Independent auditor's report

To the Members of The Indian Steel & Wire Products Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of The Indian Steel & Wire Products Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss ((including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and total comprehensive income (comprising of profit/ loss and other comprehensive income)], changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
12. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33.1(a) to the financial statements.
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration Number: 304026E/E300009

Sougata Mukherjee
Partner
Membership Number: 057084

Kolkata
April 11, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the members of **The Indian Steel & Wire Products Limited** on the financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of **The Indian Steel & Wire Products Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number: 057084

Kolkata
April 11, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 12 (f) of the Independent Auditors' Report of even date to the members of **The Indian Steel & Wire Products Limited** on the financial statements for the year ended March 31, 2019

Annexure B to Independent Auditors' Report
Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of The **Indian Steel & Wire Products Limited** on the financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining 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 have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 5 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
We have broadly reviewed the same, 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.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, service tax, duty of customs , duty of excise, value added tax, cess, goods and service tax 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 are no dues of service-tax, duty of customs, and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act	Sales Tax/Value Added Tax	1,620.37	1996-97 to 2000-01 and 2003-15	Appellate Authority-Upto Commissioner's level
Excise Duty	Central Excise	134.20	2004-05	Appellate Authority-Upto Commissioner's level
Wealth Tax	Wealth TAx	390.35	1993-94 to 1997-98	Appellate Authority-Upto Commissioner's level
Income Tax	Income Tax Act	405.52	2010-11	Appellate Authority-Upto Commissioner's level

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

ix. The Company has not raised any moneys by way of initial public offer, further public offer (Including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Sougata Mukherjee
Partner
Membership Number: 057084

Kolkata
April 11, 2019

(SIQW)

THE INDIAN STEEL & WIRE PRODUCTS LIMITED
(A Subsidiary of Tata Steel Ltd.)

Balance Sheet as at March 31, 2019

Rs in Lakhs

		Note	As at March 31, 2019	As at March 31, 2018
(I)	ASSETS			
(1)	Non-current assets			
	(a) Property, plant and equipment	04	4,640.06	4,944.67
	(b) Capital work-in-progress	04	282.42	27.25
	(c) Intangible assets	04	117.05	135.97
	(d) Investment properties	05	160.97	164.35
			5,200.50	5,272.24
	(e) Financial assets			
	(i) Investments	06	0.00	0.00
	(f) Other non current assets	07	322.88	11.08
	(g) Non current tax asset		1,077.49	965.28
	(h) Deferred tax assets	20	235.00	187.06
TOTAL NON-CURRENT ASSETS			6,835.87	6,435.66
(2)	Current assets			
	(a) Inventories	08	3,579.21	3,528.74
	(b) Financial assets			
	(i) Trade receivables	09	1,987.86	1,729.48
	(ii) Cash and bank balances	10	1,044.04	41.28
	(iii) Bank balances other than (ii) above	10	50.32	54.70
	(iv) Other financial assets	11	792.80	311.66
	(c) Other current assets	07	694.55	939.64
	(d) Assets classified as held for sale	34	281.11	654.36
TOTAL CURRENT ASSETS			8,429.89	7,259.86
TOTAL ASSETS			15,265.76	13,695.52
(II)	EQUITY AND LIABILITIES			
(1)	Equity			
	(a) Equity Share capital	12	599.19	599.19
	(b) Other equity		8,008.68	6,752.59
	(i) Retained earnings	13	7,463.97	6,207.88
	(ii) Other components of equity	13	544.71	544.71
			8,607.87	7,351.78
(2)	Non-current liabilities			
	(a) Financial liabilities			
	(i) Other financial liabilities	14	1,400.00	1,400.00
	(b) Provisions	15	820.80	744.59
	(c) Employee benefit obligations	16	511.82	371.06
TOTAL NON-CURRENT LIABILITIES			2,732.62	2,515.65
(3)	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17	-	78.48
	(ii) Trade payables	18	3,296.22	3,096.56
	a) Total outstanding dues of Micro & Small enterprises		47.32	41.61
	b) Total outstanding dues other than (ii)(a)		3,248.90	3,054.95
	(iii) Other financial liabilities	14	68.57	239.94
	(b) Provisions	15	119.95	118.69
	(c) Employee benefit obligations	16	23.01	25.87
	(d) Other current liabilities	19	293.25	209.28
	(e) Current tax liabilities		116.39	48.35
	(f) Liabilities directly associated with assets classified as held for sale	34	7.88	10.92
TOTAL CURRENT LIABILITIES			3,925.27	3,828.09
TOTAL EQUITY AND LIABILITIES			15,265.76	13,695.52

See accompanying notes forming part of the financial statements

In terms of our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No- 304026E/E300009

Sougata Mukherjee
Partner
Membership Number: 057084

Kolkata, April 11, 2019

For and on behalf of the Board of Directors

Peeyush Gupta
Chairman
DIN- 02840511

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Kolkata, April 11, 2019

THE INDIAN STEEL & WIRE PRODUCTS LIMITED
(A Subsidiary of Tata Steel Ltd.)
Statement of Profit & Loss for the year ended March 31, 2019

Rs. in Lakhs

		Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
	Continuing operations			
(1)	Revenue	21	28,721.37	25,948.50
(2)	Other Income	22	508.44	164.95
(3)	Total Income (1 + 2)		29,229.81	26,113.45
(4)	EXPENSES			
	(a) Raw materials consumed	23 (A)	2,639.02	2,139.03
	(b) Changes in inventories of finished goods and work-in-progress	23 (B)	154.39	433.96
	(c) Employee benefit expense	24	4,676.61	4,298.40
	(d) Finance costs	25	56.19	112.22
	(e) Depreciation and amortisation expense		611.35	596.64
	(f) Excise duty on sale of goods		-	221.55
	(g) Other expenses	26	18,935.11	16,663.34
	Total Expenses		27,072.67	24,465.14
(5)	Profit before tax from continuing operations (3 - 4)		2,157.14	1,648.31
VI	Profit before tax (V - VI)		2,157.14	1,648.31
(6)	Tax Expense			
	(1) Current tax		790.31	472.13
	(2) Deferred tax		(47.94)	139.09
	Total tax expense	27 (i)	742.37	611.22
(7)	**Profit after tax from continuing operations (5-6)**		1,414.77	1,037.09
	(1) Profit/(Loss) before tax from discontinuing operations		(162.50)	(95.24)
	(2) Tax expense		56.78	32.96
(8)	**Profit/(Loss) after tax from discontinuing operations**		(105.72)	(62.28)
(9)	**Profit for the year (7+8)**		1,309.05	974.81
(10)	**Other comprehensive income**			
	(a) Items that will not be reclassified to statement of profit or loss			
	(i) Remeasurement of the employees defined benefit plans		(81.41)	55.38
	(ii) tax impact	27 (ii)	28.45	(19.17)
	Total Other comprehensive income		(52.96)	36.21
(11)	**Total comprehensive income for the year (9+10)**		1,256.09	1,011.02
(12)	**Earnings per equity share (for continuing operation):**			
	(1) Basic	29	23.61	17.31
	(2) Diluted	29	23.61	17.31
(13)	**Earnings per equity share (for discontinuing operation):**			
	(1) Basic		(1.76)	(1.04)
	(2) Diluted		(1.76)	(1.04)
(14)	**Earnings per equity share (for continuing and discontinuing operation):**			
	(1) Basic		21.85	16.27
	(2) Diluted		21.85	16.27

See accompanying notes forming part of the financial statements

In terms of our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No- 304026E/E300009

Sougata Mukherjee
Partner
Membership Number: 057084

For and on behalf of the Board of Directors

Peeyush Gupta
Chairman
DIN- 02840511

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Kolkata, April 11, 2019

Kolkata, April 11, 2019

THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A Subsidiary of Tata Steel Ltd.)

Statement of Profit & Loss from discontinuing operations for the period ended 31st March, 2019

Rs. in Lakhs

		For the year ended March 31, 2019	For the year ended March 31, 2018
(1)	**Revenue from operations**	**142.14**	223.53
(2)	Other Income	**(3.77)**	167.20
(3)	**Total Revenue (1 + 2)**	**138.37**	390.73
(4)	**EXPENSES**		
	(a) Raw materials consumed	-	71.76
	(b) Changes in stock of finished goods & work-in-progress	**126.15**	236.50
	(c) Employee benefit expense	-	13.99
	(d) Finance costs	**0.03**	11.43
	(e) Depreciation and amortisation expense	-	1.00
	(f) Excise duty on sale of goods	-	17.85
	(g) Other expenses	**174.69**	133.44
	Total Expenses	**300.87**	485.98
(5)	**Profit/(Loss) before tax from discontinuing operations (3-4)**	**(162.50)**	(95.24)
(6)	Tax Expense		
	(1) Current tax for the year	**56.78**	32.96
	(2) Deferred tax	-	-
	Total tax expense	**56.78**	32.96
(7)	**Loss after tax from discontinuing operations (5-6)**	**(105.72)**	(62.28)

THE INDIAN STEEL & WIRE PRODUCTS LIMITED
(A Subsidiary of Tata Steel Ltd.)
Cash Flow Statement for the year period ended March 31, 2019

Rs. in Lakhs

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash Flow from Operating activities:		
Profit before taxes including discontinued operations	1,994.64	1,553.07
From continuing operations	2,157.14	1,648.31
From discontinued operations	(162.50)	(95.24)
Adjustments for:		
Depreciation and amortisation expense	611.35	597.64
Provision for bad & doubtful debts & Advances	99.89	98.11
Interest Income	(168.40)	(5.53)
Finance Cost	56.22	123.65
(P)/L on sale of capital assets (net of discarded assets written off)	11.25	(164.19)
Provision for warranty claims	9.91	(38.84)
Employee separation compensation (amortised, net of payments)	6.22	1.54
Operating profit before working capital changes	2,621.08	2,165.45
Adjustments for (increase)/decrease in operating assets		
Inventories	265.75	1,092.51
Trade receivables	(260.86)	702.07
Other financials assets (includes FD movement)	(476.76)	149.84
Other non financials assets	122.77	211.60
Adjustments for increase/(decrease) in operating liabilities		
Trade Payables	196.62	(456.78)
Other financials liabilities	(9.48)	(11.04)
Other non financials liabilities	83.97	(88.47)
Retirement benefit assets/obligations	56.49	(162.23)
Short-term provisions	(14.86)	68.97
Long-term provisions	76.21	(5.29)
Cash generated from operations	2,660.92	3,666.63
Income taxes paid	(588.69)	(516.29)
Net cash from operating activities	2,072.23	3,150.34
Exceptional item	-	
Net cash from operating activities	2,072.23	3,150.34
B. Cash Flow from Investing activities:		
Purchase of property, plant and equipment	(970.40)	(1,467.52)
Sale of property, plant and equipment	27.79	231.46
Interest received	7.84	5.53
Net cash used in investing activities	(934.77)	(1,230.53)
C. Cash Flow from Financing activities:		
Proceeds from/ (Repayment against) working capital borrowings (net)	(78.48)	(1,785.69)
Finance Cost	(56.22)	(123.65)
Net cash used in financing activities	(134.70)	(1,909.34)
Net increase / (decrease) in cash and cash equivalents	1,002.76	10.47
Cash & cash equivalents as at April 1	41.28	30.81
Cash & cash equivalents as at March 31	1,044.04	41.28

See accompanying notes forming part of the financial statements

Notes:

(1) Cash & cash equivalents represents cash & cheques on hand and balances with banks (Refer note 10).

(2) Figures in brackets represent outflows.

(3) Previous year's figures have been recast/restated where necessary.

In terms of our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No- 304026E/E300009

Sougata Mukherjee
Partner
Membership Number: 057084

For and on behalf of the Board of Directors

Peeyush Gupta
Chairman
DIN- 02840511

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Kolkata, April 11, 2019

Kolkata, April 11, 2019

THE INDIAN STEEL & WIRE PRODUCTS LIMITED
(A Subsidiary of Tata Steel Ltd.)

Statement of Changes in Equity

A. Equity Share Capital

Particulars	Rs. in Lakhs
Balance as at April 1, 2017	599.19
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at March 31, 2018	599.19
Changes in equity share capital during the year ended March 31, 2019	-
Balance as at March 31, 2019	599.19

B. Other Equity

Rs. in Lakhs

Statement of changes in Equity	Reserves and surplus					Items of Other comprehensive income	Total Equity
	Amalgamation Reserve	Investment Allowance	Special Reserve	Capital Reserve	Retained Earnings	Equity investment through OCI	
Balance as at April 1, 2017	276.60	267.30	0.73	0.08	5,196.86	-	5,741.57
Recognised in the statement of Profit & loss during the year	-	-	-	-	974.81	-	974.81
Other Comprehensive Income	-	-	-	-	36.21	-	36.21
Balance as at March 31, 2018	276.60	267.30	0.73	0.08	6,207.88	-	6,752.59
Recognised in the statement of Profit & loss during the year	-	-	-	-	1,309.05	-	1,309.05
Other Comprehensive Income	-	-	-	-	(52.96)	-	(52.96)
Balance as at March 31, 2019	**276.60**	**267.30**	**0.73**	**0.08**	**7,463.97**	**-**	**8,008.68**

See accompanying notes forming part of the financial statements

In terms of our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No- 304026E/E300009

Sougata Mukherjee
Partner
Membership Number: 057084

Kolkata, April 11, 2019

For and on behalf of the Board of Directors

Peeyush Gupta
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Company Secretary

Kolkata, April 11, 2019

THE INDIAN STEEL & WIRE PRODUCTS LIMITED
(A Subsidiary of Tata Steel Ltd.)

Notes forming part of the Financial Statements
01 - Accounting Policies

(1) GENERAL CORPORATE INFORMATION

The Indian Steel & Wire Product Limited ("The Company") is a subsidiary of Tata Steel Limited ("Tata Steel"). The Company has set up its manufacturing facilities at Jamshedpur and has its Registered Office in Kolkata, West Bengal, India.

The Company is one of the first wire drawing plants established in India in the year 1920. The Wire Unit comprises Wire Rod Mill and Wire Mill. The product portfolio of the Company includes various products like Welding electrodes, GI Wires, Mig Wire,Nails, Barbed Wire, Wire Rod and TMT. The Wire division of the company being an External Processing Agent receives conversion charges from Tata Steel.

Apart from Wire Unit it has another unit for Steel Roll Manufacturing named Jamshedpur Engineering & Machine Manufacturing Company (JEMCO), pioneer in Industrial Roll and Engineering Casting manufacturing. The Unit produces Iron & Steel Rolls for Integrated Steel Plants and Engineering Castings for Steel Plants, Automobile Industry and Power Plants etc.

The financial statements are presented in Indian Rupee (INR) which is also the functional currency of the company.

(2) Summary of significant accounting policies

2.01 Statement of compliance

The financial statements comply in all materaial aspect with the Indian Accounting Standarsds (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisoins of the Act.

2.02 Basis of preparation and presentation

These financial statements have been prepared on a historical cost basis except for the following:
(a) certain financial assets and liabilities are measured at fair value
(b) assets held for sale are measured at fair values less cost to sell.

2.03 Use of Estimates

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Useful lives of Property, plant and equipment (Refer Note 2.07 and 2.08)
- Provisions and Contingencies (Refer Note 33.1 and 33.2)
- Valuation and measurement of income taxes and deferred taxes (Refer Note 28.01 and 28.02)
- Assets and liabilities relating to employee benefits (Refer Note 30)

2.04 REVENUE RECOGNITION

Pursuant to notification issued by Ministry of Corporate Affairs (MCA) on March 28, 2018, the Company has adopted Ind AS 115 on "Revenue from Contracts with Customers" w.e.f. accounting period beginning on and after April 1, 2018 using full retrospective approach which does not have material impact on the financial statement of the Company.

(I) Sale of goods

Revenue from the sale of goods is recognized when the company sells a product to the customers. Payment of the transaction price is due immediately when the customer purchases the goods and takes the delivery. The delivery considered to be taken place when;

- The Company has transferred the significant control over the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and

(ii) Sale of services

The wire division acts as an external processing agent of Tata Steel Limited for conversion of wire rod and billet into TMT and wire. Conversion income is recognized in the accounting period in which the conversion service is rendered.

(iii) Dividend and Interest income

Dividend income is recognised when the company's right to receive dividend is established. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

(iv) Rental income

Rental income from investment properties is recognised on a straight line basis over the term of the relevant leases.

2.05 Employee Benefits

i). Short-term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

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ii). Defined contribution retirement benefits

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-s-vis interest rate declared by the Employees' Provident Fund Organisation.

iii). Defined benefit retirement benefits

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees and pension to retired whole-time directors. The post retirement medical benefit is provided to employees and retired whole-time directors. Gratuity liabilities are funded and managed through separate trust M/s Life Insurance Corporation of India (LIC) from January 1st, 2012 . The liabilities towards pension to retired whole-time directors are not funded.

Remeasurements, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to the statement of profit and loss. Past service costs are recognised in the statement of profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognised in the statement of profit and loss are categorised as follows

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); and
- net interest expense or income.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

iv). Other Long-term benefits

The Company provides annual leave which are accumulating and vesting to its employees. The annual leave benefit is not funded. The cost of providing annual leave benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. All actuarial gains or losses are recognised in the statement of profit and loss in the period in which they occur.

2.06 Taxation

i). Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

i). Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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Notes forming part of the Financial Statements

01 - Accounting Policies

Current and deferred tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

iii). Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as an asset in the balance sheet when there is convincing evidence that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

2.07 Property, Plant and equipment

a) Buildings and Roads, Plant and Equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Properties in the course of construction for production or supply of goods or services or for administrative purposes are carried at cost, less any recognised impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

Estimated useful lives of the assets are as follows:

Buildings and Roads	:	3 to 60 years
Plant and Equipment	:	3 to 15 years
Furniture and Fixtures	:	10 years
Office Equipments	:	3 to 5 years
Computers	:	3 years
Motor Vehicles	:	5 to 8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in the statement of profit and loss.

b) Capital work-in-progress

Capital Work-in-Progress includes, material, labour and other directly attributable costs incurred on assets, which are yet to be commissioned. Capital Inventory is included in Capital work-in-progress and comprises stock of capital items and construction materials at stores and with contractors.

2.08 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised at straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquire separately are carried at cost less accumulated impairment losses.

Estimated useful lives of the intangible assets are as follows:

Software	:	5 to 10 years

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in the statement of profit and loss.

2.09 Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.10 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, taxes. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

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Notes forming part of the Financial Statements

01 - Accounting Policies

Scrap are valued at net realisable value.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "weighted average" basis.

2.11 Provisions, Contingent liabilities and Contingent assets

2.11.01 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recongnised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.11.02 Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Company's warranty obligation.

2.11.03 Contingent liabilities and assets

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognised. In the normal course of business, contingent liabilities may arise from litigation and other claims against the company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

2.12 Foreign exchange gain and losses

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

2.13 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions cost directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

2.14 Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a transaction date basis. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.14.01 Financial assets at fair value through profit and loss (FVTPL)

Investments in equity instruments are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the 'Other income' line item.

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Notes forming part of the Financial Statements
01 - Accounting Policies

2.14.02 Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, Company follow a simplified approach where provision is made as per the ageing buckets which are designed based on historical facts and patterns.

2.14.03 Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

2.14.04 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand , cheques/ drafts on hand and short term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Financial liabilities and equity instruments

2.15.01 Financial liabilities

Financial liabilities are measured at amortised cost or at FVTPL

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost.

Trade and other payables

These amounts represent liabilities for goods and services received by the Company prior to the end of reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

2.16 Segment Reporting

The board of directors assesses performance of the Company as Chief Operating Decision Maker (CODM).

The Company has disclosed Business Segment as the primary segment.The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The Company's operations predominantly relate to manufacture of Wire products, Direct business and Rolls.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

2.17 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.18 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are expensed in the period in which they are incurred.

2.19 Assets held for sale and discontinued operations

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.
Assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable.

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Notes forming part of the Financial Statements

01 - Accounting Policies

2.20 Earnings per share

Basic earnings per share is computed by dividing the profit after tax before other comprehensive income by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

(3) Recent accounting pronouncements- Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules'). The rules proposed the new standard on Leases i.e., Ind AS 116, Leases. The rules is proposed to be effective from reporting periods beginning on or after April 1, 2019.

Ind AS 116- Leases

The company is in the process of assessing the detailed impact of Ind AS 116. Presently, the company is not able to reasonably estimate the impact that application of Ind AS 116 is expected to have on its financial statements, except that adoption of Ind AS 116 is not expected to significantly change the lease accoutining.

THE INDIAN STEEL & WIRE PRODUCTS LIMITED
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Notes forming part of the Financial Statements
04 - Property, plant and equipment

Rs. In Lakhs

	Buildings (Own use)	Plant and Equipment (Owned)	Furniture and fixtures (Owned)	Office Equipments (Owned)	Vehicles (Owned)	Total Tangible Assets	Computer Software (Acquired)	Total Intangible assets	Capital work in progress
Balance as at March 31, 2017	1,208.54	3,751.32	114.35	98.25	66.93	5,239.39	183.41	183.41	96.93
Additions	181.82	1,420.70	27.36	48.81	22.18	1,700.87	39.79	39.79	1,668.03
Classified as held for sale	-	(67.19)	-	-	-	(67.19)			
Disposals	(3.79)	(38.22)	-	(0.68)	(0.02)	(42.71)	-	-	(1,737.71)
Balance as at March 31, 2018	1,386.57	5,066.61	141.71	146.38	89.09	6,830.36	223.20	223.20	27.25
Additions	31.50	209.79	15.57	27.33	30.37	314.56	8.92	8.92	578.66
Disposals	(0.20)	(43.63)	-	(1.05)	(6.69)	(51.57)	-	-	(323.49)
Balance as at March 31, 2019	**1,417.87**	**5,232.77**	**157.28**	**172.66**	**112.77**	**7,093.35**	**232.12**	**232.12**	**282.42**
Accumulated depreciation									
Balance as at March 31, 2017	150.52	1,094.87	28.72	56.54	22.74	1,353.39	62.06	62.06	-
Depreciation expense	84.82	420.02	17.42	37.14	9.69	569.09	25.17	25.17	-
Classified as held for sale	-	(10.22)	-	-	-	(10.22)			
Disposals	(2.34)	(23.63)	-	(0.60)	-	(26.57)	-	-	-
Balance as at March 31, 2018	233.00	1,481.04	46.14	93.08	32.43	1,885.69	87.23	87.23	-
Depreciation expense	83.82	440.20	12.61	38.67	4.83	580.13	27.84	27.84	-
Disposals	-	(8.37)	-	(0.89)	(3.27)	(12.53)	-	-	-
Balance as at March 31, 2019	**316.82**	**1,912.87**	**58.75**	**130.86**	**33.99**	**2,453.29**	**115.07**	**115.07**	-
Net Carrying amount									
Balance as at March 31, 2018	**1,153.57**	**3,585.57**	**95.57**	**53.30**	**56.66**	**4,944.67**	**135.97**	**135.97**	**27.25**
Balance as at March 31, 2019	**1,101.05**	**3,319.90**	**98.53**	**41.80**	**78.78**	**4,640.06**	**117.05**	**117.05**	**282.42**

Notes:

a. Cost at the beginning and the end of the year excludes assets located in the Company's premises but owned by Tata Steel (Wire Division)

b.The Company discontinued its fastener business in FY 2017-18 and therefore, all assets pertaining to Fastener business classified under the head "Assets classified as held for Sale".

c. As at March 31, 2018, Gross block includes Rs. NIL (March 31, 2018: Rs. 67.19 lakhs) and Accumulated Depreciation includes is NIL (March 31, 2017: Rs. 10.22 lakhs) for fastener division.

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Notes forming part of the Financial Statements
05 - Investment properties

	Rs. in Lakhs
	Freehold Buildings
Cost or deemed cost	
Balance at March 31, 2017	174.48
Additions	-
Disposals	-
Balance at March 31, 2018	174.48
Additions	-
Disposals	-
Balance at March 31, 2019	**174.48**
Accumulated depreciation	
Balance at March 31, 2017	6.75
Depreciation expense	3.38
Disposals	-
Balance at March 31, 2018	10.13
Depreciation expense	3.38
Disposals	-
Balance at March 31, 2019	**13.51**
Net Carrying amount	
Balance at March 31, 2018	164.35
Balance at March 31, 2019	**160.97**

(i) Amount recognized in Statement of Profit & Loss Account

	As at March 31, 2019	As at March 31, 2018
Rental income (Refer note 14)	59.69	53.32
Direct operating expenses (including repairs and maintenance)	(3.59)	(3.64)
Profit arising from investment properties before depreciation	56.10	49.68
Less – Depreciation	(3.38)	(3.38)
Profit arising from investment properties	52.72	46.30

The company obtains independent valuations for its Investment Properties at least annually. The fair value of investment properties have been determined by independent valuer. The investment properies are leased to Tata Steel Limited under operating lease with a rental payable monthly (refer note 14)

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation technique	Significant Observable Inputs
Building	Market Approach-Comparison Method	Location & Locational advantages/Disadvantages
		Nature of holding i.e. Freehold/ Leasehold
		Area of land
		Year of acquisition
		Terms and conditions
		Developments made
		Present and future possible use
		Present demand in the market
		SWOT analysis

Information about the fair value hierarchy are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
	Level 3	Level 3
Investment property in India- at Kolkata city- Rs in Lakhs	6301	6294

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06 - Non Current Investments

			As at March 31, 2019	As at March 31, 2018
(A)	**Other Investments**			
	(1)	Quoted		
	(2)	Unquoted		
	(a)	**In fully paid Equity Shares**		
		1,40,280 shares (1,40,280 shares) of Rs. 10 each of INCAB Industries Ltd. (pledged with Punjab National Bank) (*)	**0.00**	0.00
		250 shares (250 shares) of Rs. 100 each in Bihar State Financial Corporation (*)	**0.00**	0.00
		4,01,200 equity shares (4,01,200 equity shares) of Rs. 10 each in Brahma Steyr Tractors Ltd.(#)(*)	**0.00**	0.00
		1,20,166 equity shares (1,20,166 equity shares) of Rs. 10 each in Metal Corporation of India Ltd. (#)(*)	**0.00**	0.00
	(b)	**In fully paid debentures**		
		1,400 4% debentures (1,400 debentures) of Rs. 500 each in Assam Bengal Cement Co. Ltd. (in liquidation) (*)	**0.00**	0.00
	(c)	**In fully paid preference shares**		
		2,852 - 5% tax free cumulative preference shares (2,852 preference shares) of Rs. 100 each in Metal Corporation of India Ltd. (*)	**0.00**	0.00
Total Investments			**0.00**	0.00

*** Amount below rounding of norm adopted by the company.**
Note- The above mentioned Share/debenture certificates are not physically available.

During FY'17-18, equity shares held by the company in Metal Corporation of India Ltd and Brahma Steyr Tractors Ltd has been reinstated in line with the details available for financial statement of the respective entity as filed with Ministry of Corporate Affairs.

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07- Other current and non current assets

Rs. in Lakhs

	As at March 31, 2019			As at March 31, 2018		
	Non current	Current	Total	Non current	Current	Total
(a) Capital advances	431.98	-	431.98	202.12	-	202.12
(b) Advance with public bodies	81.94	94.02	175.96	-	450.04	450.04
i) Service tax	-	18.92	18.92	-	18.92	18.92
ii) Excise	-	15.05	15.05	-	15.05	15.05
iii) Sales tax/Value added tax/Others	81.94	14.98	96.92	-	23.57	23.57
iv) GST		45.07	45.07	-	392.50	392.50
(c) Loans and advances to related parties	-	82.29	82.29	-	54.14	54.14
(d) Other loans and advances	-	762.97	762.97	-	628.03	628.03
i) Prepayments	-	8.80	8.80	-	11.28	11.28
ii) Advance to suppliers	-	561.80	561.80	-	425.80	425.80
iii) Others	-	192.37	192.37	-	190.95	190.95
Gross Loans and advances	513.92	939.28	1,453.20	202.12	1,132.21	1,334.33
Less: Provision for bad & doubtful loans & advances						
(a) Capital advances	191.04	-	191.04	191.04	-	191.04
(b) Other loans and advances	-	244.73	244.73	-	192.57	192.57
Total provision for bad & doubtful loans & advances	191.04	244.73	435.77	191.04	192.57	383.61
Total Loans and advances	322.88	694.55	1,017.43	11.08	939.64	950.72

Classification of loans and advances						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	322.88	694.55	1,017.43	11.08	939.64	950.72
Doubtful	191.04	244.73	435.77	191.04	192.57	383.61
Gross Loans and advances	513.92	939.28	1,453.20	202.12	1,132.21	1,334.33

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08 - Inventories

Rs. in Lakhs

		As at March 31, 2019	As at March 31, 2018
(a)	Raw materials (At lower of Cost and Net Realisable Value(NRV))	**855.31**	816.23
(b)	Work-in-progress (At lower of Cost and NRV)	**639.02**	1,131.71
(c)	Finished goods (At lower of Cost and NRV)	**384.94**	153.92
(d)	Scraps and Defectives (At Net Realisable Value)	**137.30**	30.02
(e)	Stores and spares (at cost less write off for obsolescence)	**1,562.64**	1,396.86
Total Inventories		**3,579.21**	3,528.74

WIP comprises :	As at March 31, 2019	As at March 31, 2018
Rolls and casting	634.09	1,097.61
Welding product	4.93	34.10
Total	**639.02**	1,131.71

FG comprises :	As at March 31, 2019	As at March 31, 2018
Rolls and casting	15.68	31.72
Welding product	369.26	122.20
Total	**384.94**	153.92

i) The cost of inventories recognised as an expense during the year was Rs 2,639.02 lakhs/- (March 31, 2018: Rs 2,139.03 lakhs)

ii) The cost of inventories recognised as an expense during the year in respect of written down of inventory to its net realisable value was Rs 75.12 lakhs (March 31, 2018: Rs 327.87 lakhs).

iii) The mode of valuation of inventories has been stated in note 2.10.

iv) Inventories are pledged on pari passu first charge against working capital demand loans from HDFC (Refer note-17)

v) The Company has discontinued its Fastener business and therefore, all inventories pertaining to Fastener business have been reclassified under the head "Assets classified as held for Sale" .

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09 - Trade receivables

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
Trade receivables (unsecured)		
(1) Trade Receivables	177.96	745.98
(2) Receivables from Related Parties (Refer Note- 32)	1,890.50	1,016.38
Total Trade Receivables	2,068.46	1,762.36
Less: Loss allowances	80.60	32.88
Net total Receivables	1,987.86	1,729.48
Current Position	1,987.86	1,729.48

Break-up of Security details

(a) Trade receivable considered good - Secured	-	-
(b) Trade receivable considered good - Unsecured	2,068.46	1,762.36
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivables - credit impaired	-	-
	2,068.46	1,762.36
Less : Loss allowance	80.60	32.88
	1,987.86	1,729.48

(a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Ageing of receivables:

	As at March 31, 2019	As at March 31, 2018
Amounts not yet due	1,602.41	1,057.26
One month overdue	237.54	324.29
Two months overdue	-	27.93
Three months overdue	70.06	34.80
Between three to six months overdue	33.92	88.28
Greater than six months overdue	124.54	229.80
	2,068.46	1,762.36

Movement in Loss allowances are as under-

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period	32.88	233.47
Allowances during the year	47.72	66.16
Written off during the year	-	(266.75)
Balance at the end of the year	80.60	32.88

(c) The concentration of credit risk is limited to the fact that the major customer is Tata Steel Limited which is the parent company.

(d) Of the trade receivable balance as at March 31,2019 Rs. 1865.08 lakhs (as at March 31, 2018 of Rs. 1762.36 lakhs) is due from company's major customer i. e. having more than 5% of total outstanding trade receivables (Tata Steel Ltd, the entities largest customer).

(e) The Company discontinued its Fastener business and therefore, all trade receivable pertaining to Fastener business are reclassified under the head "Assets classified as held for Sale" .

(f) Trade receivable are pledged on pari passu first charge against working capital demand loans from HDFC. (Refer note-17)

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10 - Cash and cash balances

Rs. in Lakhs

	As at March 31, 2019	As at March 31, 2018
(a) Cash on hand	**0.67**	1.05
(b) Cheques, drafts on hand	-	1.12
(c) Unrestricted Balances with banks	**1,043.37**	39.11
Unrestricted Balance with scheduled banks	1,043.37	39.11
(i) In Current Account	3.37	36.05
(ii) In Deposit Account	700.00	3.06
(iii) In Cash Credit Account	340.00	
Total cash and cash equivalents	**1,044.04**	41.28
(d) Earmarked Balances with banks		
(1) *Earmarked Balance with scheduled banks*	**50.32**	54.70
(i) In Deposit Account	50.32	54.70
Margin Money Deposit	50.32	54.70
Total cash and cash balances	**1,094.36**	95.98

Notes:

a) Earmarked balances with banks in deposit accounts
I) Margin money deposit related to Fixed Deposit against Letter of Credit/Foreign Letter of credit.

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Rs. in Lakhs

Notes forming part of the Financial Statements

11 - Other financial assets

(Secured and considered good)

		As at March 31, 2019	As at March 31, 2018
(a)	Security deposits	**46.33**	38.15
(b)	Other financial assets	**746.47**	273.51
Other financial assets		**792.80**	311.66

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Notes forming part of the Financial Statements
12 - Equity Share Capital

Rs in Lakhs

	As at March 31, 2019	As at March 31, 2018
Authorised:		
70,00,000 (March 31,2018: 70,00,000) equity Shares of Rs.10 each	**700.00**	700.00
	700.00	700.00
Issued:		
59,91,896 (March 31,2018: 59,91,896) equity Shares of Rs.10 each	**599.19**	599.19
Subscribed and Paid up:		
59,91,896 (March 31,2018: 59,91,896) equity Shares of Rs.10 each	**599.19**	599.19
Total Share Capital	**599.19**	599.19

Reconciliation of number of shares and amount outstanding at the beginning & ending of reporting period.

Rs in Lakhs	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares:				
Issued,subscribed & fully paid up: At beginning and end of the year	**59,91,896**	**599.19**	5,991,896	599.19

Terms / rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs.10 per share. Each equity shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by shareholders holding more than 5 % of the aggregate shares in the company.

Shareholders holding more than 5% share capital:	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Tata Steel Limited (Holding company)	**5,692,651**	**95.01%**	5,692,651	95.01%

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Notes forming part of the Financial Statements **Rs in Lakhs**
13 - Other equity

	As at March 31, 2019	As at March 31, 2018
1 Retained Earnings	**7,463.97**	6,207.88
a) Reconciliation of retained earnings:		
Opening balance	**6,207.88**	5,196.86
Profits for the year	**1,309.05**	974.81
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	**(52.96)**	36.21
Balance at the end of the year	**7,463.97**	6,207.88
2 Other components of equity		
a) Capital reserve		
Opening and closing balance	**0.08**	0.08
b) Amalgamation reserve		
Opening and closing balance	**276.60**	276.60
c) Investment Allowance (Utilised) Reserve		
Opening and closing balance	**267.30**	267.30
d) Special Reserve (Machinery Replacement Reserve)		
Opening and closing balance	**0.73**	0.73
Total Other components of equity	**544.71**	544.71

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14 - Other financial liabilities

Rs in Lakhs

	As at March 31, 2019			As at March 31, 2018		
	Non Current	**Current**	**Total**	Non Current	Current	Total
(a) Creditors for other liabilities						
(i) Creditors for capital supplies/services	-	**45.52**	**45.52**	-	207.41	207.41
(ii) Other credit balances *	1,400.00	**23.05**	**1,423.05**	1,400.00	32.53	1,432.53
Total Other financial liabilities	**1,400.00**	**68.57**	**1,468.57**	1,400.00	239.94	1,639.94

* Long Term liabilities include deposits of **Rs. 1,400 lakhs** received from Tata Steel (As at March 31, 2018 Rs.1,400 lakhs) towards security deposit against Alipore flats given on lease as per the terms of the agreement which is renewable on its expiry. The economic value amouning to Rs. 126 lakhs is adjusted while arriving at the rental income Rs. 59.69 lakhs in respect of such properties (refer Note 5 & note 22).

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15 - Provisions

			As at March 31, 2019			As at March 31, 2018		
			Non Current	Current	Total	Non Current	Current	Total
(a)	Provision for employee benefits							
	(1)	Long-term Employee Benefits						
	(i)	*Compensated absence*	794.34	80.22	874.56	719.28	72.64	791.92
	(ii)	*Provision for employee separation compensation*	26.46	5.57	32.03	25.31	7.24	32.55
(b)	Provision For Warranty Claims		-	34.16	34.16	-	38.81	38.81
Total Provisions			820.80	119.95	940.75	744.59	118.69	863.28

(a) The Company extends warranty on Rolls & castings manufactured and sold by it. The Company provides for any anticipated warranty costs at the time of recognising the sale based on technical evaluation and estimated costs. The details of the movement of provision for warranty are given below :

	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	38.81	80.92
Provision made during the period	9.91	8.87
Claims accepted	(14.56)	(3.27)
Provision no longer required written back	-	(47.71)
Balance at the end of the year	34.16	38.81

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16 - Employee benefit obligations

	As at March 31, 2019			As at March 31, 2018		
	Non current	**Current**	**Total**	Non current	Current	Total
(A) Employee benefits liabilities						
(i) Pension Obligations	**71.27**	**6.64**	**77.91**	74.55	6.41	80.96
(ii) Retiring Gratuity (net)	**197.34**	-	**197.34**	39.05	-	39.05
(iii) Post retirement medical benefits	**243.21**	**16.37**	**259.58**	257.46	19.46	276.92
Total Employee benefit liabilities	**511.82**	**23.01**	**534.83**	371.06	25.87	396.93

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17 - Current borrowings

	As at March 31, 2019	As at March 31, 2018
A. Secured		
From Banks		
(1) Working Capital Demand Loans		
Cash Credit	-	75.98
Total Secured Borrowings	-	75.98
B. Unsecured		
(a) Other Loans		
(1) Deposit from Anvita Properties Pvt. Ltd. (Developer of erstwhile Promoters)	-	2.50
Total Unsecured Borrowings	-	2.50
Total Borrowings	-	78.48

a) Cash credit facility (working capital loan) is payable on demand and effective interest rate of cash credit facility is MCLR+ 35 BP's. Working capital demand loans from bank is secured by exclusive first charge by way of hypothecation of Comany's entire current assets including stock of raw materials, semi- finished and finished goods, consumable stores and spares and such other movables, book debts, bills whether documentary or clean, outstanding monies, receivables, both present & future, in a form and manner satisfactory to the bank.

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18 - Trade payables

Rs in Lakhs

	As at March 31, 2019	As at March 31, 2018
Trade Payables		
(a) Total outstanding dues of creditors		
(i) Trade payables: Micro & Small enterprises	47.32	41.61
(ii) Trade payables: Others	3,248.90	3,054.95
Total Trade Payables	**3,296.22**	3,096.56

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19 - Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Other current liabilities		
(a) Advances received from customers	148.10	146.95
(b) Creditors for other liabilities		
(i) Statutory Dues	141.88	59.06
(ii) Other credit balances	3.27	3.27
Total Other Current Liabilities	**293.25**	209.28

20- Deferred Tax (Liability) / Assets

Composition of Deferred Tax Assets and Liabilities is as follows:		As at March 31, 2019	As at March 31, 2018
(a)	Deferred Tax Assets		
(i)	ESS Compensation	18.00	19.74
(ii)	Provision for Doubtful Debts & Advances	75.00	50.17
(iii)	Provision for Leave Salary	304.00	274.07
(iv)	Provision for Warranty	12.00	-
(b)	Deferred Tax Liabilities		
	Difference between book and tax depreciation	174.00	156.92
Deferred Tax Assets (Net)		**235.00**	187.06

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21 - Revenue from operations

		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Sale of products (including Excise duty Rs. Nil (March 31, 2018: Rs. 221.55 lakhs)	5,826.39	5,819.53
(b)	Sale of Services	19,887.92	17,789.70
(c)	Other operating revenues (Scrap sale)	3,007.06	2,339.27
Revenue from Operations		28,721.37	25,948.50

Notes-

Revenue from major products and services

	For the year ended March 31, 2019	For the year ended March 31, 2018
MIG, Electrodes & Nails	3,973.96	2,713.03
Rolls and casting	1,852.43	2,743.60
GI Wire	-	362.90
Gross Sale of Products (Inc of taxes)	5,826.39	5,819.53
Conversion Income	19,887.92	17,789.70
Scrap Sales	3,007.06	2,339.27
Revenue from Operations (Gross)	28,721.37	25,948.50

21 (a) Disaggregation of revenue from contracts with customers.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Segment Revenue	30,440.24	26,934.65
Inter Segment revenue	1,210.43	821.20
Revenue from external customer	29,229.81	26,113.45
Timining of Revenue Recognition		
At a point in time	29,229.81	26,113.45
Over time	-	-
	29,229.81	26,113.45

21 (b) Assets and liabilities related to contracts with customers	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Trade receivables (net)	09	1,987.86	1,729.48
Work in progress	08	639.02	1,131.71
Finished goods Inventory	08	384.94	153.92
Unbilled Revenue	11	746.47	273.51
Total Contract assets		3,758.29	3,288.62
Contract Liabilities			
Advance received from customers	19	148.10	146.95

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22 - Other Income

		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Interest Income		
	Interest received on deposits	**7.84**	5.53
(b)	Interest on Income Tax Refund	**160.56**	-
(c)	Net gain/(loss) on sale of fixed assets	**6.86**	48.92
(d)	Rental income (refer Note 14)	**59.69**	53.32
(e)	Miscellaneous income	**173.05**	57.18
(f)	Insurance Claim Received	**100.44**	-
Total Other Income		**508.44**	164.95

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23 (A) - Raw material consumed

	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw material consumed		
(a) Opening stock	**816.23**	761.51
(b) Add: Purchases	**2,678.10**	2,265.51
(c) Sub Total (a+b)	**3,494.33**	3,027.02
(d) Less: Closing stock	**855.31**	816.23
(e) Other adjustments	-	71.76
Total raw material consumed	**2,639.02**	2,139.03

23 (B) - Changes in inventories of finished products and work in progress	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the period		
(a) Finished products & Scraps	**183.94**	524.54
(b) Work-in-progress	**1,131.71**	1,225.07
	1,315.65	1,749.61
Inventories at the end of the period		
(a) Finished products & Scraps	**522.24**	183.94
(b) Work-in-progress	**639.02**	1,131.71
	1,161.26	1,315.65
Net (increase)/decrease	**154.39**	433.96

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THE INDIAN STEEL & WIRE PRODUCTS LIMITED
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Notes forming part of the Financial Statements
24 - Employee benefit expense

Rs in Lakhs

		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Salaries,wages and bonus		
	(1) Salaries and wages including bonus	**4,023.14**	3,734.38
	(2) Employee separation compensation	**6.22**	1.54
(b)	Company's Contribution to provident and other funds	**350.62**	332.70
(c)	Workmen and Staff welfare expenses	**296.63**	229.78
Total Employee benefit expense		**4,676.61**	4,298.40

Note- No Salaries and wages including bonus was capitalised as a part of Property, plant and equipments (31.03.2018: Rs 56.51 lakhs)

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25 - Finance costs

Rs in Lakhs

		For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Interest expense		
	Cash Credit A/c	**47.55**	101.81
	Others	**4.42**	3.97
			-
(b)	Bank Charges	**4.22**	6.44
Total Finance costs		**56.19**	112.22

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26 - Other expenses

Rs in Lakhs

			For the year ended March 31, 2019		For the year ended March 31, 2018
(a)	Consumption of stores, spare parts and loose tools		**5,672.05**		5,790.50
(b)	Consumption of Packing Material		**212.39**		225.42
(c)	Repairs to buildings		**820.01**		435.73
(d)	Repairs to plant and machinery		**891.23**		617.65
(e)	Repairs to others		**33.45**		26.63
(f)	Power and fuel		**7,449.58**		6,135.32
(g)	Water		**313.57**		311.39
(h)	Rent		**25.45**		12.89
(i)	Rates and taxes		**406.36**		332.64
(j)	Insurance charges		**85.18**		31.96
(k)	Freight and handling charges		**157.53**		200.53
(l)	Travelling, conveyance and car running expenses		**58.69**		65.24
(m)	Legal and other professional costs		**47.49**		39.68
(n)	Conversion charges		**1,718.27**		1,609.76
(o)	Sales Commission & Discount		**43.05**		28.71
(p)	Business promotion		**14.17**		19.89
(q)	Provision for doubtful debts and advances		**99.89**		86.62
(r)	Increase / (decrease) of excise duty on inventory		**-**		(86.63)
(s)	Provision for warranty expenses		**9.91**		(38.84)
(t)	Expenses towards Corporate Social Responsibility		**23.17**		22.38
(u)	Other expenses		**853.67**		795.87
	(1) Director's fee	**6.05**		6.93	
	(2) Telephone expenses	**27.56**		26.58	
	(3) Payment to Auditors				
	(i) As Auditors - statutory audit	**7.30**		10.30	
	(ii) As Auditors - Tax audit	**1.50**		-	
	(ii) Auditors out-of-pocket expenses	**1.42**		1.43	
	(4) Cost auditor's remuneration	**1.47**		1.60	
	(5) Other General Expenses	**808.37**		749.03	
Total Other Expenses			**18,935.11**		16,663.34

27 (i) Income tax recognised in profit or loss-

Rs in Lakhs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax		
- In respect of current year	790.31	472.13
- In respect of prior year	-	-
Deferred Tax in respect of current year	(47.94)	139.09
Total Income tax recognised in the current year	742.37	611.22

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operations	2,157.14	1,648.31
Income tax expense calculated at 34.944% (March 31, 2018: 34.608%)	753.79	570.45
Effect of expenses not allowed in income tax	(11.42)	40.77
	742.37	611.22

Income tax expenses recognised in profit or loss account

The tax rate used for reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax laws.

27 (ii) Income tax recognised in other comprehensive income-

Arising on income and expenses recognised in other comprehensive income:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement of defined benefit obligations	(81.41)	55.38
Total income tax recognised in other comprehensive income	28.45	(19.17)

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Notes forming part of the Financial Statements
28- Segment Disclosures

(1) For management purposes, the entity is organised into business units based on its products and services and has three reportable segments under IND AS 108, as follows:

a) Wires Segment which includes rod & wire mill
b) Rolls Segment which includes JEMCO division
c) Direct business Segment which includes MIG products

The executive committee monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statement. Also, the Company's financing and income taxes are managed on a Company level and are not allocated to operating segment.

Transfer price between operating segment are on arm's length basis in a manner similar to transaction with third parties.

Information about Reportable segments:

Particulars	Business Segments			Unallocable	Total
	Wire	Rolls	Direct Business		
Revenue:					
External Sales	**22,624.05**	**2,322.66**	**4,114.61**	**168.49**	**29,229.81**
	20,067.59	3,226.90	2,765.64	53.32	26,113.45
Add : Inter Segment Sales	**1,210.43**	-	-	**(1,210.43)**	-
	724.29	96.91	-	(821.20)	-
Total Revenue	**23,834.48**	**2,322.66**	**4,114.61**	**(1,041.94)**	**29,229.81**
	20,791.88	3,323.81	2,765.64	(767.89)	26,113.45
Segment result before Interest, exceptional/ extraordinary items, prior period items and tax	**2,862.93**	**(853.04)**	**149.35**		**2,159.24**
	2,827.95	(968.22)	53.35		1,913.08
Less/Add: Unallocable expenditure/income (net)					**54.08**
					(152.55)
Less : Interest					**(56.19)**
					(112.22)
Profit/(Loss) Before Taxes, Exceptional Items and Prior Period Items					**2,157.14**
					1,648.31
Extraordinary items					-
					-
Profit/(Loss) before Tax					**2,157.14**
					1,648.31
Current Tax					**790.31**
					472.13
Deferred Tax					**(47.94)**
					139.09
Profit/(loss) after tax from continuing operations					**1,414.77**
					1,037.09

Particulars	Business Segments				Total
	Wire	Rolls	Direct Business	Unallocable	
Segment Assets	**8,237.50**	**3,147.36**	**2,120.55**	**1,760.35**	**15,265.76**
	6,629.10	4,483.01	603.96	1,979.46	13,695.53
Segment Liabilities	**3,590.78**	**1,418.59**	**124.29**	**1,524.23**	**6,657.89**
	3,510.22	1,324.76	46.99	1,461.77	6,343.74
Total Cost Incurred during the period to acquire segment assets	**541.91**	**36.75**	-	-	**578.66**
	1,470.07	200.92			1,670.99
Segment Depreciation	**452.27**	**153.77**	**1.20**	**4.11**	**611.35**
	476.48	114.69	1.00	4.47	596.64
Non-Cash Expenses other than depreciation	**14.17**	**36.56**	**6.09**	-	**56.82**
	(6.01)	43.67	23.15	-	60.81

Notes:

(i) Segment Revenue, Segment Results, Segment Capital employed includes the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that can not be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

(ii) There is no significant difference in the business conditions prevailing in various states of India, where the company has its operations. Revenue from sales to external customers outside India is less than 10% of the company's total revenue. Hence, geographical segment disclosures are not considered necessary.

(iii) Transactions between segments are primarily for materials which are transferred at market determined prices and common costs are apportioned on a reasonable basis.

(iv) Figures not in bold pertain to the previous year.

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Rs in Lakhs

29 Earnings Per Share (EPS)

	For the year ended March 31, 2019	For the year ended March 31, 2018
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:	**Rs.**	Rs.
Profit for the year attributable to owners of the Company from continuing operations	**1,414.77**	1,037.09
Profit for the year attributable to owners of the Company from discontinuing operations	**(105.72)**	(62.28)
Total Profit for the year attributable to owners of the Companny from continuing and discontinuing operations	**1,309.05**	974.81
	No's.	No's.
Weighted average number of equity shares of Rs.10 each for basic and diluted EPS	**5,991,896**	5,991,896
Basic/diluted Earnings per equity Share. (Rs./ Share) from continuing operations	**23.61**	17.31
Basic/diluted Earnings per equity Share. (Rs./ Share) from discontinuing operations	**(1.76)**	(1.04)
Basic/diluted Earnings per equity Share. (Rs./ Share) from continuing and discontinuing operations	**21.85**	16.27

The Company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated seperately.

30 - Disclosure relating to Indian Accounting Standard IND AS- 19

30.01 Defined contribution plans

The Company provide Provident Fund facility to all employees. The Company provides superannuation benefits to selected employees. The assets of the plans are held separately from those of the Company in funds under the control of the trustees in case of trust or of the employees provident fund organisation. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-s-vis interest rate declared by the Employees' Provident Fund Organisation. The liability as on the balance sheet is ascertained by an independent actuarial valuation.

The company has recognized, in the profit and loss account for the current year, an amount of **Rs. 235.68 Lakhs** (2017-18 : Rs 210.45 lakhs) as expenses under the following defined contribution plans.

Benefit (Contribution to)	**For the year ended March 31, 2019**	For the year ended March 31, 2018
	Rs. In lakhs	Rs. In lakhs
Provident Fund	**139.52**	113.28
Employees Pension Scheme	**96.16**	97.17
Total	**235.68**	210.45

30.02 The company operates post retirement defined benefit plans as follows:

a. Funded

Post Retirement Gratuity

b. Unfunded:

Post Retirement Medical benefits

Post Retirement pension for retired whole-time directors

The Company provides Gratuity benefit to all employees. The Company provides post retirement pension for retired whole-time directors. The company has decided to adopt the group gratuity scheme offered by M/s Life Insurance Corporation of India (LIC) from January 1, 2012. The board of trustees of the gratuity fund composed of an equal number of representatives from both employees and employers. The board of the Fund is required by law and by the trust deed to act in the interest of the Fund and of all relevant stakeholders in the scheme. The board of trustee of the fund and management of life insurance company is responsible for the investment policy with regard to the assets of the Fund. Post retirement pension plan is not funded.

Under the gratuity plan, the employees with minimum five years of continous service are entitled to lumpsum payment at the time of separation calculated based on the last drawn salary and number of years of service rendered with the company. Under the post retirement pension, the Company pays monthly pension to retired whole-time directors as decided by the board of directors.

The major portions of the assets are invested in PSU bonds, Private Sector unit Bond and State / Central Govt. guaranteed securities. Based on the asset allocation and prevailing yield rates on these asset classes, the long term estimate of the expected rate of return on the fund assets have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.

The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factor.

These plans expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk

Investment Risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has relatively balanced mix of investments in government securities and other debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan particpants will increase the plan's liability.

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30 - Disclosure relating to Indian Accounting Standard IND AS- 19

The most recent actuarial valuation of the plan assets and the present value of defined benefit obligation were carried out as at March 31, 2019 by independent actuary, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

During the year ended March 31, 2019 and March 31,2018 there was no amendment, curtailments and settlements in the gratuity plan and post retirement pension plans.

30.03 (a) Details of the Post Retirement Gratuity plan are as follows:

Description	**For the year ended March 31, 2019 Rs. In lakhs**	For the year ended March 31, 2018 Rs. In lakhs
1. Reconciliation of opening and closing balances of obligation		
a. Obligation as at the beginning of the year	**2,051.72**	1,947.81
b. Current Service Cost	**113.46**	118.27
c. Interest Cost	**147.23**	129.99
d.Actuarial (gain)/loss	**20.16**	37.31
e. Benefits paid	**(177.46)**	(181.66)
f. Obligation as at the end of the year	**2,155.11**	2,051.72
2. Change in Plan Assets (Reconciliation of opening & closing balances)		
a. Fair Value of plan assets as at the beginning of the year	**2,012.67**	1,725.54
b. Interest income on plan assets	**145.75**	124.65
c. Return on plan assets	**(62.26)**	51.87
d. Contributions	**39.05**	292.27
e. Acquisitions	**-**	-
f. Benefits paid	**(177.46)**	(181.66)
g. Fair Value of plan assets as at the end of the year	**1,957.75**	2,012.67
3. Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets as at the end of the year	**1,957.75**	2,012.67
b. Present value of obligation as at the end of the year	**2,155.11**	2,051.72
c. Amount recognized in the balance sheet	**197.36**	39.05
4. Components of defined benefit costs recognised in profit and loss		
a. Current service cost	**113.46**	118.27
b. Net Interest cost	**1.48**	5.34
Defined benefit costs recorded in profit and loss	**114.94**	123.61
5. Components of defined benefit costs recognised in other comprehensive income		
a. The return on plan assets (excluding amounts included in net interest expense)	**62.26**	(51.87)
b. Actuarial (gains)/loss arising from changes in financial assumptions	**-**	33.45
c. Actuarial (gains)/loss arising from experience adjustments	**20.14**	3.86
Defined benefit costs recorded in Other comprehensive income	**82.40**	(14.56)
6. Total defined benefit cost recognised	**197.34**	109.05

7. Investment Details	**%age invested As at March 31, 2019**	**%age invested As at March 31, 2018**
a. GOI Securities	**6.82%**	5.45%
b. Public Sector unit Bonds	**3.42%**	22.42%
c. State / Central Government Guaranteed Securities	**13.73%**	11.62%
d. Special Deposit Schemes	**3.76%**	4.14%
e. Private Sector unit Bonds	**8.56%**	5.81%
f. Others	**63.70%**	50.56%
	100%	100%

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30 - Disclosure relating to Indian Accounting Standard IND AS- 19

8. Principal assumption used for the purpose of the actuarial valuation	**As at March 31, 2019**	As at March 31, 2018
a. Discount rate (per annum)	**7.50%**	7.50%
b. Estimated rate of return on plan assets (per annum)	**7.50%**	7.50%
c. Rate of escalation in salary (per annum)	**7% to 10%**	7% to 10%

The fair value of the above equity and securities issued by government are determined based on quoted market prices in active markets. The fair value of other debt instruments are also determined based on quoted price in active market. The fair value of balance in special deposit scheme is determined based on its carrying value. The fair value of balance with Life Insurance Corporation is determined based on the funds statement received from the company.

The actual return on plan assets was **Rs. -62.26 lakhs** (for the year ended March 31, 2018: Rs. 51.87 Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
9.Duration	**No of years**	No of years
Weighted average duration of the defined benefit obligation	**8**	7
10. Expected contribution by the company in the next financial year	**197.34**	39.05

11. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis given below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 134 lakhs** (increase by **Rs.152 lakhs**) [as at March 31, 2018: decrease by Rs.126 lakhs (increase by Rs.143 lakhs)]

ii) If the expected salary increase growth increases (decreases) by 1%, the defined benefit obligation would increase by **Rs.149 lakhs** (decrease by **Rs. 134 lakhs**) [as at March 31, 2018: increase by Rs.140 lakhs (decrease by Rs. 126 lakhs)]

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is likely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is same as applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

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30 - Disclosure relating to Indian Accounting Standard IND AS 19 (Contd.)

30.03 (b) Details of unfunded post retirement defined benefit obligations are as follows:

Description	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
	Medical	Others	Medical	Others
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at the beginning of the year	**276.92**	**80.96**	304.77	87.50
b. Current/Employer Service Cost	**12.85**	-	6.44	-
c. Interest Cost	**20.12**	**5.82**	20.64	5.89
d. Actuarial (gain)/loss	**(32.86)**	**(2.11)**	(35.17)	(5.66)
e. Benefits paid	**(17.45)**	**(6.76)**	(19.76)	(6.77)
f. Obligation as at the end of the year	**259.58**	**77.91**	276.92	80.96
2. Expense recognized in the period				
a. Current /Employer service cost	**12.85**	-	6.44	-
b. Interest cost	**20.12**	**5.82**	20.64	5.89
c. Actuarial (gain)/loss	**(32.86)**	**(2.11)**	(35.17)	(5.66)
d. Expense recognized in the period	**0.11**	**3.71**	(8.09)	0.23
The net charge is disclosed under the line item – Misc. Expenses.				
3. Assumptions				
a. Discount rate (per annum) as at the beginning of the year	**7.50%**	**7.50%**	7.00%	7.00%
b. Discount rate (per annum) as at the end of the year	**7.50%**	**7.50%**	7.50%	7.50%
c. Medical costs inflation rate	**6.00%**	-	6.00%	-
d. Average medical cost (Rs/person) as at the beginning of the year	**2500**	-	2359	-
e. Average medical cost (Rs/person) as at the end of the year	**2500**	-	2500	-

4. Sensitivity analysis

a)Employees PRMB Sensitivity analysis

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 28.12 lakhs** (increase by **Rs. 34.67 lakhs**) [as at March 31, 2018: decrease by Rs.29 lakhs (increase by Rs.36 lakhs)]

ii) If the Medical cost inflation rate increases (decreases) by 1%, the defined benefit obligation would increase by **Rs. 33.72 lakhs** (decrease by **Rs. 27.84 lakhs**) [as at March 31, 2018: increase by Rs.35 lakhs (decrease by Rs. 29 lakhs)]

b)Ex- MD PRMB Sensitivity analysis

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 0.74 lakhs** (increase by **Rs.0.85 lakhs**) [as at March 31, 2018: decrease by Rs.1 lakhs (increase by Rs.1 lakhs)]

c) Pension Sensitivity analysis

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 5.74 lakhs** (increase by **Rs.6.58 lakhs**) [as at March 31, 2018: decrease by Rs.6 lakhs (increase by Rs.7 lakhs)]

ii) If the Inflation rate increases (decreases) by 1%, the defined benefit obligation would increase by **Rs. 6.75 lakhs** (decrease by **Rs. 5.97 lakhs**) [as at March 31, 2018: increase by Rs.7 lakhs (decrease by Rs.6 lakhs)]

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31 Financial Instruments

31.01 Capital Management

The company manages its capital to ensure that entities will be able to continue as going concerns while maximizing the return through the optimization of the debts and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in notes 17 offset by cash and bank balance) and total equity of the company.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

	As at March 31, 2019	As at March 31, 2018
Borrowings	-	78.48
Cash and bank balances	1,094.36	95.98
Net Debt	(1,094.36)	(17.50)
Total equity	8,607.87	7,351.78
Net debt to equity ratio	-12.71%	-0.24%

31.02 Financial Risk management objectives

The entity monitors and manages the financial risks relating to the operations of the entity through internal MIS reports which analyse the exposure by degree and magnitude of risks. These risks includes market risk (Interest rate risk, currency risk and other price risk), credit risk and liquidity risk.

31.03 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Interest rate sensitivity analysis:

The sensitivity analysis have been determined based on the exposure to interest rates for financial assets and liabilities at the end of the reporting period. The company does not have variable rate instruments as at the balance sheet date. This mitigates the company market risk.

Foreign currency risk

The sensitivity analysis have been determined based on the exposure to interest rates for financial assets and liabilities at the end of the reporting period.

The company doesn't have any foreign currency denominated monetary assets at the end of the reporting period.

Commodity price risk

The company doesn't have any derivative assets and liabilities. This mitigates the company from commodity price risk.

31.04 Credit risk management

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of account receivables and where appropriate, provision has been considered in the books.
Concentration of credit risk elated to Tata Steel Limited is approx. The concentration of credit risk is limited to the fact that the major customer is Tata Steel Limited which is the parent company. The remaining customer base are widely spread hence Company's credit risk is considered to be low.

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31.05 Liquidity risk management

The company monitors its risk of a shortage of funds using a liquidity planning tool.

The entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank cash credit. The entity manages the short term and medium term funds and liquidity requirements by maintaining adequate reserves and banking facilities, by continuously monitoring forcast and actual cash flows.

The following table details the entities remaining contractual maturity for its non derivative financial liability with agreed repayment periods. The table has been drawn based on the undiscounted cash flows of financial liabilities based on the earliest date on which the entity can be required to pay. The table includes both interest and principal cash flows. The contractual maturity is based on the earliest date on which the entity may be required to pay.

	Carrying amount	less than 1 year	between 1 - 5 years
March 31, 2019			
Non-derivative financial liabilities			
Borrowings	-	-	-
Trade payables	3,296.22	3,296.22	-
Other financial liabilities	1,468.57	68.57	1,400.00
	4,764.79	3,364.79	1,400.00
March 31, 2018			
Non-derivative financial liabilities			
Borrowings	78.48	78.48	-
Trade payables	3,096.56	3,096.56	-
Other financial liabilities	1,639.94	239.94	1,400.00
	4,814.98	3,414.98	1,400.00

The following table details the entities expected maturity for its non derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets. The inclusion of the information is necessary in order to understand the entities liquidity risk management as the liquidity is managed on a net asset and liability basis.

			As at March 31, 2019
	Amortised Cost	**Total Carrying Value**	**Total Fair Value**
Financial Assets:			
Trade Receivables	1,987.86	1,987.86	1,987.86
Cash and bank balances	1,094.36	1,094.36	1,094.36
Other financial assets	792.80	792.80	792.80
Total	**3,875.02**	**3,875.02**	**3,875.02**
Short Term borrowings	-	-	-
Trade payable	3,296.22	3,296.22	3,296.22
Other financial liabilities	1,468.57	1,468.57	1,468.57
Total	**4,764.79**	**4,764.79**	**4,764.79**

			As at March 31, 2018
	Amortised Cost	**Total Carrying Value**	**Total Fair Value**
Financial Assets:			
Trade Receivables	1,729.48	1,729.48	1,729.48
Cash and bank balances	95.98	95.98	95.98
Other financial assets	311.66	311.66	311.66
Total	**2,137.12**	**2,137.12**	**2,137.12**
Short Term borrowings	78.48	78.48	78.48
Trade payable	3,096.56	3,096.56	3,096.56
Other financial liabilities	1,639.94	1,639.94	1,639.94
Total	**4,814.98**	**4,814.98**	**4,814.98**

The entity has access to financial facilities of Rs. 3000 lakhs, the entire amount out of which was unused at the end of the reporting period (as at March 31, 2018: Rs. 2,924.02 lakhs was unused). The entity expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. Details of financial facilities is tabled below:

Financing facilities:	**As at March 31, 2019**	As at March 31, 2018
Secured working capital demand loan facility,		
- Amount used	-	75.98
- Amount unused	3,000.00	2,924.02
	3,000.00	3,000.00

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32 Related Party Disclosures

(a) List of Related Parties and Relationships :

A.

Party	Relationship
Tata Steel Limited	Holding Company
Jamshedpur Utilities and Services Company Limited	Fellow Subsidiary
Tayo Rolls Limited	Fellow Subsidiary
Tata Pigments Limited	Fellow Subsidiary
Tata Metaliks Limited	Fellow Subsidiary
Tata Sponge Iron Ltd	Fellow Subsidiary
The Tinplate Company Of India Limited	Fellow Subsidiary
TRL Krosaki Refractories Limited	Associate of holding company
TRF Limited	Associate of holding company
Mjunction Services Limited	Joint venture of holding company
TKM Global Logistics Limited	Joint venture of holding company
TM International Logistics Limited	Joint venture of holding company
Tata BlueScope Steel Limited	Joint venture of holding company

B. **Key Management Personnel**

Mr. Neeraj Kant	Managing Director

(b) Related Party Transactions during the period

Sl. No.	Transaction	Holding Company	Fellow subsidiary	Associates	Joint Venture
1	**Purchase of Goods:**				
(i)	Tata Steel Limited	**1,906.68**	-	-	-
		1,039.49	-	-	-
(ii)	TRL Krosaki Refractories Limited	-	-	-	-
		-	-	93.96	-
(iii)	Tata BlueScope Steel Limited	-	-	-	**14.92**
				-	16.85
2	**Sale of Goods:**				
(i)	Tata Steel Limited	**2,424.24**	-	-	-
		877.79	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	-	-	-
		-	0.91	-	-
(iii)	Tata Sponge Iron Ltd	-	**2.46**	-	-
		-	3.81	-	-
(iv)	Tata Metaliks Limited	-	**16.60**	-	-
		-	2.61	-	-
(v)	TRF Limited	-	-	**47.38**	-
		-	-	64.32	-
(vi)	Mjunction Services Limited	-	-		**19.61**
					5.89
(vii)	The Tinplate Company Of India Limited			**0.16**	
		-	-	-	
3	**Lease rent for flats at Alipore**				
(i)	Tata Steel Limited	**59.69**	-	-	-
		53.32	-	-	-
4	**Rendering of services:**				
(i)	Tata Steel Limited	**20,593.40**	-	-	-
		18,022.07	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**0.53**	-	-
		-	0.56	-	-
(iii)	Tata Pigments Limited	-	**0.39**	-	-
		-	0.53	-	-
5	**Receiving of services:**				
(i)	Tata Steel Limited	**4,834.49**	-	-	-
		4,390.87	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**232.92**	-	-
		-	164.45	-	-
(iii)	Tata Pigments Limited	-	**12.46**	-	-
		-	-	-	-

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Sl. No.	Transaction	Holding Company	Fellow subsidiary	Associates	Joint Venture
(iv)	TM International Logistics Limited	-		-	**58.52**
		-		-	37.51
(v)	Mjunction Services Limited	-		-	**29.74**
		-	-	-	25.50
(vi)	TKM Global Logistics Limited	-		-	**4.34**
					3.68
6	**Outstanding receivables as on 31.03.2019:**				
(i)	Tata Steel Limited	**1,865.08**	-	-	-
		974.98	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**1.04**	-	-
		-	0.73	-	-
(iii)	Tata Pigments Limited	-	-	-	-
		-	0.36	-	-
(iv)	Tata Sponge Iron Ltd	-	**0.51**	-	-
		-	1.52	-	-
(v)	Tata Metaliks Limited		**2.01**		-
		-	0.58	-	-
(vi)	TRF Limited	-		**2.09**	-
		-	-	38.21	-
(vii)	Mjunction Services Limited				**19.61**
					-
(viii)	The Tinplate Company Of India Limited	-	-	**0.16**	-
					-
7	**Advance paid**				
(i)	Tata Steel Limited	**55.01**	-	-	-
		54.14	-	-	-
(ii)	Tayo Rolls Limited	-	**24.35**	-	-
		-	24.35	-	-
(iii)	Tata Metaliks Limited	-	**0.17**	-	-
		-	0.17	-	-
(iv)	The Tinplate Company Of India Limited	-	**0.98**		
		-	-		
(v)	TRL Krosaki Refractories Limited	-		**0.40**	-
		-	-	0.40	-
(vi)	TKM Global Logistics Limited	-		-	**1.29**
		-	-	-	3.76
(vii)	Tata BlueScope Steel Limited	-		-	**0.09**
		-	-	-	1.82
(viii)	TM International Logistics Limited	-		-	-
		-	-	-	-
8	**Payables outstanding as on 31.03.2019:**				
a.	**Materials & Services**				
(i)	Tata Steel Limited	**452.76**	-	-	-
		694.10	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**18.52**	-	-
		-	32.12	-	-
(iii)	TRL Krosaki Refractories Limited	-		**7.21**	-
		-	-	7.21	-
(iv)	Mjunction Services Limited	-	-	-	-
		-	-	-	1.81
(v)	TM International Logistics Limited	-	-	-	-
		-	-	-	0.20
(vi)	TKM Global Logistics Limited	-		-	-
		-	-	-	0.09
b.	**Against Finance**				
c.	**Against lease (flat)**				
(i)	Tata Steel Limited	**1,400.00**	-		
		1,400.00	-		
d.	**Against bills (Conversion) charges**				

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Note : Figures not in bold pertain to the previous period.

(i) During the year, the Company recognised an amount of Rs 188.34 lakhs (March 31, 2018: 103.98 lakhs) as remuneration to key managerial personnel.

The details of such remuneration is as below:

Sl.No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Short term employee benefits	**179.14**	95.77
(b)	Post employment benefits	**3.51**	2.26
(c)	Other long term employee benefits	**5.69**	5.95
		188.34	103.98

The Indian Steel & Wire Products Ltd
Indranagar
Jamshedpur

33.1 Contingent liabilities and commitments

33.1(a) Claims against the Company not acknowledged as debt

(i) As per clause 6.12 (xiii) of Board for Industrial and Financial Reconstruction order dated November 21, 2003 for all liabilities not disclosed in the audited balance sheet for the year ended March 31, 2002 including notes on accounts as then, would be the personal responsibility of the erstwhile promoters to discharge. In view of the above, the following liabilities which were not disclosed in the said balance sheet including the notes to accounts, have not been provided for or recognized in the accounts for financial years 2003-04 to 2018-19.

Particulars	As at March 31, 2019	As at March 31, 2018
		(Rs in lacs)
	Rs.	Rs.
Show Cause Notices/Demand raised by Central Excise Authorities (Under Appeal) (a)	**29.62**	29.62
Employee State Insurance demand (Under Appeal)	**149.07**	149.07
Leave liability for ex employees	**32.93**	32.93
Labour court cases	**1.44**	1.44
Railways dues	**4.19**	4.19
Power dues	**620.97**	620.97
Liability for loan for Learjet Aircraft purchase	**148.78**	148.78
Wealth Tax	**390.35**	390.35

(a) The items of contingent liability indicated above are not exhaustive and any other liability which may come to the notice of the present management would also be the personal liability of the erstwhile promoters.

(ii) Contingent Liabilities not provided for pertaining to period after take over:

Particulars	As at March 31, 2019	As at March 31, 2018
		(Rs in lacs)
	Rs.	Rs.
Sales tax matters in dispute relating to issues of applicability and classification.	**1,699.13**	1,456.45
Excise duty matters in dispute relating to issues of applicability and classification.	**134.20**	134.20
Employee State Insurance demand (Under Appeal)	**173.06**	173.06
Labour court cases	**34.00**	-
Direct Taxes	**405.52**	-

33.1(b) Commitments

Estimated amounts of contracts to be executed on capital account and not provided for as on March 31, 2019: **Rs 862.90 lakhs** (March 31, 2018: Rs. 334.55 lakhs).

33.2 Claims lodged with the erstwhile management/promoters for recovery

(a) Retiring gratuity dues to the employees separated prior to takeover of the Company by Tata Steel (i.e., December 23, 2003) were not disclosed in the accounts for the year ended March 31, 2002. This liability was not recognised by the present management but shown as a Contingent Liability in the Notes to Accounts. During the year 2008 - 09, management decided to settle the dues to separated employees. Accordingly, Rs. 55,53,803/- was provided in the accounts for the year ended March 31, 2009 and was included in the line item Employee Cost. This claim has already been lodged with the erstwhile management for recovery.

(b) Income Tax dues for the period prior to takeover (i.e., December 23, 2003) were not disclosed in the accounts for the year ended March 31, 2002. This liability was not recognised by the present management but shown as a Contingent Liability in the Notes to Accounts. During the year 2010-11, the Company received the final order from the Income Tax Authorities for the assessment year 1998-99 for Rs. 2,70,35,565/- against the contingent liability of Rs. 3,05,00,693/-. Accordingly, this amount was charged to the statement of profit and loss for the year ended 31st March, 2011 as a provision for income tax for prior years. This claim has already been lodged with the erstwhile management for recovery.

(c) Sales Tax dues for the period prior to takeover (i.e., December 23, 2003) were not disclosed in the accounts for the year ended March 31, 2002. This liability was not recognized by the present management but shown as a Contingent Liability in the Notes to Accounts. The Company received the demand from Sales Tax Authorities for these dues pertaining to financial year 1989-90 to 2001-02 for Rs. 4,72,00,000/- against the contingent liability of Rs. 4,72,00,000/-. Accordingly, this amount was charged to the statement of profit and loss for the year ended March 31, 2015 as exceptional item. This claim has already been lodged with the erstwhile management for recovery.

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THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A Subsidiary of Tata Steel Ltd.)

Notes forming part of the Financial Statements

34- Assets and liabilites classified as held for sale

ISWP had commenced operations in a new business vertical of Fasteners in FY'15 through re-vamping the old machinery lying unused for 16 years at a very nominal cost. However, the business could not yield the expected results and its performance remained unsatisfactory over a considerable period of time due to high cost of operations resulting from obsolete technology and process and adverse market conditions.

In view of the above fact, it was decied to discontinue the Fasteners business in FY'18.

Rs in lacs

	As at March 31, 2019	As at March 31, 2018
(I) ASSETS		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	**5.84**	5.84
	5.84	5.84
(2) Current assets		
(a) Inventories	**191.52**	507.74
(b) Financial assets		
(i) Trade receivables	**79.38**	124.62
(c) Other non-financial assets	**4.37**	16.16
	275.27	648.52
TOTAL ASSETS	**281.11**	654.36
(II) EQUITY AND LIABILITIES		
(1) Equity	-	-
	-	-
(2) Non-current liabilities	-	-
	-	-
(3) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	**7.88**	10.92
TOTAL EQUITY AND LIABILITIES	**7.88**	10.92

The net cash flows attributable to the Fasteners Division are as follows:	**As at March 31, 2019**	As at March 31, 2018
Cash generated from Operating activities	**103.87**	391.48
Cash generated from Investing activities		166.39
Cash generated from Financing activities	**(11.43)**	(11.43)
Net cash inflows/(outflows)	**92.44**	546.43

THE INDIAN STEEL & WIRE PRODUCTS LIMITED
(A Subsidiary of Tata Steel Ltd.)
Notes forming part of the Financial Statements

35 Long Term liabilities include deposits of Rs. 1400 lakhs received from Tata Steel (Previous year Rs. 1400 lakhs) towards security deposit against Alipore flats given on lease as per the terms.

36 **Additional Information to the Financial Statements pursuant to Companies Act, 2013 requirements :**

36.01 **Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

	As at March 31, 2019	As at March 31, 2018
	Rs	Rs
a) Principal amount remaining unpaid to the suppliers as at the end of the accounting year	38.48	37.64
b) Interest due thereon remaining unpaid to suppliers as at the end of the accounting year	0.09	0.28
c) interest paid in terms of Section 16 along with the amount of payments made to suppliers beyond the appointment day during the year	-	-
d) Interest due and payable for the period of delays in making payment (which have been paid beyond the appointment date during the year but without adding interest specified under the act)	4.33	3.69
e) The amount of interest accured during the year for the year remaining unpaid at the end of the accounting year	4.42	3.97

The information above has been compiled to the best of knowledge and as per the information available with the management to the extent to which parties would be identified as Micro, Small and Medium Enterprises and relied upon by the auditors.

36.02 There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions in Companies Act 2013, and accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 made there under.

36.03 **Details of CSR expenditure:**

	As at March 31, 2019	As at March 31, 2018	
a) Gross amount required to be spent by the company during the year	22.33	21.45	
b) Amount spent during the year ending on	**In Cash**	**Yet to be paid in cash**	**Total**
31st March, 2019 -			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	23.17	-	23.17
31st March, 2018-			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	21.09	1.29	22.38

37 The Honourable Supreme Court of India in its judgement dated February 28, 2019 in the matter of Vivekanada Vidyamandir & Others Vs The Regional Provident Fund Commissioner (II) West Bengal laid down principles in relation to inclusion of allowances for determination of wages for the purposes of computing the provident fund contributions. The management is in the process of determining the applicability and operation of the Order and it's effective date (i.e., prospective or retrospective) based on legal opinion. However, based on initial estimates the impact of the same is not expected to be material on the financial statements.

38 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

See accompanying notes forming part of the financial statements

In terms of our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants
Firm Registration No- 304026E/E300009

Sougata Mukherjee
Partner
Membership Number: 057084

Kolkata, April 11, 2019

For and on behalf of the Board of Directors

Peeyush Gupta
Chairman
DIN- 02840511

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Kolkata, April 11, 2019