. After a slow grind in the last 7 quarters the Company finally saw a significant uptick in its bottom line in the last quarter of 2017-18. With an uptick in the economy in general and automotive industry in particular the near term business outlook looks promising.

WWR business of the Company which due to diverse end markets has generally been more resilient to downturns has nonetheless gone through its own share of turbulence in the recent years. A crash in the oil prices in 2014-15 lead to shelving of projects with estimated worth of about $450 billion resulting into a cascading impact on the wire rope sales pertaining to oil and gas industry. A slow recovery of global economy resulted into significant reduction in exports over the next two years. After two years of deceleration, WWR business has witnessed a full year of recovery in 2017-18 wherein the exports have witnessed a significant jump and demand in domestic business has also been robust. Hand in hand with the recovery last year, WWR business also had to go through a significant surge in the prices of key inputs like steel and zinc. Growth momentum in the domestic economy as well as global recovery coupled with a jump in oil prices are expected to help underpin the WWR business in the forthcoming year as well.

INDUSTRY OVERVIEW

China as the world's leader in steel production has a strong influence on the steel industry as a whole. Last year, Chinese production was set to decelerate as the Chinese economy shifts away from manufacturing and infrastructure towards services. This trend is expected to continue as Chinese officials announced last year that the country will decrease steel production by more than 165 million tons by the year 2020. Further, an improvement in demand of steel keeping abreast with improving economic conditions worldwide contributed to a better-than-expected year for the steel industry. These conditions contributed to higher steel prices globally, although prices stayed relatively stable in the United States over the full year.

Many developed economies witnessed recovery in investments and domestic demand. Global steel markets continued their recovery in FY 2017-18 as global steel demand grew by approximately 2% as compared to the previous year.

As per World Steel Association, global growth in steel is expected to be moderate in 2018, mainly due to slower growth in China, while in the rest of the world, steel demand will continue to maintain its current momentum.

The financial year ended 31st March, 2018 also witnessed a revival of various market segments for the wire & wire rope business except for Oil & Offshore markets. However, demand for ropes for Oil & offshore sectors is expected to pick-up with upward correction in crude prices.

The steel industry continues to be one of the major contributors to India's manufacturing output. With steady growth of Indian GDP resulting in all round improvement in demand of steel, a strong revival in demand from the automobile sector has been witnessed. Further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel. While the National Steel Policy (NSP) 2017 seeks to create a globally competitive steel industry in India, the Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies which shall spearhead

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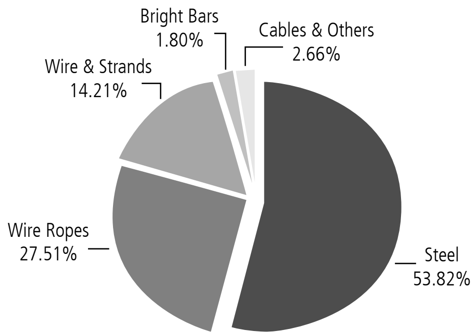
research and development activities in the iron and steel industry. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

The year also saw evolution under Insolvency and Bankruptcy Code which besides others included stressed steel assets being put on the block and finding buyers at better than anticipated prices in some of the cases.

BUSINESS ENVIRONMENT

During 2017-18 the Company generated 10.77% of its revenue from exports as compared to about 9.02% last year. Similarly Steel contributed 63.35% of the revenue during 2017-18 as compared to 62.48% during 2016-17.

Revenue Distribution
By Product



WWR Business

Wire rope business showed a significant improvement in its business performance. During Financial Year ended 31st March, 2018, Turnover & EBIDTA for the Wire & Wire Rope business increased by about 12.28% & 41.95% respectively compared to previous year. In the Indian market, the Company continues to hold about 60% market share. For wire rope exports, FY 18 saw a revival of lost business across most market segments except for Oil & Offshore ropes. Volume of wire rope exports in FY 18 was 40% higher than the previous year. The Company continued to increase sale of higher contributory products like crane ropes, shaft sinking ropes and combination ropes for fishing, which enriched the product mix. Riding on strong demand, the division also focused upon maximizing production of LRPC strands. Wire rope prices have also improved in view of a surge in demand.

Steel Business

The year also saw a turnaround in the steel business towards the latter part of the year. The surge in prices of some of the raw materials like coking coal, ferro-alloys and consumables has had an adverse cost push impact. However, the price increase from the customers came with a lag, resulting into a continued pressure on the margins for larger part of the year. In order to stay competitive the Company continued to drive for lower cost through process optimization and other cost reduction initiatives. During the FY 2017-18 the Company increased sales of intermediate products like DRI due to better realizations and also resumed the production of pellets as the market prices for pellets improved.

OPERATIONAL HIGHLIGHTS

The Steel business achieved a sales turnover of Rs.2,626.43 Cr in the current Financial Year against Rs.2,253.11 Cr in the previous year, higher by 16.57%. The Earnings before Interest, Depreciation and Tax (EBIDTA) and EBIDTA margins were at Rs. 342.50 Cr at 13.04% during the year against Rs.318.22 Cr at 14.12% in the previous year.

During FY 2017-18 the export turnover of Steel business was Rs. 96.2 Cr, which is 3.66% of its turnover, against Rs. 102.8 Cr in the previous year.

Steel Production Volume – MT

	FY 17-18	FY 16-17
Iron Ore	2,499,658	2,496,483
Coke	335,549	336,551
Hot Metal	546,346	542,295
DRI	458,409	390,593
Pellet	367,267	-
Sinter	818,412	815,850
Billets	620,904	670,405
Rolled Products	581,799	601,018

For Usha Martin on a standalone basis, during FY 2017-18, the WWR business achieved gross production of Wire Ropes and Conveyor cord of 61,818 MT against 51,524 MT in FY 2016-17. The gross production of strand, wire, bright bar was 129,807 MT in FY 2017-18 against 126,447 MT in FY 2016-17.

Total Value Added products production was up by about 7.67% in FY 2017-18 compared to that in the previous Financial Year.

On standalone basis, the WWR business delivered turnover of Rs. 1,512.34 Cr. in the current Financial Year against Rs.1,346.97 Cr. in previous year. The EBIDTA and EBIDTA margins were at Rs.238.49 and 15.77% during the year against Rs.168.01 Cr. and 12.47% in previous year respectively.

Production Volume VA Products–Standalone

Qty in MT	FY17-18	FY 16-17
Wire Ropes	60,636	49,684
Strands	56,103	50,111
Wires	59,016	60,899
Bright Bars	14,688	15,437
Conveyor Cords	1182	1,840

Focus Areas & New Initiatives

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

- Increasing wallet share with existing customers
- Enrichment of product mix
- New market and customer development initiatives
- Process optimization and continuous cost improvement
- Constant endeavor to improve upon safety and quality

INTERNATIONAL BUSINESS : SUBSIDIARIES

Level of activity from international businesses increased sharply in 2017-18. The turnover and EBIDTA from international businesses stood at Rs. 907.5 Cr and Rs. 74.21 Cr in 2017-18 from Rs. 739.4 Cr and Rs. (9.87) Cr respectively, the year before. The Company's international business accounted for 19.03% of its consolidated gross activity level.

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 for wire ropes to offshore oil and gas sectors, and

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

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

The consolidated turnover of UMIL was GBP 38.6 Mn in 2017-18 as against GBP 31.4 Mn in 2016-17. UMIL reported a profit of GBP 0.9 Mn as against a loss of GBP 0.04 Mn in the previous year.

			GBP in Mn
UMIL	**FY'16**	**FY'17**	**FY'18**
Turnover	34.6	31.4	38.6
PAT	0.8	(0.04)	0.9

Apart from the offshore market, recovery was noticed across most other market segments.

Brunton Wolf Wire Ropes FZCo [BWWR]

BWWR, a joint venture with Gustav Wolf of Germany, reported a turnover and net profit of US$ 20.7 Mn and US$ 1.3 Mn respectively in 2017-18 as against US$ 16.9 Mn and US$ 0.5 Mn respectively in the previous year.

			USD in Mn
BWWR	**FY'16**	**FY'17**	**FY'18**
Turnover	18.1	16.9	20.7
PAT *[inclusive of OCI]*	0.6	0.5	1.3

Business & profitability improved significantly against previous year as a result of strong demand from Middle East, Africa and Russia.

Usha Siam Steel Industries Public Company Limited [USSIL]

USSIL is a subsidiary of the Company in which along with Usha Martin Singapore Pte Ltd., it holds 97.98% of the equity.

The operations of USSIL achieved a turnover of Thai Baht 1,368.9 Mn during the year under review as against Thai Baht 1,145.5 Mn in the previous year. It reported a loss of Thai Baht 2.4 Mn against profit of Thai Baht 0.8 Mn in the previous year.

			THB in Mn
USSIL	**FY'16**	**FY'17**	**FY'18**
Turnover	1,155.1	1,145.5	1,368.9
PAT *[inclusive of OCI]*	(28.1)	0.8	(2.4)

The Company registered a strong turnaround both on its topline and bottom line, the major reason being revival of demand across most market segments, especially in their export markets except for large diameter ropes.

Usha Martin Singapore Pte Limited [UMSPL]

UMSPL a wholly owned Singapore based subsidiary of the Company is in business of warehousing and distribution of wire ropes in Asia Pacific region by itself and through its following wholly owned subsidiaries –

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

UMSPL reported a consolidated turnover of US$ 21.6 Mn and net profit of US$ 0.01 Mn during the year under review as against US$ 15.2 Mn and net loss of US$ 2.8 Mn respectively in the previous year.

			USD in Mn
UMSPL	**FY'16**	**FY'17**	**FY'18**
Turnover	23.0	15.2	21.6
PAT	(2.5)	(2.8)	0.01

China business which catered largely to new built vessels, platforms, drill rigs, etc. was badly affected as the activity came to a standstill. Vietnam, Indonesia, Australia stand-alone businesses increased their businesses as these are less dependent on oil and offshore segments. With an aim to cut down on losses, it has been decided to keep a representative only in China to reduce costs. The market will be serviced from Singapore.

Usha Martin Americas Inc [UMAI]

During the year, UMAI reported a turnover of US$ 5.3 Mn as against US$ 4.8 Mn in the previous year. The Company however continued to report loss and in FY 17-18 it reported a net loss of US$ 0.9 Mn, though this was a slight improvement against previous year's loss of US$ 1.5 Mn.

			USD in Mn
UMAI	**FY'16**	**FY'17**	**FY'18**
Turnover	10.0	4.8	5.3
PAT	(0.1)	(1.5)	(0.9)

Slight revival in 2017-18 was on account of increased onshore activities for Shale Gas and Oil and due to penetration in new ports in Panama.

DOMESTIC BUSINESS : SUBSIDIARY

U M Cables Limited [UMCL]

UMCL, a wholly owned Indian subsidiary of the Company, engaged in business of telecommunication cables achieved turnover (Revenue from Operations) of Rs. 117.1Cr against Rs.154.9 Cr in the previous year. The net profit for the year was Rs. 4.1Cr as against Rs. 9.6 Cr in FY 16-17.

			Rs. in Cr
UMCL	**FY'16**	**FY'17**	**FY'18**
Turnover	127.3	154.9	117.1
PAT *[inclusive of OCI]*	3.6	9.6	4.1

Sales and profitability was adversely affected due to intense competition and high input cost. However, the Company managed to stay profitable through efficient operations.

FINANCIAL HIGHLIGHTS

During the year, consolidated turnover of the Company stood at Rs. 4,657.78 Cr, which is 19.99% higher than Rs. 3,881.94 Cr in the previous year. On standalone basis, the Company's turnover increased to Rs. 4,038.97 Cr in the current Financial Year against Rs. 3,246.54 Cr in the previous year, increase by 24.41%.

The EBIDTA achieved by the Company on consolidated basis was Rs. 628.17 Cr, being 13.49% of the reported turnover, and on standalone basis at Rs. 562.22 Cr, being 13.92%, for the reported turnover against Rs. 509.33 Cr and Rs. 462.64 Cr respectively in previous year.

Forex Management

During FY 2017-18, Indian Rupee depreciated against US Dollar by about 0.50% to close the year at 65.1750. Depreciation of the rupee occurred more towards the end of the year, whereas it had appreciated by about 2.1% during FY 2016-17.

The main reasons for this depreciation as compared to last year closing rate of 64.85 include a surge in the current account deficit on account of higher oil prices, general strength of US Dollar on the back of increased treasury yields and the fear of a global trade war.

The company's direct foreign currency exposure from imports has come down significantly due to the change in mode of procuring bulk raw-materials, though it continues to have an economic exposure against the same. Due to increase in exports, the company has now become a net exchange earner. It also does not have any long term foreign currency loan on its Balance Sheet after repayment of the entire ECB Loan in 2017-18.

Finance Cost

The average cost of debt as on 31st March, 2018 was at 11.55%. The net interest charge [excluding other borrowing costs] of the Company increased from Rs.522.80 Cr to Rs. 539.33 Cr during the Financial Year mainly on account of reduction in proportion of FCY debt, which carries lower cost, from 17.8% to less than 1% of the total debt.

Capital Expenditure

The Company, on a standalone basis, has incurred Rs.64.92 Cr on projects and normal capital expenditure excluding effect of depreciation.

Debt Mobilization, Payments & Management

During FY 2017-18, the Company on standalone basis, has raised long term rupee debt of Rs. 248 Cr. The Company has further sanctions of Rs.213 Cr of long term loans for funding development of new coal mine, normal capex and other requirements. The Company repaid long term loans of Rs. 544.60 Cr during the year 2017-18.

Overall, there is decrease in debt by Rs. 280.31 Cr. on a standalone basis and Rs. 284.80 Cr on a consolidated basis.

The Company had a net debt of Rs. 3,437.23 Cr (including working capital loans, current maturities of long term debt and net of cash & bank balance of Rs. 22.89 Cr) as on 31st March, 2018, with about less than 1% of it in foreign currency.

Ratings

The Company has a rating of "CARE A4+ " for short term bank facilities and other short term funds by CARE Ratings Limited (formerly known as Care Analysis & Research Limited [CARE]). India Ratings & Research Private Limited (formerly known as Fitch Ratings India Private Limited) has given a rating of "IND BB+" with Rating Watch Negative for long term bank loans and facilities.

Relationships

The Company continued to enjoy excellent relationship with all its lenders. During the year under review it has made all payments of loans and interest to banks and financial institutions.

INVESTOR SERVICES

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

The Company has appealed to all shareholders and depositors who could not encash warrants/cheques for dividends, interest and fixed deposits for making claims with the Company before the same become due for deposit with the Government. During the year, the Company deposited Rs 0.12 Cr with the Investors Education & Protection Fund constituted by the Central Government, being matured dues remaining unpaid for a period of 7 years.

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

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

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

HUMAN RESOURCES

The Company continues to leverage the potential of Human Resources through job rotation, job enrichment and developing competencies through various HR development programmes. The Company identifies high potential and high performing individuals and focuses on their career development programmes for future succession planning. The Company creates future talent pool by recruiting fresh graduate/diploma engineers and ensures proper training and mentoring for developing them into future leaders.

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

The Human Resource Department is involved in CSR activities and has been working in the surrounding villages of its plants for sustainable development in areas of livelihood, capacity building, new techniques in agriculture, health, natural resource management and education.

APPRECIATION

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

Cautionary Statement

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