

## A Comprehensive Financial Performance Analysis of Usha Martin Limited

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### ABSTRACT

As performance appraisal has many aspects, financial performance appraisal stands out as a significant indicator of an organization's overall performance. A thorough financial analysis offers an extensive perspective on the company's financial well-being. This analysis aids stakeholders, including investors, creditors, and management, in evaluating the company's overall performance and financial standing. Furthermore, conducting financial performance analysis within the industry enables management to make informed decisions aimed at enhancing the productivity of their operations. Consistently generating higher profits will alleviate their financial pressures. Usha Martin Group primarily operates in the following sectors: - Wire and Wire Ropes – Production and sale of steel wires, strands, wire ropes, cords, associated accessories, wire drawing, and related machinery, etc. and others production and sale of jelly-filled and optical fiber telecommunication cables. The respective Boards of Directors of the companies within the Group, as well as its joint ventures, are also tasked with supervising the financial reporting processes of their individual companies. (<https://ushamartin.com/>) Our current research endeavor seeks to illuminate the significance of a comprehensive financial performance evaluation of Usha Martin Limited and its resulting implications. This study will assess the overall financial performance, earning potential or profitability, financial stability and liquidity, as well as operational efficiency and productivity.

**Keywords:** Financial Statements, Financial Analysis, Performance Indicators, Data Manipulation, Business Performance of Usha Martin Limited.

### Introduction

Financial statements are the performance indicators of a company that also helps to measure financial performance. The income statement shows the earnings for a given period as well as the company's expenses and profit or loss. This aids in evaluating the profitability and operational effectiveness of the company.<sup>1</sup>

A comprehensive financial analysis offers an all-encompassing perspective on the financial well-being and performance of the company, enabling stakeholders to evaluate its overall competitiveness and make informed strategic decisions at the organizational level. This process entails the examination of consolidated financial statements that reflect all activities and operations of the organization. Organizations that operate through holding companies and subsidiaries can optimize their resource mobilization to the fullest extent. The analysis of financial statements is instrumental in evaluating the financial status and profitability of an entity.<sup>2</sup>

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## Review of Literature

**Dewan Md. Zahurul Islam (2020)** A study on financial performance SMEs base on this evidence, we suggest that entrepreneurial efficacy will be able to help entrepreneurs energize to work hard with a dedicated focus on their goals, thus maintain their financial performance even the current pandemic.<sup>4</sup>

## Objectives of Study

The study's main objective is to assess a company's performance by looking at its financial statements. Financial statements provide information on profitability, stability, and liquidity.

- To analyze the overall financial performance of Usha Martin Limited.
- To assess the earning capacity or profitability of Usha Martin Limited.
- To assess the operational efficiency and managerial effectiveness.
- Help Stakeholders and other users to make economic decisions by analyzing the performance of company.

## Research Methodology

It is a descriptive study by nature basically it is based on secondary data which has been taken from case studies journals newspapers books and online database. We have kept the research study easy to understand.

## Brief Profile of Usha Martin Limited

Usha Martin Industry is also diversified. The wide range of products produced by Usha Martin are used in underground mining, surface mining, mooring, onshore and offshore drilling, fishing, elevators, cranes, aerial haulage and track installations besides various general engineering applications. Pre-stretched ropes, locked coil wire ropes and spiral strands made in Usha Martin are used in suspension bridges, antenna masts etc. The Company's production performance is outlined below:

| Performance Review                            |               |               |                       |                            |               |                       |                            |
|-----------------------------------------------|---------------|---------------|-----------------------|----------------------------|---------------|-----------------------|----------------------------|
| Production Volume via Products<br>(Qty in MT) |               |               |                       |                            |               |                       |                            |
| Products                                      | 2024-25       | 2023-24       | Increase/<br>Decrease | %<br>Increase/<br>Decrease | 2022-23       | Increase/<br>Decrease | %<br>Increase/<br>Decrease |
| Wire Ropes                                    | 76126         | 70499         | 5627                  | 7.98                       | 64428         | 6071                  | 9.42                       |
| Wire / Strands / LRPC                         | 90934         | 82412         | 8522                  | 10.34                      | 91853         | -9441                 | -10.28                     |
| Conveyor Cord                                 | 3870          | 3521          | 349                   | 9.91                       | 3129          | 392                   | 12.53                      |
| <b>Total</b>                                  | <b>170930</b> | <b>156432</b> | <b>14498</b>          | <b>9.27</b>                | <b>159410</b> | <b>-2978</b>          | <b>-1.87</b>               |

Source: <https://ushamartin.com/upload/investorrelations/annual-report-2024-25.pdf>

**Interpretation:** The gross production of Wire Ropes, Strand/Wire/LRPC and Conveyor Cord was 170,930 MT in FY 2024–25 against 1,56,4632 MT in FY 2023–24. Production of total value-added products witnessed a change of 9.3% over the previous year.<sup>6</sup>

## Comprehensive Financial Performance Analysis of Usha Martin Limited

Usha Martin Limited is a public limited company incorporated and domiciled in India and is incorporated under the provisions of the Companies Act, 2013 applicable in India. The consolidated financial statements comprise financial statements of the Company and its subsidiaries (collectively referred as "Group") for the year ended March 31, 2025.<sup>7</sup>

The financial performance of the Company for the year ended 31st March 2025 as compared to previous financial year is summarized below: <sup>8</sup>

| Highlights of a Financial Summary                                      |               |               |               |              |               |               |               |              |
|------------------------------------------------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|
| Particulars                                                            | Consolidated  |               |               |              | Standalone    |               |               |              |
|                                                                        | 23-24         | 24-25         | Inc./ Dec.    | % Inc./ Dec. | 23-24         | 24-25         | Inc./ Dec.    | % Inc./ Dec. |
| Net Turnover                                                           | 3225.2        | 3474.16       | 248.96        | 7.72         | 2046.09       | 2171.06       | 124.97        | 6.11         |
| Earnings before Interest, Tax, Depreciation and Amortizations (EBITDA) | 638.84        | 636.45        | -2.39         | -0.37        | 460.38        | 463.29        | 2.91          | 0.63         |
| Depreciation                                                           | 77            | 97.86         | 20.86         | 27.09        | 32.74         | 47.19         | 14.45         | 44.14        |
| Finance costs                                                          | 24.78         | 29.55         | 4.77          | 19.25        | 6.78          | 11.37         | 4.59          | 67.70        |
| <b>Profit before Tax</b>                                               | <b>537.06</b> | <b>509.04</b> | <b>-28.02</b> | <b>-5.22</b> | <b>420.86</b> | <b>404.73</b> | <b>-16.13</b> | <b>-3.83</b> |
| Tax expenses                                                           | 125.39        | 120.53        | -4.86         | -3.88        | 98.75         | 102.52        | 3.77          | 3.82         |
| Share of Profit of Joint Venture                                       | 12.45         | 17.81         | 5.36          | 43.05        | 0             | 0             | 0             | 0.00         |
| <b>Profit after tax</b>                                                | <b>424.12</b> | <b>406.32</b> | <b>-17.8</b>  | <b>-4.20</b> | <b>322.11</b> | <b>302.21</b> | <b>-19.9</b>  | <b>-6.18</b> |
| Other comprehensive income / (loss)                                    | 1.14          | 53.71         | 52.57         | 4611.40      | -5.84         | -1.51         | 4.33          | -74.14       |
| <b>Total comprehensive income / (loss)</b>                             | <b>425.26</b> | <b>460.03</b> | <b>34.77</b>  | <b>8.18</b>  | <b>316.27</b> | <b>300.7</b>  | <b>-15.57</b> | <b>-4.92</b> |

Source: <https://ushamartin.com/upload/investorrelations/annual-report-d-2024-25.pdf>

### Interpretation

- Consolidated turnover of the Company stood at Rs. 3,474.16 Crore, reflecting an increase of 7.7% over Rs. 3,225.20 Crore in the previous year.
- Consolidated EBITDA was Rs. 636.45 Crore, reflecting decrease of -0.37% over Rs. 638.84 Crore in previous year.
- Consolidated Profit after Tax was Rs. 406.32 Crore, reflecting decrease of -4.20% over Rs. 424.12 Crore in previous year.
- Consolidated total comprehensive income was Rs. 425.26 Crore, reflecting increase of 8.18% over Rs. 460.03 Crore in previous year.
- Standalone turnover of the Company stood at Rs. 2,171.06 Crore, reflecting an increase of 6.1% over Rs. 2,046.09 Crore in the previous year.
- Standalone EBITDA was Rs. 463.29 Crore, reflecting increase of 0.63% over Rs. 460.38 Crore in previous year.
- Standalone Profit after Tax was Rs. 302.21 Crore, reflecting decrease of -6.18% over Rs. 322.11 Crore in previous year.
- Standalone total comprehensive loss was Rs. 300.7 Crore, reflecting decrease of -4.92% over Rs. 316.27 Crore in previous year.

### Statement of Profit & Loss Account – Both Consolidated and Standalone Financial

A Comparative Statement of Profit and Loss Account show the detail analysis of total revenue & expenditure and financial position of Usha Martin Limited during the period 2024-25. Detail analyses of consolidated and standalone financial statement for two years of Usha Martin Limited is as follows: <sup>9</sup>

| <b>Statement of Profit &amp; Loss Account</b>                                                       |                     |                   |                               |                   |                   |                               |
|-----------------------------------------------------------------------------------------------------|---------------------|-------------------|-------------------------------|-------------------|-------------------|-------------------------------|
| <b>Particulars</b>                                                                                  | <b>Consolidated</b> |                   |                               | <b>Standalone</b> |                   |                               |
|                                                                                                     | <b>23-24</b>        | <b>24-25</b>      | <b>Increase/<br/>Decrease</b> | <b>23-24</b>      | <b>24-25</b>      | <b>Increase/<br/>Decrease</b> |
|                                                                                                     |                     |                   |                               |                   |                   |                               |
| Revenue from operations                                                                             | 322,520.00          | 347,416.00        | 24,896.00                     | 204,609.00        | 217,106.00        | 12,497.00                     |
| Other income                                                                                        | 4,028.00            | 3,939.00          | -89.00                        | 6,014.00          | 4,138.00          | -1,876.00                     |
| <b>Total income</b>                                                                                 | <b>326,548.00</b>   | <b>351,355.00</b> | <b>24,807.00</b>              | <b>210,623.00</b> | <b>221,244.00</b> | <b>10,621.00</b>              |
| <b>Expenses</b>                                                                                     |                     |                   |                               |                   |                   |                               |
| a) Cost of materials consumed                                                                       | 162,426.00          | 179,150.00        | 16,724.00                     | 109,783.00        | 118,979.00        | 9,196.00                      |
| b) Purchases of stock-in-trade                                                                      | 2,734.00            | 3,130.00          | 396.00                        | 1,214.00          | 915.00            | -299.00                       |
| c) Changes in inventories of finished goods, work in -progress, stock-in-trade and scrap/by product | -1,827.00           | -7,275.00         | -5,448.00                     | 1,377.00          | -1335             | -2,712.00                     |
| d) Employee benefits expense                                                                        | 42,763.00           | 47,433.00         | 4,670.00                      | 16,305.00         | 16,535.00         | 230.00                        |
| e) Finance costs                                                                                    | 2,478.00            | 2,955.00          | 477.00                        | 678               | 1,137.00          | 459.00                        |
| f) Depreciation and amortization expenses                                                           | 7,700.00            | 9,786.00          | 2,086.00                      | 3,274.00          | 4,719.00          | 1,445.00                      |
| g) Other expenses                                                                                   | 56,568.00           | 65,272.00         | 8,704.00                      | 35,906.00         | 39,821.00         | 3,915.00                      |
| <b>Total expenses</b>                                                                               | <b>272,842.00</b>   | <b>300,451.00</b> | <b>27,609.00</b>              | <b>168,537.00</b> | <b>180,771.00</b> | <b>12,234.00</b>              |
| <b>Profit before share of profit of joint ventures and tax</b>                                      | <b>53,706.00</b>    | <b>50,904.00</b>  | <b>-2,802.00</b>              | <b>42,086.00</b>  | <b>40,473.00</b>  | <b>-1,613.00</b>              |
| Share of profit of joint ventures, net of tax                                                       | 1,245.00            | 1,781.00          | 536.00                        | 0                 | 0                 | 0.00                          |
| <b>Profit before tax</b>                                                                            | <b>54,951.00</b>    | <b>52,685.00</b>  | <b>-2,266.00</b>              | <b>42,086.00</b>  | <b>40,473.00</b>  | <b>-1,613.00</b>              |
| <b>Tax expense:</b>                                                                                 |                     |                   |                               |                   |                   |                               |
| a) Current tax                                                                                      | 12,822.00           | 10,777.00         | -2,045.00                     | 9256              | 8865              | -391.00                       |
| b) Adjustment of tax relating to earlier periods                                                    | -229                | -24               | 205.00                        | -211.00           | 44.00             | 255.00                        |
| c) Deferred tax charge/ (credit)                                                                    | -54                 | 1300              | 1,354.00                      | 830.00            | 1,343.00          | 513.00                        |
| <b>Total Tax expense (a+b+c)</b>                                                                    | <b>12,539.00</b>    | <b>12,053.00</b>  | <b>-486.00</b>                | <b>9,875.00</b>   | <b>10252.00</b>   | <b>377.00</b>                 |
| <b>Profit for the period after tax</b>                                                              | <b>42,412.00</b>    | <b>40,632.00</b>  | <b>-1,780.00</b>              | <b>32,211.00</b>  | <b>30221</b>      | <b>-1,990.00</b>              |
| Equity shareholders of the parent                                                                   | 42,487.00           | 46,048.00         | 3,561.00                      |                   |                   |                               |
| <b>Paid-up equity share capital (Face value of Re 1/- each)</b>                                     | <b>3,054.00</b>     | <b>3,443.00</b>   | <b>389.00</b>                 |                   |                   |                               |
| <b>Earnings per equity share (Rs.)</b>                                                              | <b>13.92</b>        | <b>13.37</b>      | <b>-0.55</b>                  |                   |                   |                               |

Source: Annual report Usha Martin Limited (2023-24).

### Interpretation

- Usha Martin reported a consolidated total income of Rs. 3,51,355 during the financial year ended 31 March, 2025, compared with Rs.3,26,548 during the financial year ended 31 March, 2024. The company had a net profit of Rs.40632 for the financial year ended 31 March, 2025 as against net profit of Rs.42412 for the financial year ended 31 March, 2024.
- Usha Martin reported a standalone total income of Rs. 2,21,244 during the financial year ended 31 March, 2025, compared with Rs.2,10,623 during the financial year ended 31 March, 2024. The company had a net profit of Rs.30070 for the financial year ended 31 March, 2025 as against net profit of Rs.31627 for the financial year ended 31 March, 2024.

### Conclusion

A thorough financial analysis offers an extensive perspective on the financial well-being of the company. It assists stakeholders, including investors, creditors, and management, in evaluating the company's overall performance and financial standing. Considering that time is constant, only one primary tool, the comparative statement of profit and loss, has been utilized to reach conclusions. Usha Martin ought to focus on enhancing the productivity of their plant as well, since it is evident that, despite not being a profitable organization, they are committed to bettering the lives of their stakeholders at the grassroots level. However, higher profits would alleviate their financial challenges. The overall financial performance of Usha Martin Limited is significantly impacted by various issues. The financial performance of Usha Martin Limited is currently unsatisfactory. This company could potentially enhance its financial stability by boosting the productivity of their plant.

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