

The Indian Steel & Wire Products Limited  
(A Subsidiary of **TATA** STEEL LIMITED)

**79th ANNUAL REPORT**  
2015–2016



A SUBSIDIARY OF **TATA** STEEL LTD.





Mr. Neeraj Kant, MD receiving award from Mr. Vijay Singh (Director, Tata Sons) at TAAP Convention, Mumbai for 'Good Practices' under Education for our CSR initiative at Potka.



Mr. Neeraj Kant, MD receiving award at CII National HR Excellence Award Confluence and HR Conclave, Delhi

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

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## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Board of Directors



Mr. Sunil Bhaskaran  
*Chairman*



Mr. Sudev C. Das



Ms. Molly Thambi



Mr. Suresh Kumar



Mr. Peeyush Gupta



Mr. D. Kumar



Mr. Neeraj Kant  
*Managing Director*

### Committees of Board

#### Audit & Risk Management Committee

Mr. Sudev C. Das	Chairman
Mr. D. Kumar	Member
Ms. Molly Thambi	Member

#### Corporate Social Responsibility Committee

Mr. Peeyush Gupta	Chairman
Mr. Sudev C. Das	Member
Mr. Neeraj Kant	Member

#### Nomination & Remuneration Committee

Mr. Suresh Kumar	Chairman
Mr. Sudev C. Das	Member
Mr. Sunil Bhaskaran	Member
Ms. Molly Thambi	Member

#### Committee of Board

Mr. Sunil Bhaskaran	Chairman
Mr. Suresh Kumar	Member
Mr. D. Kumar	Member

#### Company Secretary

Mr. Rabi Narayan Kar

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

### **Management Team**

Mr. Neeraj Kant	Managing Director
Mr. Umanath Mishra	Vice President (Finance & Accounts)
Mr. J. K. Singh	Sr. General Manager (Marketing & Sales)
Mr. Indrajit Nandi	Sr. General Manager (Fasteners & Projects)
Mr. Vijayant Kumar	Sr. General Manager (Procurement & Commercial)
Mr. Rabi Narayan Kar	Company Secretary

### **AUDITORS**

#### **M/S DELOITTE HASKINS & SELLS**

Chartered Accountants

#### **M/S SHOME & BANERJEE**

Cost & Management Accountants

#### **M/S SPS ASSOCIATES**

Practising Company Secretary

### **BANKER**

#### **PUNJAB NATIONAL BANK**

BISTUPUR, JAMSHEDPUR-831 001

### **REGISTERED OFFICE :**

7, RED CROSS PLACE, KOLKATA - 700 001

Telephone : 033-22133081

Fax : 033-22481671

### **WORKS :**

P.O. : INDRANAGAR, JAMSHEDPUR-831 008

P.O. : JEMCO, JAMSHEDPUR-831 004

### **Registrar & Transfer Agent**

M/S TSR Darashaw Pvt. Ltd.  
6-10 Haji Moosa Patrawala Industrial House  
20, Dr. E. Moses Road  
Near Famous Studio  
Mahalaxmi, Mumbai - 400 001  
Tel No. : (022) 66568484  
Fax No. : (022) 66568494  
E-mail : [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
Website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)



## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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### **NOTICE OF THE ANNUAL GENERAL MEETING TO THE MEMBERS**

**NOTICE IS HEREBY GIVEN** that the **SEVENTY NINETH** Annual General Meeting of the members of **THE INDIAN STEEL & WIRE PRODUCTS LIMITED** will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020 on Tuesday, the 16th August 2016 at 10 A.M to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the year ended 31st March 2016 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditor's Report thereon.
2. To appoint a Director in place of Mr. Suresh Kumar (holding DIN -06670935), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

#### **SPECIAL BUSINESS:**

4. **To re-appoint Mr. Neeraj Kant as the Managing Director and to pass, with or without modification, the following resolution as Special Resolution :**

"RESOLVED THAT pursuant to Section 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) , read with Schedule V of the Act and Articles of Association of the Company, the Company hereby approves the appointment and terms of remuneration of Mr. Neeraj Kant, Managing Director of the Company for a period of three years from 1st April 2016 to 31st March 2019, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Neeraj Kant.

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

5. **To re-appoint Ms. Molly Thambi as an Independent Director and to pass, with or without modification, the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149 of the Companies Act, 2013, Ms. Molly Thambi, who is a Non-executive Director in the category of "independent" on the Board of Directors be and is hereby re-appointed as an Independent Director on the Board for a period of three years with effect from 30th March 2016 to 29th March 2019."

#### **NOTE :**

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective must be lodged with the Company at its Registered Office at least 48 hours before the commencement of the meeting.
- 2) The Explanatory Statement concerning the items of Special Business as required under Section 102 of the Companies Act, 2013 is annexed hereto.

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- 3) Members are requested to bring the attendance slips along with copies of the Annual Report to the Meeting.
- 4) Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
- 5) The Company has appointed M/s TSR Darashaw Pvt. Ltd., Mumbai, as Register and Transfer Agent with effect from 1st April 2013.
- 6) The Register of Members and the Transfer Register of the Company will be closed from 7th August 2016 to 16th August 2016, both days inclusive.

Registered Office :  
7 Red Cross Place,  
Kolkata-700 001  
15th July, 2016

By Order of the Board

Rabi Narayan Kar  
Company Secretary

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### **ANNEXURE TO NOTICE**

As required by the provisions of Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statements set out all material facts relating to the business mentioned under item nos. 4 & 5 of the accompanying notice dated 15th July, 2016.

#### **ITEM NO. 4 :**

Mr. Neeraj Kant was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 29th March, 2013. He possesses vast experience in Marketing & Sales in the Steel Industry and general management, and has held senior positions in Tata Steel Limited and was Chief of Sales and Marketing (Long Products) in Tata Steel Limited till 31st March, 2013. He is closely associated with various bodies related to trade and industry.

In view of his excellent professional background and managerial skills, the Board at its meeting held on 29th March, 2013 appointed him as Managing Director of the company for a period of 3 years with effect from 1st April, 2013 to 31st March, 2016, which was approved at the Annual General Meeting held on 12th August 2013. On completion of his tenure, the Board has consented for re-appointing Mr. Kant as the Managing Director for a further period of three (3) years commencing from 1st April 2016 to 31st March 2019 on the following terms and conditions:

- 1) Period of appointment: from 1st April, 2016 to 31st March, 2019
- 2) Nature of Duties

The Managing Director shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interest of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any Committee of such a company.

#### 3) Remuneration

- a) Salary: Rs. 2,21,970 per month in the scale of Rs. 2,00,000 to Rs. 3,00,000 per month, with annual increments effective 1st April every year, as may be decided by the Board based on merit and taking into account the Company's performance for the year.

The benefits, perquisites & allowances will be determined by the Board from time to time. Commission will be based on certain performance criteria to be prescribed by the Board.

- b) The aggregate of the remuneration, perquisites, benefits, allowance, etc. shall be within the maximum limits as laid down under Section 196, 197 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the said Act as amended from time to time.
- c) Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.

- 4) (i) The Managing Director shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- (ii) The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.



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- (iii) The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of Notice:
  - (a) If the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
  - (b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the agreement to be executed between the Company and the Managing Director; or
  - (c) In the event the Board expresses its loss of confidence in the Managing Director.
- (iv) Upon termination by whatever means of the Managing Director's employment:
  - (a) The Managing Director shall immediately tender his resignation as director of the Company and from such other offices held by him in the Company, in any subsidiary or associated company and other entities without claim for compensation for loss of office;
  - (b) The Managing Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associated companies.
- (v) The Managing Director is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 167 (1) of the Act, while at the same time, the Managing Director is liable to retire by rotation.
- (vi) The terms and conditions of appointment of the Managing Director also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company and maintenance of confidentiality.
- (vii) If and when the agreement expires or is terminated for any reason whatsoever, he will cease to be the Managing Director and also cease to be a Director. If at any time the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a director and the Managing Director of the Company.

The draft agreement of appointment of Mr. Neeraj Kant is available for inspection at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

Since the services of Mr. Neeraj Kant as Managing Director will be beneficial to the Company, the Board commends acceptance of the resolution set out in Item No.4 of the convening Notice.

None of the Directors other than Mr. Neeraj Kant is concerned or interested in the Resolution at Item No.4 of the Notice.

**This may also be treated as an abstract of the draft agreement of appointment of Mr. Neeraj Kant pursuant to Section 190 of the Companies Act, 2013.**

### ITEM NO.5 :

Ms. Molly Thambi is an MA (Economics) from Kerala University and PGDBM (Finance) from IIM (Calcutta). She has a rich and varied experience of over two decades in the Indian financial/securities markets. Ms. Thambi's work experience spans organisations like SHCIL, National Stock Exchange of India Ltd and HSBC. In her previous role, she was the Chief Executive Officer & Managing Director of The Calcutta Stock Exchange Ltd. Currently, Ms Thambi is an Independent Director on the Boards of TS Alloys Ltd. and French Motor Car Co. Ltd.

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As per the provisions of Section 149 of the Companies Act 2013 ("Act") which has come into force with effect from 1st April 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and is not liable to retire by rotation. Ms. Thambi has given a declaration to the Board that she meets the criteria of independence as provided under section 149 (6) of the Act.

Ms. Molly Thambi was appointed as an Additional Director of the Company with effect from 30th March 2015 for a period of one year by virtue of resolution passed by circulation which was noted by the Board at its meeting on 3rd April 2015. Ms. Thambi's appointment was approved at the Annual General Meeting held on 7th August 2015.

In the opinion of the Board, Ms. Thambi fulfils the criteria of independence specified in the Act and the Rules made thereunder for her re-appointment as the Independent Director for a further tenure of three years commencing from 30th March 2016 to 29th March 2019. The Board considers it desirable that the Company should benefit itself of Ms. Thambi's experience and recommends her re-appointment for approval.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, re-appointment of Ms. Thambi as Independent Director for a tenure of three years is now being placed before the members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Save and except Ms. Molly Thambi, none of the Directors is deemed to be interested or concerned with the said appointment/ resolution under Item No.5 of the Notice.

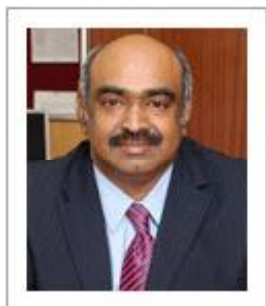
Registered Office :  
7 Red Cross Place,  
Kolkata-700 001  
15th July, 2016

By Order of the Board  
  
Rabi Narayan Kar  
Company Secretary

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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### CHAIRMAN'S STATEMENT



Dear Shareholders,

The steel industry, domestic as well as international, had encountered major headwinds during the year 2015-16. The Indian steel industry has witnessed a setback due to significant cheap imports, acute price competition, sluggish domestic demand coupled with lower realisations during FY'16, till temporary protectionist measures were imposed by Government of India to provide relief to the domestic steel industry. However, despite the measures taken by the Government, realisations of derived products were lower and increased conversion costs put pressure on the margins. The Company is taking various steps to decimate the adverse effects of the above and to increase profitability.

Despite the challenging business environment, the Company achieved its consolidated revenue of Rs.234.3 Crore during the financial year, which was down by 8% y-o-y. However, profit after tax (PAT) was Rs. 5.8 Crore, lower by 38% over corresponding previous year mainly due to lower net realizations, surge in costs of power, utilities and unplanned shutdowns.

During the year, the Company scaled up its business of 'Nails' with an ambition to garner a prominent market share in branded wire products. This has been operationalized through External Processing Agents. The business has stabilized and is expected to contribute significantly to the profits of your Company from the next year onwards.

The Company has embarked on the journey of Total Quality Management (TQM) to encourage employees' participation in improvement journey and strengthening the culture of innovation to achieve excellence.

ISWP, being part of the Tata Steel Group is committed to ensuring safety of all employees and contractors at all our sites as evidenced by our initiative 'Committed to Zero'.

On behalf of the Board, I would like to take this opportunity to acknowledge the valuable contributions made by Mr. P K Jha as Director during his long tenure on the Board of the Company. I would like to extend congratulations to Mr. Neeraj Kant for being re-appointed as the Managing Director with effect from 1st April 2016 for a period of three years. I would also like to congratulate Ms. M Thambi for getting re-appointed as an Independent Director of the Company, subject to your approval.

I wish to compliment the Company's management and all the employees of the Company for their sustained dedication to deliver quality work. I sincerely thank the Union for maintaining industrial harmony and look forward to their continued support and encouragement in future. I would also like to acknowledge the trust reposed on the management by our shareholders and other stakeholders.

The ISWPL family joins me in conveying our gratitude to our promoter, Tata Steel Limited, for continued support and guidance.

With Best Regards,

Jamshedpur  
5th July, 2016

**(Sunil Bhaskaran)**  
Chairman

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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## BOARD'S REPORT

Dear Members,

Your Directors take the pleasure in presenting the 79th report on the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March 2016.

### FINANCIAL RESULTS

	2015-16 (Rs. in lakhs)	2014-15 (Rs. in lakhs)
Net Sales / Income	23,425.37	25,346.03
Total Expenditure	21,709.18	23,931.02
Profit before Depreciation Interest, Exceptional items and Taxes	1,716.19	1,415.01
Less : Depreciation	517.23	237.33
Profit before Interest, Exceptional items and Taxes	1,198.96	1,177.68
Less : Interest	209.04	114.15
Profit Before Exceptional items and Taxes	989.92	1,063.53
Add : Exceptional items	—	355.86
Profit / (Loss) Before Tax	989.92	1,419.39
Less : Taxes	458.69	433.05
Add : Deferred Tax Assets / (Liability)	50.53	(54.76)
Profit / (Loss) After Tax	581.76	931.57

*(Previous year's figures are recasted/regrouped wherever necessary)*

### **BUSINESS PERFORMANCE AND PROSPECTS**

During the year under review, the gross turnover including other income of the Company was at Rs.23,425 Lakhs compared to Rs. 25,346 Lakhs in the previous year. The profit for the year before exceptional items and taxes was at Rs. 990 Lakhs compared to a profit of Rs.1,064 Lakhs in the previous year. The performance of Company's different business verticals is detailed as under:

- (i) **Rod Mill** : Wire Rod production was at 2,32,018 MT compared to 2,25,876 MT in the previous year.
- (ii) **Wire Mill** : Production of Wires was at 51,269 MT as against 48,814 MT in the previous year.
- (iii) **JEMCO Rolls & Castings** : Production of Rolls and Castings at JEMCO Division of the Company was at 3,045 MT compared to 3,803 MT in the previous year. Sale was recorded at 2,859 MT as against 3,722 MT during the previous year.
- (iv) **MIG Wires & Welding Electrodes**: This business has recorded a production of 3,914 MT compared to 3,842 MT during the previous year. Sale was of 3,960 MT compared to 3,798 MT in the previous year.
- (v) **Fasteners**: This business vertical, commenced its operations from the last financial year, has recorded a production of 2,184 MT compared to 671 MT of the previous year and a dispatch of 1,932 MT as against 221 MT during the previous year.



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### **COMPANY'S STRATEGY**

The Company has defined a strategic road map of high priority initiatives based on its strength, vision and objectives. These initiatives have been developed on the following four parameters:

1. Growth and new business
2. Operational Excellence
3. Customer Intimacy
4. Employee and sustainability

The Company has defined objectives for Business Units to emerge as a key supplier to Tata Steel Limited and a significant player in Direct Business. The Road map has been defined and several initiatives have been taken in this direction.

### **NEW BUSINESS :**

In accordance with the Company's vision to become the preferred supplier of high quality downstream value added steel products, the Company stabilized its business of Fasteners and Electrodes during FY'16.

For Fasteners, the Company has operationalized an in-house production facility and Nails are being manufactured from TMT end cuts through "External Processing Agent" (EPA) model. The in-house machines and equipments for Fasteners have been revamped. The Company have started getting orders from reputed customers like M/s. L&T Ltd., EMC Ltd, Kalpataru, Adani, etc., while at the same time it has started getting approvals from Power Grid Corporation of India Ltd. (PGCIL) and various state transmission companies. Many customers have found the Company's product quality at levels comparable to the best in India. The Company's capacity for Fasteners and Nails is currently 600 MT per month and shortly it will be achieving production up to full capacity. The Company expects to derive substantial visibility for its brand, namely the SPARK Fasteners and hopes the turnover from the new business to go forward noticeably in the near future.

Electrode business based on the EPA model has stabilized in the current year. Currently, the Company is facing capacity constraints in respect of its EPA and hence volumes are growing marginally. However, the Company expects to grow in this business in FY 17 through induction of new EPAs. The products are being used by several companies of Tata Group, SAIL, Auto Ancillaries, Cylinder Manufacturers, etc. In a third party test conducted by National Metallurgical Laboratory (NML), SPARK Electrodes were found to be one of the best in India compared to competitors on several quality parameters. The Company is expected to maintain its quality leadership in this industry and position SPARK brand of electrodes as a premium brand in the market. The Company is also conducting trials to export this product to neighbouring countries like Bangladesh.

### **MARKET SCENARIO**

The year 2015-16 was a difficult year for the steel industry in India as well as internationally. Supply-demand imbalance, acute price competition, cheap imports from China, Korea, Japan, etc., and sluggish domestic demand contributed to major head winds for the Indian steel companies and most of them reported financial losses during 2015-16. The Company got impacted by a 30% fall in market prices during the most part of the financial year. However, some respite came from the declaration of Minimum Import Prices (MIP) by the Government of India in Feb '16. This helped to increase steel prices and many companies heaved a sigh of relief which reflected in their Q4 performance. However, MIP is only a temporary short term solution and in the long term, the demand of steel in the country is expected to pick up. Only that would give a sustainable and positive impact to the Indian steel companies.

The Company's scrap realizations, as well as net realizations of Direct Business products also went down at a much higher proportion than the decline in the raw material prices.

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Despite an unsatisfactory monsoon and the slow pace of reforms, the growth in India continued at an estimated 7.6% in 2016. However, the momentum in industrial output slowed down and both manufacturing and services PMIs softened. The investment cycle is likely to pick up led by government's efforts to boost investment in infrastructure, and renewed focus on manufacturing with the launch of 'Make in India' campaign. Through the launch of 'Vision 2020' which aims to provide employment, education, and basic needs like housing, electricity, water, etc. by 75th year of independence, the government's plan to increase the Manufacturing Sector's contribution to GDP from 16% to 25% looks very promising.

As India awaits more pro-growth initiatives by the government, the mood in the steel industry is at best cautious. The costs of wages, power, water, etc. are likely to go up further. The steel price pressure would continue due to excess capacity within the country. There is uncertainty over the continuation of MIP beyond a certain period. Cheap Imports of some downstream products still continue. Going forward, capacity utilization, operational excellence, cost control, and customer centricity would be the major success factors for any steel company.

### **DIVIDEND**

Your Directors have decided not to recommend any dividend for the financial year ended 31st March 2016.

### **CORPORATE GOVERNANCE**

The Company has inherited the values and corporate governance practices of Tata Group and the management of the Company has assigned high priority to Corporate Governance practices in the Company. The Company has various Committees, constituted by the Board of Directors, which have functioned effectively during the year under review.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr Suresh Kumar will retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

During the year under review, Mr. P K Jha has stepped down as Director of the Company with effect from 7th August 2015. The Board would like to place on record its sincere appreciation for the contributions made by Mr. Jha during his tenure with the Board.

On completion of the tenure as the Managing Director on 31st March 2016, Mr. Neeraj Kant has been re-appointed as the Managing Director of the Company for a tenure of three years which will be subject to the approval of shareholders at the ensuing Annual General Meeting.

Ms. Molly Thambi, whose tenure as an Independent Director in the Company expired on the 29th March 2016, has been re-appointed as an Independent Director in the Company for a tenure of three years subject to the approval of shareholders at the ensuing Annual General Meeting.

### **MEETINGS**

During the year, seven Board Meetings and four Audit & Risk Management Committee Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### **DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to Section 149(7) of the Companies Act, 2013, all the Independent Directors have given declaration that they meet the criteria of independence as set out in Section 149 (6) of the Act.

### **PERFORMANCE EVALUATION OF BOARD**

The Company, as recommended by its Nomination & Remuneration Committee and in line with the Tata Group Policy, has adopted a Policy for performance evaluation of Independent Directors, the Board, its Committees and other individual directors which include criteria for performance evaluation of the Non-executive directors and Executive directors.

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The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive directors and Non-executive directors. The same was discussed in the Board meeting, at which the performance of the Board, its Committees and individual directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

Policy on appointment and removal of Directors, attached herewith as "Annexure A", shall act as a guideline for determining qualifications, positive attributes, independence of a Director and matters relating to the appointment and removal of Directors.

The remuneration policy of the Company, attached herewith as "Annexure B", was formulated considering the following factors:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### **AUDIT REPORT**

The Statutory Auditors Report on Annual Accounts for the financial year 2015 -16 contains no qualification.

### **AUDITORS**

#### **(1) Statutory Auditors:**

M/s Deloitte Haskins & Sells, Chartered Accountants, the present Statutory Auditors of the Company hold their office till the conclusion of the Annual General Meeting and will be liable for re-appointment. They have expressed their willingness to continue as Auditors of the Company. Necessary certificate under Section 139(1) of the Companies Act, 2013 has been received from them.

#### **(2) Secretarial Auditors :**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s SPS Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report on the Secretarial Audit is annexed herewith as "Annexure C".

### **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company continues to be actively involved in the welfare and development of the communities in and around the plant premises. Social organizations and various academic institutions including those associated with education, sports, skill development, etc. are supported by the Company by way of several initiatives during the year.

The Sports Complex of the Company has continued to provide training and coaching in various games and sports i.e.

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Archery, Basketball, Volleyball and Football. Above 50 medals at State and National level were won by the trained candidates in various sports activities. Several other candidates from the sports complex have been given jobs under sports quota by organizations like Indian Army, Sports Authority of India Ltd., etc., as well as scholarships for studies in the Punjab University.

ISWP has extended its aid to a school for the education of 'drop-out girls', Kasturba Gandhi Balika Vidyalaya at Potka, a village 40 km away from Jamshedpur and has taken the responsibility to provide vocational training to all 350 students. Training is being provided in the areas of (a) Stitching (b) Organic farming (c) Mushroom Cultivation (d) Music and Dance (e) Wood Art (f) Computer Education (g) Archery (h) Career Counselling and supported the school by providing infrastructural facility such as fans, desk and benches, computer lab., etc.

Project RAAH, an educational support to the unprivileged class, has been initiated under which four students has been enrolled in Al Kabir Polytechnic College and Industrial Training Institute (Women), Jamshedpur. Scholarship have also been provided by the Company to 41 pre-nursery students who were mainstreamed into Royal International Academy (an English medium school at Jamshedpur) for their education. To inculcate the culture of volunteerism among employees, the company has initiated Employee Sensitization & Volunteerism Program, Blood Donation Camp, Awareness Sessions, etc. towards Corporate Social Responsibility (CSR) and Affirmative Action. The Company has achieved an appreciable position in the area of volunteerism with an average of 3.4 volunteering hours per employee in the financial year 2015-16, by contributing significantly to the Tata Group's target of one million hours of volunteerism.

As part of its initiatives under "Corporate Social Responsibility", the Company has undertaken various projects in the diverse areas of education, livelihood, health, water and sanitation. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as "Annexure D".

### **AFFIRMATIVE ACTION**

The Company is guided by the code of conduct on Affirmative Action. The Company ensures implementation of the code by arousing awareness on the subject amongst employees, vendors, suppliers and stakeholders through training programmes conducted from time to time. The policy on Affirmative Action lays emphasis on 4Es i.e. Employment, Employability, Entrepreneurship and Education which are being monitored regularly on quarterly basis to ensure its implementation in the right spirit. As a result of Tata Affirmative Action Programme (TAAP) Assessment, the Company has been placed in the score band of 400-425.

### **SAFETY, HEALTH AND ENVIRONMENT**

Safety, Health and Environment is a vital parameter in measuring the performance of the Company. Being a part of Tata Group, the Company continued to accentuate its efforts and implemented many initiatives in the area of Safety, Health and Environment of its employees/ contractors, which have gone a long way in maintaining congenial atmosphere of work within the premises and progress towards an attitude of "Committed to Zero" which demonstrates personal commitment to the highest standards of environmental, health and safety excellence.

#### **Health and Safety**

Employees undergo mandatory periodical medical examination as stipulated under various statutory requirements. Special campaign was taken on the wellness of each and every employee of the Company on four parameters viz. blood sugar, cholesterol, blood pressure and BMI achieving a score of 11.95 out of 16.

During the year under review, the Company observed National Safety Day in which safety quiz, safety slogans, safety talk, sit and draw competition, etc. were organized. During this year, the Company initiated senior leadership line walk to increase interaction of senior management with shop floor employees "Sarvashreshtha Suraksha Puraskar" among the business verticals of the Company, "Suraksha Samvaad" a weekly SHE message, "Khatre Ki Pehchan-2" (identification of hazards) and closing it through FIND IT, OWN IT and FIX IT. This initiative has been made to engage employees and officer in enhancing the Safety Excellence Journey. The Company has also observed Road safety



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Month in which awareness session, quiz, and slogan were organized.

### Environment :

On the occasion of World Environment Day, plantation of trees was done in and around factory premises and residential colonies. The Company put a thought in conserving the natural resources in the form of water. August was observed as the Water Conservation month and Company started the journey of water conservation "Sanrakshana" by saving 27,000 KL water per month. Compliance to legislations pertaining to Environment Health and Safety (EHS) has been achieved through implementation of the Environmental, Occupational Health and Safety Policy of the Company which ensures continuous improvement at safety front.

### TOTAL QUALITY MANAGEMENT SYSTEM

Total Quality Management initiatives have been started in the Company for encouraging people's participation and strengthening the innovation culture. Suggestion management forum, relaunched in 2014, was utilised well by the employees. Total 804 suggestions were received from employees and contractor employees out of which 33% of accepted suggestions were implemented. Also, Knowledge Management System was taken a step further through mobilisation of the forum for capturing tacit knowledge on an in-house designed portal wherein total 998 knowledge pieces were uploaded by the employees. Taking forward the torch of innovation, employees participated in the competitions like - Tata Innovista 2015 and CII Kaizen Competition, where shortlisting of projects from the Company was done by the Jury. One employee in the Company was felicitated with merit award in Indian National Suggestion Schemes Association (INSSAN) Annual Convention 2016, Pune.

The Company participated in the Tata Business Excellence Model (TBEM) Assessment for the year 2015 facilitated by Tata Business Excellence Group (TBExG), conducted through an experienced team of assessors from various Tata Group Companies and mentored by a senior executive of the Group. The Company succeeded in getting a commendable score of 491 out of 1000, which was 22 points higher from last year's score. The feedback report, comprising of strengths and opportunities for improvement, has been discussed by the Board and efforts are on to cater to the challenges identified by the assessors in due course.

In continuation of the journey of excellence, the Company has taken decision for challenging the Total Productive Maintenance (TPM) consistency award. Kick off for the same was done this year with the commitment of further improving the systems.

The Company has undergone audits conducted for Integrated Management System certification and has successfully achieved accreditation of IMS Certificates - ISO 9001:2008 Quality Management System, ISO 14001:2004 Environmental Management System, and OHSAS 18001:2007 Occupational Health and Safety Management System.

### AWARDS

- (i) **CII National HR Excellence Award for Strong Commitment in HR Excellence:** The Company won this award for the second consecutive year. This Award is regulated by Confederation of Indian Industry, the assessment of which encompasses all aspects of human resource management and acts as a practical tool for measuring the current status and thus identifying the gaps to stimulate solutions.
- (ii) **Tata Affirmative Action Plan (TAAP) Recognition 2015-16 awarded for CSR Project at Potka :** The Company's initiative at Kasturba Gandhi Balika Vidyalaya in Potka to develop it as a model school, has been recognized as a "good practice under education" for the year 2015-16 by the TAAP Jury.

### BUSINESS RISK MANAGEMENT

The Company has a Business Risk Management (BRM) framework to identify and evaluate business risks and opportunities, which is reviewed by the Audit & Risk Management Committee of the Board. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks

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trend, exposure and potential impact analysis at a Company level as also separately for business segments. Risk management forms an integral part of the Company's Mid-Term Planning cycle.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit & Risk Management Committee monitors and evaluates the efficacy and adequacy of internal control systems prevalent in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The Company has undertaken a third party audit by KPMG on the efficacy of the prevalent control system. Significant audit observations and corrective actions thereon were presented to the Audit & Risk Management Committee of the Board, based on which process owners will implement corrective actions in their respective areas and thereby strengthen the controls.

### **PERSONNEL**

Industrial Relations during the period were cordial and your Directors would like to place on record their appreciation for the valuable contribution made by employees, at all levels. Unionized employee grade has been re-designated as Junior Associate, Associate and Senior Associates. For the first time, Long Service Awards for the employees have been implemented.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultants including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit & Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015 -16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The directors had prepared the annual accounts on a 'going concern' basis.
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit & Risk Management Committee for its noting. Prior approval of the Audit & Risk Management Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the approval so granted are audited and a

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statement giving details of all related party transactions is placed before the Audit & Risk Management Committee for its approval on a quarterly basis.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The report on contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 has been annexed hereto as "Annexure E".

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure F".

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure G".

### **DECLARATION WITH RESPECT TO OTHER DISCLOSURES**

It is hereby declared that no disclosure is required in respect of the following items as there were no transactions on the same during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Particulars of Loans given, Investments made, Guarantees given and Securities provided under Section 186 of the Companies Act, 2013.
3. Information relating to amount transferred to reserves.

It is further stated that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **ACKNOWLEDGEMENT**

The Directors acknowledge with gratitude the support extended by all the Company's stakeholders namely, shareholders, customers, suppliers/ contractors, bankers, employees, government agencies, local authorities, business associates and the society in which it carries out its operations for their unstinted support and cooperation during the year. The Board is also thankful to the promoter, Tata Steel Limited for their continued support and counsel.

On behalf of the Board of Directors

Jamshedpur  
5th July, 2016

Sunil Bhaskaran  
(Chairman)

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### **ANNEXURE 'A' TO THE BOARD'S REPORT**

#### **POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS**

##### **(1) BOARD MEMBERSHIP CRITERIA**

The Nomination and Remuneration Committee (NRC) works with the Board to determine the appropriate characteristics, skills, and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education, and public service. Characteristics expected of all directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of the Company in today's business environment; understanding of the Company's business; experience in dealing with strategic issues and long-term perspectives; maintaining an independent familiarity with the external environment in which the Company operates and especially in the directors particular field of expertise; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity.

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholders' interests through the exercise of sound judgment, using its diversity of experience.

In determining whether to recommend a director for re-election, the Committee, also considers the director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable Committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities at The Indian Steel & Wire Products Limited.

##### **(2) BOARD DIVERSITY POLICY**

The Company recognizes the importance of diversity in its success. It is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and belonging to different race and gender will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Committee reviews and recommends appointments of new directors to the Board. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, race, gender and other diversity of the Board.

To meet the objectives of driving diversity and an optimum skill mix, the Committee may seek the support of Parent company.

The Committee will report annually, in the Annual Report of the Company, the process it employed in Board appointments. The report will include summary of this Policy including purpose and the progress made in achieving the same.



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This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

### **(3) CRITERIA FOR DETERMINING INDEPENDENCE OF DIRECTORS**

A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Board has established the categorical standards set forth below to assist it in making such determinations. In order for a Director to be considered independent, the Director:

- (1) Shall not be Managing Director or a Whole time Director or a Nominee Director.
- (2) Shall be, in the opinion of the Board, a person of integrity and shall possess relevant expertise and experience.
- (3) Shall not be a promoter of the Company or its holding, subsidiary or associate company.
- (4) Shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate company.
- (5) Apart from receiving Director's remuneration, shall not have any pecuniary relationships with the Company, its holding, its subsidiaries, its associate companies, its promoters, or Directors, during the current financial year or immediately preceding two financial years.
- (6) Relatives should not have or had pecuniary relationships or transactions with the Company, its holding (s), subsidiary or associate company, or their promoters, or Directors, amounting to 2% or more of its gross turnover or total income or INR 50 Lakhs or such amount as the Company may prescribe, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- (7) Neither himself / herself nor any of his / her relatives shall hold or has held the position of a KMP or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
- (8) Neither himself / herself nor any of his / her relatives shall or has been an employee or proprietor or a partner, in any of the 3 financial years immediately preceding the financial year, of:
  - a) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;
  - b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with his relatives 2% or more of the total voting power of the Company ("Substantial Shareholder");
- (9) a Chief Executive or Director, by whatever name called, of any non-profit organization that receives 25%, or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds 2%, or more of the total voting power of the Company.
- (10) Has not held office for more than 2 consecutive terms on the Board of the Company.
- (11) Who possesses such other qualifications as may be prescribed by the Companies Act, 2013.

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## ANNEXURE 'B' TO THE BOARD'S REPORT

### REMUNERATION POLICY OF DIRECTORS, KMPs AND OTHER EMPLOYEES

- 1. Remuneration for independent directors and non-independent non-executive directors**
  - 1.1. Overall remuneration should be reflective of the size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
  - 1.2. Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). Quantum of sitting fees and NED Commission may be subject to review on a periodic basis, as required.
  - 1.3. Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
  - 1.4. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
  - 1.5. Overall remuneration practices should be consistent with recognized best practices.
  - 1.6. The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board, based on company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
  - 1.7. The NRC will recommend to the Board, the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
  - 1.8. In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board Committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.
- 2. Remuneration for Managing Director ("MD") / Executive Directors ("EDs") / KMP / rest of the employees**
  - 2.1. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
    - (a) Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
    - (b) Driven by the role played by the individual,
    - (c) Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
    - (d) Consistent with recognized best practices and
    - (e) Aligned to any regulatory requirements.
  - 2.2. In terms of remuneration mix or composition,
    - (a) The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.

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- (b) Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- (c) In addition to the basic/ fixed salary, the company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
- (d) The company provides retirement benefits as applicable.
- (e) In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company may provide MD/ EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- (f) The company may provide the rest of the employees a performance linked bonus and/or performance linked incentive. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the company.

### **3. Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless :

- (a) The services rendered are of a professional nature; and
- (b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

### **4. Premium on Insurance policy**

- 4.1. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's NEDs, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.
- 4.2. Where any insurance is taken by the Parent Company or by the company on behalf of the Company's MD/EDs, KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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## ANNEXURE 'C' TO THE BOARD'S REPORT

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31<sup>st</sup>, 2016

To,  
The Members,  
The Indian Steel & Wire Products Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Indian Steel & Wire Products Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of The Indian Steel & Wire Products Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions subject to our observation mentioned in the relevant annexure of the Act, Rules, Regulation as listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2016 according to the provisions of:

<b>S.No.</b>	<b>Name of Act/ Rules/ Regulations</b>
1	The Companies Act, 2013 (the Act) and the rules made thereunder
2	Employees Provident Fund and Miscellaneous Provisions Act, 1952
3	Employees State Insurance Act, 1948
4	Public Liability Insurance Act, 1991
5	Environment Protection Act, 1986
6	Water (Prevention and Control of Pollution) Act, 1974 and Water Cess Act, 1977
7	Air (Prevention and Control of Pollution) Act, 1981
8	Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008
9	Factories Act, 1948
10	Contract Labour (Regulation and Abolition) Act, 1970
11	The Industrial Employment Standing Orders Act, 1946
12	Workmen Compensation Act, 1923
13	Employment Exchange (Compulsory Notification of Vacancies) Act, 1961
14	Apprenticeship Act, 1961
15	Batteries Management & Handling Rules, 2001
16	Income Tax Act, 1961 and Indirect Tax Laws
17	Indian Stamp Act, 1999
18	Industrial Dispute Act, 1947
19	Maternity Benefits Act, 1961
20	Minimum Wages Act, 1948
21	Negotiable Instrument Act, 1881
22	Payment of Bonus Act, 1965
23	Payment of Gratuity Act, 1972
24	Equal Remuneration Act, 1976
25	Payment of Wages Act, 1936 and other applicable labour laws



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We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the Meeting.

Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes, if any.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

- (1) Public / Rights / Debentures / Sweat Equity
- (2) Redemption / buy-back of securities
- (3) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- (4) Merger / amalgamation / reconstruction, etc.
- (5) Foreign technical collaborations

For SPS Associates

Place : Jamshedpur  
25th April, 2016

Sital Prasad Swain  
M. No.: FCS 6338  
CP No : 6814

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### ANNEXURE 'D' TO THE BOARD'S REPORT

#### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2015-16 :

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

CSR Policy of the Company is stated herein below:

<http://www.iswp.co.in/home/pdf/csrapolicy.pdf>

2. **Composition of CSR Committee:**

Mr. Peeyush Gupta, Chairman

Mr. Sudev C Das, Member

Mr. Neeraj Kant, Member

3. **Average net profit of the Company for the last three financial years :** Rs. 1825 Lakhs

4. **Prescribed CSR Expenditure (2% of the amount in item no 3 above) :** Rs. 36.50 Lakhs

5. **Details for CSR spend for the financial year**

(a) **Total amount spend for the financial year :** Rs. 37.29 Lakhs

(b) **Amount unspent, if any :** Not applicable

(c) **Manner in which the amount spent during the financial year :** Attached

6. **Reasons for not spending the allocated amount :** Not applicable

7. **The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company, is reproduced below:**

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

**Neeraj Kant**

Managing Director

**Peeyush Gupta**

Chairman, CSR Committee

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Sl. No.	Sector in which the project is covered	CSR projects/Activities Identified	Projects or Programs		Amount Outlay (Rs. in Lakhs)	Amount spent on the projects (Rs. in Lakhs)		Activities carried out directly through implementing agency
			Local Area/ others	State/District		Direct Expenditure	Overhead	
1	Promotion of Education	Education Scholarship	Local, Jemco	Jamshedpur, Jharkhand	3.4	2.48	-	CSR Dept.
		Project RAAH	Potka	Jamshedpur, Jharkhand	2.5	1.55	-	CSR Dept.
		Gyanodya Pre-Nursery School	Local	Jamshedpur, Jharkhand	1.8	1.46	-	Disha ki Aur
		Eng. & Science coaching classes	Potka	Jamshedpur, Jharkhand	0.72	0.6	-	CSR Dept.
		Career Counseling	Potka	Jamshedpur, Jharkhand		0.2	-	Jai Infotech
2	Health & Sanitation	Blood Donation Camp	Local	Jamshedpur, Jharkhand	0.4	0.73	-	CSR Dept.
		Fund for Thalassemia patient	Local	Jamshedpur, Jharkhand	0	0.5	-	CSR Dept.
		Health Checkup & immunization	Local Potka	Jamshedpur, Jharkhand	0.8	0.43	-	CSR Dept.
		Tree Plantation	Potka	Jamshedpur, Jharkhand	0.8	0.17	-	CSR Dept.
		Basti & Pond Cleaning Swachh BharatAbhiyaan	Local	Jamshedpur, Jharkhand	8.3	12.27	-	CSR Dept.
3	Environmental Sustainability	Stitching	Potka	Jamshedpur, Jharkhand	2.04	0.88	-	CSR Dept.
		Artery	Local, Potka	Jamshedpur, Jharkhand	3.34	1.74	-	CSR Dept.
		Nutritional Gardening	Potka	Jamshedpur, Jharkhand	3	3.2	-	TRCSC
		Mushroom Cultivation	Potka	Jamshedpur, Jharkhand	2.1	2	-	TRCSC
		Computer Training	Potka	Jamshedpur, Jharkhand	2.5	2.97	-	NIIT
4	Employability & Skill Development	Bamboo Crafting	Potka	Jamshedpur, Jharkhand	0.6	0	-	CSR Dept.
		Wood Art	Potka	Jamshedpur, Jharkhand	0.5	0.29	-	Pipal tree
		Beautician Course	Local	Jamshedpur, Jharkhand	1	0	-	-
		Art Classes	Potka	Jamshedpur, Jharkhand	1	0	-	-
		Summer Camp	Potka	Jamshedpur, Jharkhand	1.2	0.54	-	CSR Dept.
5	Infrastructure Development & Maintenance	Community Development Centre	Local	Jamshedpur, Jharkhand	0.25	0	-	-
		KGBV, Potka	Local	Jamshedpur, Jharkhand	0	5.28	-	CSR Dept.
		DISHA Stitching Centre	Local	Jamshedpur, Jharkhand	0	0	-	-
		Vikas Kala Kendra	Local	Jamshedpur, Jharkhand	0.25	0	-	-
		<b>TOTAL</b>			<b>36.50</b>	<b>37.29</b>	<b>-</b>	<b>-</b>
			<b>Total Expenditure</b>			<b>37.29</b>		

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

### **ANNEXURE 'E' TO THE BOARD'S REPORT**

Statement for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act, 2013, in terms of Section 134 (3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

**1. Details of contracts or arrangements or transactions not at arm's length basis :**

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2015-16.

**2. Details of material contracts or arrangement or transactions at arm's length basis :**

attached

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

**ANNEXURE 'E' TO THE BOARD'S REPORT**

**CONTRACTS/ARRANGEMENTS/TRANSACTIONS AT ARM'S LENGTH BASIS**

Name of the Company	Nature of Relationship	Nature of Transactions	Description of transaction
Tata Steel Limited (TSL)	Holding Company	Purchase of wire rods	ISWPL purchases wire rods for utilisation in the production of electrodes.
		Purchase of roll scrap	ISWPL purchases forged roll scrap for utilisation in the production of rolls.
		Sale of electrodes	ISWPL sells electrodes manufactured by it to TSL as well as third parties.
		Sale of electrodes	ISWPL sells electrodes manufactured by it to TSL as well as third parties.
		Sale of rolls & castings	ISWPL sells rolls and castings manufactured by it to TSL as well as third parties.
		Sale of wires	ISWPL sells wires manufactured by it to TSL as well as third parties.
		Receipt of lease rent	ISWPL has provided some flats on lease to TSL at Alipore, Kolkata.
		Rendering of conversion services	ISWPL has the following conversion arrangements with TSL : 1. Billets to wire rods and TMT 2. Wire rods to wires 3. Zinc dross to lumps.
		Payment of lease rent	TSL has obtained land on lease from the government of Jharkhand, a part of which has been sub-leased to ISWPL.
		Receipt of electricity services	ISWPL receives electricity from TSL for its works, office and township.
		Receipt of medical services	TSL receives medical services from TMH (owned by TSL) in Jamshedpur.
		Receipt of audit and training services	ISWPL receives training services from TSL. It also receives internal audit services from TSL.
Receipt of water services	ISWPL receives water from TSL for its works, office and township.		
Payment towards municipal contribution	Like all other companies in TSL leasehold area, ISWPL contributes its share towards the maintenance of Jamshedpur township by TSL.		
TM International Logistics Limited (TMILL)	Fellow Subsidiary	Receipt of freight and handling Services	ISWPL receives freight and handling services from TMILL.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

Name of the Company	Nature of Relationship	Nature of Transactions	Description of transaction
Tata Pigments Limited (TPL)	Fellow Subsidiary	Receipt of repair services	ISWPL receives repairs services for its buildings from TPL.
		Sale of goods	ISWPL sells goods manufactured by it to TPL as well as third parties.
The Tinsplate Company of India Limited (TCIL)	Fellow Subsidiary	Receipt of medical services	ISWPL receives medical services from TCIL.
Jamshedpur Utilities and Services Company Limited (JUSCO)	Fellow Subsidiary	Sale of electrodes/nails	ISWPL sells goods manufactured by it to JUSCO as well as third parties.
		Receipt of operation & maintenance facilities	ISWPL receives O&M services from JUSCO for the water ponds and tanks in its premises. Such services were earlier undertaken by ISWP in-house.
Tata Metaliks	Fellow Subsidiary	Sale of goods	ISWPL sells goods (Welding electrodes and MIG wires) manufactured by it to Tata Metaliks.
Tata Sponge Iron Limited	Fellow Subsidiary	Sale of goods	ISWPL sells goods (Welding electrodes and MIG wires) manufactured by it to Tata Sponge.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### ANNEXURE 'F' TO THE BOARD'S REPORT

Particulars of Conservation of Energy, Technology Absorption and foreign exchange earnings and outgo in terms of Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8 of Companies (Accounts) Rules, 2014 forming part of the Board's Report for the year ended 31st March 2016.

#### CONSERVATION OF ENERGY

a) Measures Taken :

(i) Implementation of various suggestions, in a phased manner, of the Energy Audit Report submitted by an Independent body, which inter alia, include:

1. Installation of the energy efficient mill motors at Rod Mill and Wire drawing mill.
2. Installation of power efficient electrical equipments viz. LED lights, air conditioners, man coolers and fans at shop floor, etc.
3. Reduction in the operating voltage of lighting transformer.
4. Improvement in the power factor by installing LT capacitors.
5. Minimizing the leakages in compressed air network.

Annual saving of 10% of total consumption has been achieved on implementation of the above actions.

(ii) Necessary steps are being taken in consultation with Group Companies to reduce energy consumption by synchronizing activities in the shop floor.

Particulars with respect to Conservation of Energy are given in Form - I enclosed.

#### TECHNOLOGY ABSORPTION

Particulars with respect to Technology Absorption are given in Form - II enclosed.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1) Efforts were made to develop products for export to a significant extent as small quantity of Rolls was exported during this year.
- 2) Total Foreign Exchange Earnings and Outgo:

	2015-16 (Rs. in Lakhs)	2014-15 (Rs. in Lakhs)
Earnings	469.41	634.51
Outgo	337.00	123.36



**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

**FORM I****DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY :**

	2015-16	2014-15
<b>POWER AND FUEL CONSUMPTION</b>		
<b>ELECTRICITY PURCHASED</b>		
Units (KWH)	6,22,38,390	6,04,49,690
Total Cost (Rs./Lakhs)	5,588.04	2,775.70
Rate/Unit (Rs./Kwh)	5.53	4.59
<b>OWN GENERATION</b>		
Units (KWH)	NIL	NIL
Total Cost (Rs./Lakhs)	NIL	NIL
Rate/Unit (Rs.)	N.A	N.A
<b>COAL &amp; COKE</b>		
Quantity (MT)	5.12	6.11
Total Cost (Rs./Lakhs)	0.74	0.87
Average rate (Rs/MT)	14,519	14,173
<b>FURNACE OIL/LSHS</b>		
Quantity (KL)	9,523	8,767
Total Cost (Rs./Lakhs)	2,148	3,225.41
Average rate (Rs/KL)	22,560	36,789
<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Wire Rod</b>		
Production in MT	2,32,018	2,25,876
Electricity (Kwh per Mt)	157.23	153.25
Furnace Oil (Litre per Mt)	39.82	37.71
Coal (Kg per Mt)	N.A.	N.A.
<b>Wire</b>		
Production in MT	51,269	48,814
Electricity (Kwh per Mt)	195	200.74
Furnace Oil (Litre per Mt)	N.A.	N.A.
Coal (Kg per Mt)	N.A.	N.A.
<b>Cast Iron &amp; Steel based Rolls</b>		
Production in MT	2,619	3,483
Electricity (Kwh per Mt)	3,053	2,817
Furnace Oil (Litre per Mt)	92	67
Coal & Coke (Kg per Mt)	1.93	1.75
<b>C.I Castings &amp; Steel Castings</b>		
Production in MT	426	335
Electricity (Kwh per Mt)	540	2181
Furnace Oil (Litre per Mt)	92	67
Coal & Coke (Kg per Mt)	NIL	NIL

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

### **FORM II**

#### **DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION :**

- 1) New products are being added in consultation with customers and Group Company's technical experts with a view to improve performance of our products and developing new product range.
- 2) Efforts are being made for further quality improvements in products at higher efficiency.
- 3) Expenditure on Research & Development- No separate expenditure incurred on Research & Development as it is a part of the normal production & planning activity.

#### **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

- 1) Efforts :  
Company has achieved ISO-9001:2000 Certification from Indian Register Quality Systems (IRQS). Our Executives participated in National Conferences and visited various production centres for establishing contacts with potential customers.
- 2) Benefits derived as a result of the above effects:  
Better acceptance of the Company's Products in the competitive market through effective reduction of cost in manufacturing process and improvement in quality of products.

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

**ANNEXURE 'G' TO THE BOARD'S REPORT****Extract of Annual Return****as on Financial Year ended 31st March 2016****I. REGISTRATION AND OTHER DETAILS :**

i) CIN:-	U27106WB1935PLC008447
ii) Registration Date	2/12/1935
iii) Name of the Company	THE INDIAN STEEL & WIRE PRODUCTS LIMITED
iv) Category / Sub-Category of the Company	PUBLIC COMPANY LIMITED BY SHARES
v) Address of the Registered office and contact details	7 RED CROSS PLACE, KOLKATA-700001, WEST BENGAL
vi) Whether listed company Yes/ No	NO
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR DARASHAW LIMITED, 6-10 HAJI MOOSA PATRAWALA INDUSTRIAL ESTATE, 20 DR. E. MOSES ROAD MAHALAXMI, MUMBAI - 400011 TEL : 022-66568485

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Wire Rods	24105	46
Wires	24108	24
Steel Castings/ Iron Castings	24319	19
MIG Wires & Welding Electrodes	24109	11

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	TATA STEEL LIMITED BOMBAY HOUSE, 24-HOMI MODY STREET, FORT, MUMBAI, MAHARASHTRA-400001	L27100MH1907PLC000260	HOLDING	95.01	2(87)

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	NA	0	0	0	NA	-	-	-	0
b) Central Govt	NA	0	0	0	NA	-	-	-	0
c) State Govt (s)	NA	0	0	0	NA	-	-	-	0
d) Bodies Corp.	NA	56,92,851	56,92,851	95.01	NA	56,92,951	56,92,951	95.01	0
e) Banks / FI	NA	0	0	0	NA				
f) Directors	NA	600	600	0.01	NA	500	500	0.01	0
Sub-total(A) (1):-	NA	56,93,451	56,93,451	95.02	NA	56,93,451	56,93,451	95.02	0
(2) Foreign									
a) NRIs - Individuals	NA	0	0	0	NA	0	0	0	0
b) Other - Individuals	NA	0	0	0	NA	0	0	0	0
c) Bodies Corp.	NA	0	0	0	NA	0	0	0	0
d) Banks / FI	NA	0	0	0	NA	0	0	0	0
e) Others	NA	0	0	0	NA	0	0	0	0
Sub-total (A) (2):-	NA	0	0	0	NA	0	0	0	0
<b>Total shareholding of Promoter (A) = (A)(1)+ (A)(2)</b>	<b>NA</b>	<b>56,93,451</b>	<b>56,93,451</b>	<b>95.02</b>	<b>NA</b>	<b>56,93,451</b>	<b>56,93,451</b>	<b>95.02</b>	<b>0</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	NA	0	0	0	NA	0	0	0	0
b) Banks / FI	NA	13,318	13,318	0.22	NA	13,318	13,318	0.22	0
c) Central Govt	NA	0	0	0	NA	0	0	0	0
d) State Govt (s)	NA	0	0	0	NA	0	0	0	0
e) Venture Capital Funds	NA	0	0	0	NA	0	0	0	0
f) Insurance Companies	NA	0	0	0	NA	0	0	0	0
g) FIs	NA	0	0	0	NA	0	0	0	0
h) Foreign Venture Capital Funds	NA	0	0	0	NA	0	0	0	0
i) Trusts & Charitable Institutions	NA	4,117	4,117	0.07	NA	4,117	4,117	0.07	0
j) Non Promoter Group Companies	NA	1,54,156	1,54,156	2.57	NA	1,54,156	1,54,156	2.57	0
Sub-total (B) (1) :-	NA	1,71,591	1,71,591	2.86	NA	1,71,591	1,71,591	2.86	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	NA	17,377	17,377	0.29	NA	17,377	17,377	0.29	0
ii) Overseas	NA-	-	-	NA	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NA	1,09,477	1,09,477	2	NA	1,09,477	1,09,477	2	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NA	-	-	-	NA	0	0	0	0
Sub-total (B) (2) :-	0	1,26,854	1,26,854	2.29	-	1,26,854	1,26,854	2.29	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>NA</b>	<b>2,98,445</b>	<b>2,98,445</b>	<b>5</b>	<b>NA</b>	<b>2,98,445</b>	<b>2,98,445</b>	<b>5</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	NA	0	0	0	NA	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>NA</b>	<b>59,91,896</b>	<b>59,91,896</b>	<b>100</b>	<b>NA</b>	<b>59,91,896</b>	<b>59,91,896</b>	<b>100</b>	<b>0</b>

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
1	Tata Steel Limited	56,93,451	95.02	NA	56,93,451	95.02	0	0.06%

### (iii) Change in Promoters' Shareholding

S. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
		No. of Shares	% of total shares of the company	Date	Increase in Holding	Reason	No. of Shares	% of total shares of the company
1	Tata Steel Limited	56,93,451	95.02	-	-	-	-	95.02

### (iv) Shareholding of Directors and Key Managerial Personnel :

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
		No. of Shares	% of total shares of the company	Date	Increase/decrease in Shareholding	Reason	No. of Shares	% of total shares of the company
1	Mr. Sunil Bhaskaran	100	0.0017	NA	NA	NA	100	0.0017
2	Mr. D Kumar	100	0.0017	NA	NA	NA	100	0.0017
3.	Mr. Suresh Kumar	100	0.0017	NA	NA	NA	100	0.0017
5	Mr. Peeyush Gupta	100	0.0017	NA	NA	NA	100	0.0017
6	Mr. Neeraj Kant	100	0.0017	NA	NA	NA	100	0.0017

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### (V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	(in INR Lakhs)			
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,593.17	77.97	1,646.01	3,317.15
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ ii + iii)</b>	<b>1,593.17</b>	<b>77.97</b>	<b>1,646.01</b>	<b>3,317.15</b>
Change in Indebtedness during the financial year				
Addition	330.08	0.00	0.00	330.08
Reduction	0.00	0.00	(246.01)	(246.01)
<b>Net Change</b>	<b>330.08</b>	<b>0.00</b>	<b>(246.01)</b>	<b>84.07</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,923.25	77.97	1,400.00	3,401.22
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	<b>1,923.25</b>	<b>77.97</b>	<b>1,400.00</b>	<b>3,401.22</b>

### (VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Neeraj Kant	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		53,68,668
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		11,90,331
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		0
2	Stock Option		0
3	Sweat Equity		0
4	Commission - as % of profit		0
	Others	25,000	2,53,248
	<b>Total (A)</b>		<b>68,12,247</b>

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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### B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (in Rs.)
		Mr. Sudev C Das	Ms. Molly Thambi	Mr. P K Jha			
1.	Independent Directors						
	(a) Fee for attending board / committee meetings	1,85,000	1,35,000	70,000			
	(b) Commission	1,91,959	1,31,340	80,825			
	(c) Others, please specify						
	<b>Total (1)</b>	<b>3,76,959</b>	<b>2,66,3409</b>	<b>1,50,825</b>			<b>7,94,124</b>
2	Other Non-Executive Directors						
	(a) Fee for attending board / committee meetings	1,22,500	1,12,500	1,27,500	1,10,000		
	(b) Commission	1,81,856	1,21,237	1,21,237	1,51,546		
	(c) Others, please specify						
	<b>Total (2)</b>	<b>3,04,356</b>	<b>2,33,737</b>	<b>2,48,737</b>	<b>2,61,546</b>		<b>10,48,376</b>
	<b>Total (B) = (1+2)</b>						<b>18,42,500</b>
	<b>Total Managerial Remuneration</b>						<b>86,54,747</b>

### C. Remuneration to Key Managerial personnel other than MD / Manager / WTD

The provisions of Key Managerial Personnel are not applicable on the Company.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	None	None	None	None	None
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	None	None	None	None	None
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	None	None	None	None	None
Punishment					
Compounding					



# **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of THE INDIAN STEEL & WIRE PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

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 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

### **Report on Other Legal and Regulatory Requirements**

1. 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, and the 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 prescribed under Section 133 of the Act, as applicable.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (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 20 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in term of Section 143 (11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraph 3 and 4 of the Order.

**For Deloitte Haskins & Sells**

*Chartered Accountants*  
(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**  
(Partner)

(Membership No. 054785)

Kolkata, 28<sup>th</sup> April, 2016

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

### **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of THE INDIAN STEEL AND WIRE PRODUCTS LIMITED ("the Company") as of 31st March, 2016 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**

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". 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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 Deloitte Haskins & Sells**

*Chartered Accountants*  
(Firm's Registration No. 302009E)

**Abhijit Bandyopadhyay**

(Partner)  
(Membership No. 054785)

Kolkata, 28<sup>th</sup> April, 2016

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

### **ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising the immovable properties of building which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of self-constructed buildings on leasehold land which are disclosed as fixed assets in the financial statements, the land lease agreement is in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
  - (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 Companies Act, 2013.
  - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  - (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
  - (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
  - (vii) According to the information and explanations given to us in respect of statutory dues :
    - (a) The company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax which have not been deposited as on March 31, 2016 account of disputes are as follows :

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. in lakhs)
Sales Tax Act	Sales Tax	Appellate Tribunal	2004-05	20.94	20.94
		Joint Commissioner	2006-07 to 2011-12	309.76	309.76
		Deputy Commissioner	2003-2004, 2007-08 to 2009-10	251.23	251.23
		Asst. Commissioner	1996-97 to 2000-01 2003-04 to 2012-13	276.67	276.67
Excise Duty	Central Excise	Commissioner Excise	1994-95 to 1998-99 2004-05	114.47	114.47
Wealth Tax	Wealth Tax	Additional Commissioner of Income Tax	1993-94 to 1997-98	390.35	390.35

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under Section 45-I of the Reserve Bank of India Act, 1934 and it has obtained the registration.

**For Deloitte Haskins & Sells**

*Chartered Accountants*

*(Firm's Registration No. 302009E)*

**Abhijit Bandyopadhyay**

(Partner)

(Membership No. 054785)

Kolkata, 28<sup>th</sup> April, 2016



# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Balance Sheet as at 31<sup>st</sup> March, 2016

		Amount in INR	
	Note	March 31st, 2016	March 31st, 2015
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a)	Share Capital	5,99,18,960	5,99,18,960
(b)	Reserves and surplus	52,77,96,314	46,96,19,600
		<u>58,77,15,274</u>	<u>52,95,38,560</u>
<b>(2) Non-current liabilities</b>			
(a)	Other Non - Current liabilities	14,00,00,000	16,46,00,737
(b)	Long-term provisions	10,51,48,001	12,34,27,764
		<u>24,51,48,001</u>	<u>28,80,28,501</u>
<b>(3) Current liabilities</b>			
(a)	Short-term borrowings	20,01,21,952	16,71,13,958
(b)	Trade & Other payables	33,39,90,036	32,12,16,940
(c)	Other current liabilities	4,33,16,032	4,32,08,418
(d)	Short-term provisions	4,36,79,905	4,20,99,661
		<u>62,11,07,925</u>	<u>57,36,38,977</u>
		<u>1,45,39,71,200</u>	<u>1,39,12,06,038</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>(II) ASSETS</b>			
<b>(1) Non-current assets</b>			
(a)	Fixed assets		
(i)	Tangible assets	39,45,30,288	36,16,78,670
(ii)	Intangible assets	96,20,413	76,66,959
(iii)	Capital work-in-progress	1,43,87,019	4,90,55,462
		<u>41,85,37,720</u>	<u>41,84,01,091</u>
(b)	Non-current investments	6	6
(c)	Deferred tax assets (net)	2,45,61,004	1,95,07,241
(d)	Long-term loans and advances	11,73,15,256	12,47,17,272
		<u>56,04,13,986</u>	<u>56,26,25,610</u>
<b>(2) Current assets</b>			
(a)	Inventories	56,51,49,937	41,58,82,771
(b)	Trade receivables	21,00,20,907	29,75,02,149
(c)	Cash and cash equivalents	1,13,67,425	1,70,56,794
(d)	Short-term loans and advances	10,48,98,242	9,66,93,520
(e)	Other current assets	21,20,703	14,45,194
		<u>89,35,57,214</u>	<u>82,85,80,428</u>
		<u>1,45,39,71,200</u>	<u>1,39,12,06,038</u>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Abhijit Bandyopadhyay  
Partner

Chief Financial Officer

Jamshedpur, April 27<sup>th</sup> 2016

For and on behalf of the Board of Directors

Chairman

Managing Director

Company Secretary

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2016

		Amount in INR	
	Note	April-March 2016	April-March 2015
		<b>2,37,11,33,031</b>	2,62,61,44,610
		<b>9,61,13,536</b>	11,54,40,599
<b>I</b>	<b>Revenue from operations (Net)</b>	<b>2,27,50,19,495</b>	2,51,07,04,011
<b>II</b>	Other Income	<b>6,75,17,659</b>	2,38,98,626
<b>III</b>	<b>Total Revenue (I + II)</b>	<b>2,34,25,37,154</b>	2,53,46,02,637
<b>IV</b>	<b>EXPENSES</b>		
	(a) Raw materials consumed	<b>29,19,16,522</b>	42,04,62,146
	(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	<b>(9,45,10,786)</b>	(4,56,24,029)
	(c) Employee benefit expense	<b>42,15,92,447</b>	38,63,80,727
	(d) Finance costs	<b>2,09,04,327</b>	1,14,15,284
	(e) Depreciation and amortisation expense	<b>5,17,22,524</b>	2,37,33,336
	(f) Other expenses	<b>1,55,19,20,160</b>	1,63,18,83,453
	<b>Total Expenses (IV)</b>	<b>2,24,35,45,194</b>	2,42,82,50,917
<b>V</b>	<b>Profit before exceptional items and tax (III - IV)</b>	<b>9,89,91,960</b>	10,63,51,720
<b>VI</b>	Exceptional items	-	3,55,85,763
<b>VII</b>	<b>Profit before tax (V - VI)</b>	<b>9,89,91,960</b>	14,19,37,483
<b>VIII</b>	Tax Expense		
	(1) Current tax	<b>4,10,01,841</b>	4,33,04,508
	(2) Tax provision for earlier years	<b>48,67,168</b>	-
	(3) Deferred tax	<b>(50,53,763)</b>	54,76,204
	<b>Total tax expense</b>	<b>4,08,15,246</b>	4,87,80,712
<b>IX</b>	<b>Profit after tax (VII - VIII)</b>	<b>5,81,76,714</b>	9,31,56,771
<b>X</b>	<b>Earnings per equity share:</b>		
	(1) Basic	<b>9.71</b>	15.55
	(2) Diluted 26	<b>9.71</b>	15.55
	<b>Amount available for appropriations</b>		
<b>XI</b>	<b>Profit for the period (IX above)</b>	<b>5,81,76,714</b>	9,31,56,771
<b>XII</b>	Add: balance brought forward from last year / (period)	<b>41,51,48,389</b>	32,19,91,618
<b>XIII</b>	<b>Amount carried to Balance Sheet (XI + XII)</b>	<b>47,33,25,103</b>	41,51,48,389

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Jamshedpur, April 27<sup>th</sup> 2016

Chief Financial Officer

For and on behalf of the Board of Directors

Chairman

Managing Director

Company Secretary

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016

Amount in INR

	April - March 2016	April - March 2015
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit before taxes</b>	<b>9,89,91,960</b>	14,19,37,483
Adjustments for:		
Depreciation and amortisation expense	5,17,22,524	2,37,33,336
Provision for bad & doubtful debts	1,44,97,544	16,59,220
Interest Income	(12,65,561)	(11,53,654)
Finance Cost	2,09,04,327	1,14,34,505
(P)/L on sale of capital assets (net of discarded assets written off)	(6,44,464)	4,52,975
Provision for Warranty Claims	53,53,547	41,09,866
Employee Separation Compensation (amortised, net of payments)	4,81,782	26,06,016
<b>Operating profit before working capital changes</b>	<b>19,00,41,659</b>	18,47,79,747
Adjustments for (increase)/decrease in operating assets		
Movements in inventories	(14,92,67,165)	(7,67,87,791)
Movements in trade receivables	7,29,83,698	77,97,890
Movements in other current assets	(6,75,509)	(9,90,000)
Movements in short term loans & advances	(72,41,843)	(3,38,77,973)
Adjustments for increase/(decrease) in operating liabilities		
Movements in trade Payables	1,27,73,096	1,11,67,586
Movements in other current liabilities	17,57,402	43,04,721
Movements in short-term provision	(42,55,085)	(1,60,21,643)
Movements in other long-term liabilities	-	-
Movements in long-term provisions	(1,82,79,763)	3,91,38,836
<b>Cash generated from operations</b>	<b>9,78,36,490</b>	11,95,11,374
Direct taxes paid	(3,86,80,431)	(6,30,51,786)
<b>Cash Flow before exceptional item</b>	<b>5,91,56,059</b>	5,64,59,588
Exceptional item	(2,46,00,737)	(3,55,85,763)
<b>Net cash from operating activities</b>	<b>3,45,55,322</b>	2,08,73,825
<b>B. Cash Flow from Investing activities:</b>		
Purchase of fixed assets	(5,32,96,865)	(10,37,07,195)
Sale of fixed assets	6,45,825	13,57,636
Interest received	12,65,561	11,53,654
<b>Net cash used in investing activities</b>	<b>(5,13,85,479)</b>	(10,11,95,905)
<b>C. Cash Flow from Financing activities:</b>		
Net increase/ (decrease) in short term borrowings	3,30,07,994	9,51,78,654
Finance Cost	(2,09,00,186)	(1,14,29,833)
Interest paid to MSME	(4,141)	(4,672)
<b>Net cash used in financing activities</b>	<b>1,21,03,667</b>	8,37,44,149
<b>Net increase / (decrease) in cash or cash equivalents</b>	<b>(47,26,490)</b>	34,22,069
<b>Cash &amp; cash equivalents as at 1st April</b>	<b>50,37,419</b>	16,15,350
<b>Cash &amp; cash equivalents as at 31st March</b>	<b>3,10,929</b>	50,37,419

Additional information :

- (1) Cash & cash equivalents represents cash & cheques on hand and balances with banks (Refer note 12)
- (2) Figures in brackets represent outflows.
- (3) Previous year's figures have been recast/restated where necessary.

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Jamshedpur, April 27<sup>th</sup> 2016

Chief Financial Officer

For and on behalf of the Board of Directors

Chairman

Managing Director

Company Secretary

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### 01 - Accounting Policies

#### (a) 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 at Kolkata.

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.

#### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.01 Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act 2013 ("the 2013 Act"). The financial statements are prepared under the historical cost convention on going concern and on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### 2.02 Use of estimates

The presentation of financial Statements in accordance with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year. Examples of such estimates include useful life of fixed assets, provision for doubtful debts, employee benefits, provision for taxes, provision for warranty expenses. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

##### 2.03 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and taxes is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

##### 2.04 Fixed assets

###### (i) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses (if any). The cost of an asset includes the purchase cost of materials, including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use. Subsequent expenditure relating to tangible assets are capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Depreciation on all tangible fixed assets are provided on a straight line basis using the useful lives prescribed in Schedule II to the Companies Act, 2013.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### Notes forming part of the Financial Statements

#### 01 - Accounting Policies continued

##### ii) Intangible assets

Intangible assets are stated at acquisition cost, less accumulated amortisation and accumulated impairment (if any). The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The Cost of Intangible assets are amortised on a straight line basis over their estimated useful life. The cost incurred to acquire any technical knowhow is amortised over its estimated useful life not exceeding six years from the date of transfer of technical know how and cost incurred to acquire software is amortised on a straight line basis over an estimated useful life of five years.

##### iii) Capital work-in-Progress

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment (if any), under Capital work-in-progress. The cost includes the purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs and Interest on borrowings used to finance the construction of the asset.

#### 2.05 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, except in case of revalued assets.

#### 2.06 Investments

Long term investments are carried at cost less provision for diminution other than temporary (if any) in value of such investments. Current investments are carried at lower of cost and fair value.

#### 2.07 Lease

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

#### 2.08 Inventories and Contract in Progress

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 INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### Notes forming part of the Financial Statements

#### 01 - Accounting Policies continued

the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

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.

#### 2.09 DEPRECIATION AND AMORTISATION

- (i) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
- (ii) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013
- (iii) Intangible assets are amortised over their estimated useful life prescribed in schedule II to the Companies Act 2013 on straight line method.

#### 2.10 REVENUE RECOGNITION

##### (i) Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

##### (ii) Income from services

Revenues from conversion services are recognised when services are rendered and related costs are incurred.

##### (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 rate applicable.

#### 2.11 Employee benefits

- (i) Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences and post-employment medical benefits.

##### (ii) Defined contribution plans

Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. 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, Superannuation benefits to selected employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries.

##### (iii) Defined benefit plans

The Company provides gratuity, compensated absence to its employees, post retirement medical benefits and pension to retired whole-time directors. Gratuity liabilities are funded and managed through separate trust (except in case of Port and Yard Equipment Division in which the funds are managed by Life Insurance Corporation of India). The liabilities towards leave encashment, post retirement medical

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### Notes forming part of the Financial Statements

#### 01 - Accounting Policies continued

benefits and pension to retired whole-time directors are not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirements of Accounting Standards (AS) 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. All actuarial gains and losses are recognised in the statement of profit and loss in full in the year in which they occur.

#### 2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred. Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

#### 2.13 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies entered into by the company are accounted at the exchange rate prevailing on the date of the transaction or at the rates that closely approximate the rate at the date of the transaction. Monetary items are translated at the year end exchange rates and the profit or loss so determined and also the realized exchange gains/losses are recognized in the Statement of Profit & Loss.

#### 2.14 SEGMENT REPORTING

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.

#### 2.15 EARNING PER SHARE

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

#### 2.16 Taxes on Income

##### (i) Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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### Notes forming part of the Financial Statements

#### 01 - Accounting Policies continued

(ii) **Deferred tax**

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

(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.

(iv) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

#### 2.17 Provisions, Contingent liabilities and Contingent assets

(i) **Provision**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

(ii) **Provision for warranty**

The estimated liability for Rolls & Casting warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

(iii) **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. Contingent assets are neither recognised nor disclosed.



## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### Notes forming part of the Financial Statements

#### 02 - Share Capital

Amount in INR

##### Authorised :

Ordinary Shares of Rs. 10 each

(31.03.2016 : 70,00,000 Ordinary Shares of Rs. 10 each)

##### Issued :

Ordinary Shares of Rs. 10 each

(31.03.2016 : 59,91,896 Ordinary Shares of Rs. 10 each)

##### Subscribed and Paid up:

Ordinary Shares of Rs. 10 each

(31.03.2016 : 59,91,896 Ordinary Shares of Rs. 10 each)

##### Total Share Capital

	March 31st, 2016	March 31st, 2015
Authorised :		
Ordinary Shares of Rs. 10 each	7,00,00,000	7,00,00,000
(31.03.2016 : 70,00,000 Ordinary Shares of Rs. 10 each)	<u>7,00,00,000</u>	<u>7,00,00,000</u>
Issued :		
Ordinary Shares of Rs. 10 each	5,99,18,960	5,99,18,960
(31.03.2016 : 59,91,896 Ordinary Shares of Rs. 10 each)	<u>5,99,18,960</u>	<u>5,99,18,960</u>
Subscribed and Paid up:		
Ordinary Shares of Rs. 10 each	5,99,18,960	5,99,18,960
(31.03.2016 : 59,91,896 Ordinary Shares of Rs. 10 each)	<u>5,99,18,960</u>	<u>5,99,18,960</u>
Total Share Capital	<u>5,99,18,960</u>	<u>5,99,18,960</u>

#### Reconciliation of no. of shares and amount outstanding at the beginning and ending of reporting period

Ordinary Shares of Rs. 10 each	March 31st, 2015		March 31st, 2016	
	No. of shares	Amount	No. of shares	Amount
a) Authorized share capital	70,00,000	7,00,00,000	70,00,000	7,00,00,000
b) Issued share capital	59,91,896	5,99,18,960	59,91,896	5,99,18,960
c) Subscribed and fully paid-up	59,91,896	5,99,18,960	59,91,896	5,99,18,960
d) Subscribed and not fully paid-up	-	-	-	-

#### 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 shareholder holding more than 5% of aggregate shares in the company

Shareholders holding more than 5% share capital :	March 31st, 2016		March 31st, 2015	
	No. of Shares	%	No. of Shares	%
Tata Steel Ltd. (Holding Company)	56,92,651	95.01%	56,92,651	95.01%

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**Notes forming part of the Financial Statements****03 - Reserves & Surplus**

Amount in INR

	March 31st, 2016	March 31st, 2015
1. Capital Reserve		
Opening and Closing balance	<b>8,000</b>	8,000
2. Amalgamation Reserve		
Opening and Closing balance	<b>2,76,60,000</b>	2,76,60,000
3. Revaluation Reserve		
Opening balance	-	56,84,14,240
Less : Deletion of Revaluation Reserve	-	56,84,14,240
Closing balance	-	-
4. Investment Allowance (Utilised) Reserve		
Opening and Closing balance	<b>2,67,29,960</b>	2,67,29,960
5. Special Reserve (Machinery Replacement Reserve)		
Opening & Closing balance	<b>73,251</b>	73,251
6. Statement of Profit & Loss - Surplus		
Opening balance	<b>41,51,48,389</b>	32,19,91,618
Add : Profit for the year	<b>5,81,76,714</b>	9,31,56,771
Closing balance	<b>47,33,25,103</b>	41,51,48,389
<b>Total Reserves and Surplus</b>	<b>52,77,96,314</b>	46,96,19,600

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements****04 - Short Term Borrowings**

Amount in INR

	March 31st, 2016	March 31st, 2015
<b>A. Secured</b>		
Repayable on Demand		
From Banks		
1. Working Capital Demand Loans	–	–
Cash Credit / Packing Credits (Punjab National Bank : Secured by hypothecation of Finished Goods, Semi Finished Goods, Raw Material, Stores and Spares and Book Debts)	<b>19,23,24,952</b>	15,93,16,958
<b>Total Secured Borrowings</b>	<b>19,23,24,952</b>	15,93,16,958
<b>B Unsecured</b>		
Other Loans		
1. Deposit from Anvita Properties Pvt. Ltd. (Developer of erstwhile Promoters)	<b>2,50,000</b>	2,50,000
2. Fixed Deposits of Erstwhile promoters*	<b>75,47,000</b>	75,47,000
<b>Total Unsecured Borrowings</b>	<b>77,97,000</b>	77,97,000
<b>Total Borrowings</b>	<b>20,01,21,952</b>	16,71,13,958

\* As per clause 6.5 (b) of BIFR Order, principal is to be repaid in four equal annual instalments, commencing from F.Y. 2006-07. Interest has been waived as per BIFR Order. Accordingly demand drafts aggregating Rs. 19,06,000/- were sent by the company on August 18, 2006 but demand drafts totalling Rs. 18,86,750/- were returned unacknowledged. Subsequently these were deposited in the Company's account in Punjab National Bank on December 19, 2006. On February 11, 2008, the demand drafts aggregating Rs. 37,92,250/- were again sent by the company towards annual instalments for 2006-07 and 2007-08 but demand drafts totalling Rs. 37,73,000/- were returned unacknowledged. These were subsequently deposited in the Company's account in Punjab National Bank on March 27, 2008. The demand drafts aggregating Rs. 56,79,500/- were again sent on November 19, 2008 by the company towards annual instalments for 2006-07, 2007-08 and 2008-09 but demand drafts totalling Rs. 56,60,250/- were returned unacknowledged. These were subsequently deposited in the Company's account in Punjab National Bank on December 15, 2008 for Rs. 38,94,000/- & on December 24, 2008 for Rs. 17,66,250/-. On February 26, 2009, the total amount of Rs. 56,60,250/- was transferred to a new Escrow account with Punjab National Bank. Demand drafts aggregating Rs. 75,66,250/- were sent on January 15, 2010 by the company towards annual instalments for 2006-07, 2007-08, 2008-09 and 2009-10, but demand drafts totalling Rs. 75,47,000/- were returned unacknowledged. These were subsequently deposited in the new Escrow account with Punjab National Bank on February 23, 2010. This amount has been transferred to Fixed Deposit (Escrow A/c.) with Punjab National Bank in Dec 2010.

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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## Notes forming part of the Financial Statements 05 - Provisions

	March 31st, 2016			March 31st, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
(a) Provision for employee benefits						
(1) Post-employment Defined Benefits						
(i) Retiring Gratuity	1,24,06,395	-	1,24,06,395	3,41,58,292	-	3,41,58,292
(ii) Post retirement medical benefits	2,65,84,183	1,60,467	2,67,44,650	2,40,94,090	14,80,110	2,55,74,200
(iii) Other post-employment defined benefits	-	-	-	-	-	-
(2) Compensated absences	5,51,02,737	54,89,673	6,05,92,410	5,28,66,240	36,05,760	5,64,72,000
(b) Provision for employee separation compensation	36,01,459	12,03,947	48,05,406	43,29,224	15,01,152	58,30,376
(c) Provision for tax [Net of advance tax of Rs. Nil (31.03.2015 – Rs. Nil)]	-	2,70,35,565	2,70,35,565	-	2,70,35,565	2,70,35,565
(d) Provision For Warranty Claims	-	88,16,878	88,16,878	-	78,00,310	78,00,310
(e) Other Provisions	74,53,227	9,73,375	84,26,602	79,79,918	6,76,764	86,56,682
<b>Total Provisions</b>	<b>10,51,48,001</b>	<b>4,36,79,905</b>	<b>14,88,27,906</b>	<b>12,34,27,764</b>	<b>4,20,99,661</b>	<b>16,55,27,425</b>

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements****06 - Trade and other payables & other current and non-current liabilities**

Amount in INR

	March 31st, 2016	March 31st, 2015
<b>6(A) Trade &amp; Other Payables</b>		
(a) Total outstanding dues of micro enterprises and small enterprises	23,399	2,14,816
(b) Others		
(i) Creditors for supplies and services	26,26,16,678	28,76,67,506
(ii) Creditors for accrued wages and salaries	7,13,49,959	3,33,34,618
<b>Total Trade Payables</b>	<b>33,39,90,036</b>	<b>32,12,16,940</b>
<b>6(B) Non-current liabilities</b>		
Other Long Term Liabilities*	14,00,00,000	16,46,00,737
<b>Other non-current liabilities</b>	<b>14,00,00,000</b>	<b>16,46,00,737</b>
<b>6(C) Other Current Liabilities</b>		
(a) Advances received from customers	1,22,95,654	1,75,08,505
(b) Creditors for Other liabilities		
(i) Statutory Dues (Excise duty, service tax, sales tax, TDS, etc.)	64,93,042	50,26,032
(ii) Creditors for Capital Supply / Services	26,10,283	42,60,071
(iii) Other Liabilities	2,19,17,053	1,64,13,810
<b>Total Other Current Liabilities</b>	<b>4,33,16,032</b>	<b>4,32,08,418</b>

\* Security Deposit received from Tata Steel Ltd. for Flats given on lease Rs. 14,00,00,000/- (31.03.2015: Rs. 14,00,00,000/-).

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the financial statements

### 07 - Tangible Assets

#### March 31st 2016

	Land (Freehold)	Buildings (Own use)	Plant & Equipment (Owned)	Furniture & Fixtures (Owned)	Office Equipments (Owned)	Vehicles (Owned)	Railway Sidings (Owned)	Total Tangible Assets	Computer Software (Acquired)	Total Intangible Assets
Cost at beginning of year	31,987,903	117,321,335	839,823,016	14,193,682	14,883,600	16,527,692	1,012,476	1,035,749,704	14,834,569	14,834,569
Re-classification (Transfers in/out)	(31,987,903)	32,837,478	(13,629,843)	(1,404,014)	7,071,509	-	-	(7,112,773)	7,112,774	7,112,774
Cost at beginning of year (Adjusted)	-	150,158,813	826,193,173	12,789,668	21,955,109	16,527,692	1,012,476	1,028,636,931	21,947,343	21,947,343
Additions	-	44,846,975	39,459,747	1,654,400	1,318,915	-	-	87,280,037	3,560,501	3,560,501
Adjustment during the year	-	-	(133,560)	-	-	(3,824,086)	-	(3,957,646)	(353,934)	(353,934)
Deductions during the year	-	(1,031,245)	(98,865)	-	-	-	-	(1,130,110)	-	-
<b>Cost at end of period</b>	-	193,974,543	865,420,495	14,444,068	23,274,024	12,703,606	1,012,476	1,110,829,212	25,153,910	25,153,910
Depreciation / Amortisation at beginning of year	5,965,116	55,637,463	584,726,449	3,996,859	9,187,317	13,545,354	1,012,476	674,071,034	7,167,610	7,167,610
Re-classifications (Transfers in/out)	(5,965,116)	5,993,778	(10,008,948)	(302,462)	5,172,491	10,896	-	(5,099,361)	5,099,363	5,099,363
Depreciation/Amortisation at beginning of year (Adjusted)	-	61,631,241	574,717,501	3,694,397	14,359,808	13,556,250	1,012,476	668,971,673	12,266,973	12,266,973
Depreciation during the year	-	7,367,377	43,350,588	1,528,676	2,813,224	(6,603,865)	-	48,456,000	3,266,524	3,266,524
Adjustment for change in method	-	-	-	-	-	-	-	-	-	-
Adjustment during the year	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on assets sold/ written off during the year	-	(10,31,245)	(97,504)	-	-	-	-	(11,28,749)	-	-
<b>Depreciation / Amortisation at the end of the period</b>	-	67,967,373	617,970,585	5,223,073	17,173,032	6,952,385	1,012,476	716,298,924	15,533,497	15,533,497
<b>Net book value at beginning of year</b>	26,022,787	61,683,872	255,096,567	10,196,823	5,696,283	2,982,338	-	361,678,670	7,666,959	7,666,959
<b>Net book value at end of year</b>	-	126,007,170	247,449,910	9,220,995	6,100,992	5,751,221	-	394,530,288	9,620,413	9,620,413

#### March 31st, 2015

Cost at beginning of year	467,171,717	542,437,177	1,565,253,076	11,553,023	7,961,319	8,845,791	1,012,476	2,604,234,579	6,231,374	6,231,374
Re-classification (transfers in/out)	28,805,477	(29,863,520)	(11,137,448)	(768,522)	3,832,342	7,646,704	-	(1,484,967)	1,484,970	1,484,970
Other Adjustment	(466,000,000)	(424,369,541)	(756,790,663)	(1,154,812)	(857,846)	(169,132)	-	(1,649,341,994)	-	-
Additions	2,010,709	29,117,219	42,552,876	4,563,993	3,947,785	10,093,980	-	92,286,562	7,118,225	7,118,225
Disposals	-	-	(54,825)	-	-	(9,889,651)	-	(9,944,476)	-	-
<b>Cost at end of year</b>	31,987,903	117,321,335	839,823,016	14,193,682	14,883,600	16,527,692	1,012,476	1,035,749,704	14,834,569	14,834,569
Depreciation / Amortisation at beginning of year	404,040	387,515,191	1,329,684,072	8,341,495	4,621,751	6,277,985	1,012,476	1,737,857,010	5,163,430	5,163,430
Re-classifications (Transfers in / out)	6,387,215	(2,873,393)	(9,655,979)	(1,939,401)	4,043,821	6,484,165	-	2,446,428	1,100,059	1,100,059
Other Adjustment	(1,000)	(326,045,696)	(752,594,759)	(1,287,432)	(842,973)	(155,894)	-	(1,080,927,754)	-	-
Depreciation during the Year	(825,139)	(2,958,639)	17,303,551	(1,117,803)	1,364,718	9,062,527	-	22,829,215	904,121	904,121
Accumulated depreciation on assets sold / written off during the Year	-	-	(10,436)	-	-	(8,123,429)	-	(8,133,865)	-	-
Depreciation / Amortisation at end of year	5,965,116	55,637,463	584,726,449	3,996,859	9,187,317	13,545,354	1,012,476	674,071,034	7,167,610	7,167,610
<b>Net book value at beginning of year</b>	466,767,677	154,921,986	235,569,004	3,211,528	3,339,568	2,567,806	-	866,377,568	1,067,944	1,067,944
<b>Net book value at end of year</b>	26,022,787	61,683,872	255,096,567	10,196,823	5,696,283	2,982,338	-	361,678,670	7,666,959	7,666,959

Notes : Cost at the beginning and the end of the year excludes assets transferred from Tata Steel (Wire Division)

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements**

**08 - Trade Investments (At Cost)**

	March 31st, 2016			March 31st, 2015		
	Non-current	Current	Total	Non-current	Current	Total
<b>(A) Other Investments</b>						
(1) Quoted						
(2) Unquoted						
<b>(a) In fully paid Equity Shares</b>						
1,40,280 shares of Rs. 10 each of INCAB Industries Ltd. (pledged with Punjab National Bank) (#)	1	-	1	1	-	1
250 shares of Rs. 100 each in Bihar State Financial Corporation (#)	1	-	1	1	-	1
14,94,900 equity shares of Rs. 10 each in Brahma Steyr Tractors Ltd. (#)	1	-	1	1	-	1
10,66,846 equity shares of Rs. 10 each in Metal Corporation of India Ltd. (#)	1	-	1	1	-	1
<b>(b) In fully paid debentures</b>						
1,400-4% debentures of Rs. 500 each in Assam Bengal Cement Co. Ltd. (in liquidation) (#)	1	-	1	1	-	1
<b>(c) In fully paid preference shares</b>						
2,852 - 5% tax free cumulative preference shares of Rs. 100 each in Metal Corporation of India Ltd. (#)	1	-	1	1	-	1
<b>Total Investments</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>6</b>

# Book value of each Re. 1/-

Note : The above mentioned share/debentures certificates are not physically available.

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## Notes forming part of the Financial Statements

### 09 - Loans and Advances

	March 31st, 2016			Amount in INR March 31st, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
	<b>Loans and advances</b>					
(a) Capital advances	19,372,923	3,378,950	22,751,873	19,481,961	-	19,481,961
(b) Advance with public bodies	-	36,611,022	36,611,022	-	37,926,115	37,926,115
i) Service tax	-	71,47,438	71,47,138	-	1,09,84,422	1,09,84,422
ii) Excise	-	1,72,09,732	1,72,09,732	-	1,71,06,853	1,71,06,853
iii) Sales tax/value added tax/others	-	1,22,53,852	1,22,53,852	-	98,34,840	98,34,840
(c) Loans and advances to related parties	-	9,15,428	9,15,428	-	4,42,344	4,42,344
(d) Other loans and advances	-	8,33,95,080	8,33,95,080	-	7,50,19,938	7,50,19,938
i) Prepayments	-	49,91,052	49,91,052	-	71,40,948	71,40,948
ii) Advance to suppliers	-	5,91,05,716	5,91,05,716	-	5,30,46,394	5,30,46,394
iii) Others	-	1,92,98,312	1,92,98,312	-	1,48,32,596	1,48,32,596
(e) Advance Tax [Net of Provision for Tax of Rs. 36,96,44,929/- (31st Mar 2015 - Rs. 32,37,75,919/-)]	11,70,46,733	-	11,70,46,733	12,42,35,311	-	12,42,35,311
<b>Gross Loans and advances</b>	<b>13,64,19,656</b>	<b>12,43,00,480</b>	<b>26,07,20,136</b>	<b>14,37,17,272</b>	<b>11,33,88,397</b>	<b>25,71,05,669</b>
<b>Less : Provision for bad &amp; doubtful loans &amp; advances</b>						
(a) Capital advances	1,91,04,400	-	1,91,04,400	1,90,00,000	-	1,90,00,000
(b) Advance with public bodies	-	-	-	-	-	-
(c) Other loans and advances	-	1,94,02,238	1,94,02,238	-	1,66,94,877	1,66,94,877
<b>Total provision for bad &amp; doubtful loans &amp; advances</b>	<b>1,91,04,400</b>	<b>1,94,02,238</b>	<b>3,85,06,638</b>	<b>1,90,00,000</b>	<b>1,66,94,877</b>	<b>3,56,94,877</b>
<b>Total Loans and advances</b>	<b>11,73,15,256</b>	<b>10,48,98,242</b>	<b>22,22,13,498</b>	<b>12,47,17,272</b>	<b>9,66,93,520</b>	<b>22,14,10,792</b>
<b>Classification of loans and advances</b>						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	11,73,15,256	10,48,98,242	22,22,13,498	12,47,17,272	9,66,93,520	22,14,10,792
Doubtful	1,91,04,400	1,94,02,238	3,85,06,638	1,90,00,000	1,66,94,877	3,56,94,877
<b>Gross Loans and advances</b>	<b>13,64,19,656</b>	<b>12,43,00,480</b>	<b>26,07,20,136</b>	<b>14,37,17,272</b>	<b>11,33,88,397</b>	<b>25,71,05,669</b>



# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### 10 - Inventories

Amount in INR

- (a) Raw materials (At lower of cost and Net realisable value (NRV))
- (b) Work-in-progress and semi-finished goods (At lower of cost and NRV)
- (c) Finished goods (At lower of cost and NRV and scrap at NRV) \*
- (d) Scraps and Defectives (At Net realisable value)
- (e) Stores and spares (at cost less write off for obsolescence)

#### Total Inventories

#### \*Included above, goods-in-transit :

Finished goods

March 31st, 2016	March 31st, 2015
55,345,862	33,083,443
165,360,817	118,884,678
89,421,548	45,320,844
27,116,430	23,182,487
227,905,280	195,411,319
<b>565,149,937</b>	<b>415,882,771</b>

Nil

Nil

#### WIP comprises :

ITEM

Wire Rod

Wires

Fasteners

Rolls & Casting

Welding Product

**Total**

Year ended 31st March, 2016 Value	Year ended 31st March, 2015 Value
1,43,46,786	2,23,80,522
88,46,985	1,63,10,401
22,71,758	13,99,043
13,95,54,446	7,76,15,479
3,40,842	11,79,233
<b>16,53,60,817</b>	<b>11,88,84,678</b>

#### FG comprises :

ITEM

Rolls & Casting

Fasteners

Welding Product

Others

**Total**

Year ended 31st March, 2016 Value	Year ended 31st March, 2015 Value
2,22,17,999	17,08,449
5,65,82,236	2,52,34,469
1,05,17,683	1,72,78,001
1,03,630	10,99,925
<b>8,94,21,548</b>	<b>4,53,20,844</b>



**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements**

**13 - Revenue from operations**

	<b>Apr-March 2016</b>	<i>Apr-March 2015</i>
(a) Sale of products (Refer Annex A)	<b>75,12,71,696</b>	95,55,05,896
(b) Sale of Services ( Refer Annex A)	<b>1,45,38,67,237</b>	1,40,39,77,682
(c) Sale of Process & Non-Process Scrap	<b>16,59,94,098</b>	26,66,61,032
<b>Revenue from Operations (Gross)</b>	<b>2,37,11,33,031</b>	2,62,61,44,610
(d) Less: Excise duty	<b>9,61,13,536</b>	11,54,40,599
<b>Revenue from Operations (Net)</b>	<b>2,27,50,19,495</b>	2,51,07,04,011

**Annexures A**

<b>Sale of Products</b>	<b>April - March 2016</b>	<i>April-March 2015</i>
	<b>Amount</b>	<i>Amount</i>
Electrode	<b>6,44,75,822</b>	10,08,53,873
Mig	<b>20,69,04,083</b>	17,31,08,143
GI Wire	<b>4,79,86,126</b>	15,95,99,711
Fastener & Nails	<b>8,26,34,622</b>	1,29,37,401
Rolls	<b>26,92,79,715</b>	47,35,23,967
Castings	<b>7,99,91,328</b>	3,54,82,801
<b>Gross Sale of Products (Inc of Excise Duty)</b>	<b>75,12,71,696</b>	95,55,05,896
Conversion Income	<b>95,94,58,511</b>	950,271,103
Rod	<b>47,60,59,502</b>	43,19,14,721
Wire	<b>1,83,49,224</b>	2,17,91,858
Zinc	<b>1,45,38,67,237</b>	1,40,39,77,682
	-	-
Scrap Sales	<b>16,59,94,098</b>	26,66,61,032
<b>Revenue from Operations (Gross)</b>	<b>2,37,11,33,031</b>	2,62,61,44,610
	-	-
Less : Excise Duty	<b>9,61,13,536</b>	11,54,40,599
<b>Revenue from Operations (Net)</b>	<b>2,27,50,19,495</b>	2,51,07,04,011

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### 14 - Other Income

	Amount in INR	
	Apr-Mar 2016	Apr-Mar 2015
(a) Interest Income		
Interest received on deposits	12,65,561	11,53,654
(b) Write back of Liabilities no longer required	3,97,42,238	22,69,000
(c) Profit on sale of capital assets (net of loss on assets sold/scrapped / written off)	6,44,464	(4,52,975)
(c) Miscellaneous Income	2,58,65,396	2,09,28,947
<b>Total Other Income</b>	<b>6,75,17,659</b>	<b>2,38,98,626</b>

### 15(A)- Raw Material Consumed

	Apr-Mar 2016	Apr-Mar 2015
Raw material consumed		
(a) Opening stock	3,30,83,443	2,37,84,363
(b) Add : Purchases	31,41,78,941	42,97,61,226
(c) Less : Closing stock	5,53,45,862	3,30,83,443
<b>Total raw material consumed</b>	<b>29,19,16,522</b>	<b>42,04,62,146</b>

#### Material Consumed Comprises :

Item	Year ended 31st March 2016	Year ended 31st March 2015
	Value	Value
Wire Rod	20,36,42,476	28,33,10,487
Nickel Mg Alloy	2,54,41,938	3,97,65,451
Nickel	1,04,84,580	2,72,00,457
Ferro Moly	1,13,63,372	2,41,89,784
Purchased Roll Scrap	3,17,75,563	2,33,92,809
Steel Scrap	47,34,557	44,95,797
Pig Iron	44,74,036	22,67,453
Others	-	1,58,39,908
	<b>29,19,16,522</b>	<b>42,04,62,146</b>

#### Notes:

- (i) The consumption figures shown above are after adjusting excesses and shortages ascertained on physical verification counts, unserviceable items etc.
- (ii) Others represent items being dissimilar in nature and it is not practicable to quantify in this regard.

### 15(B)- Changes in inventories of finished products and work in progress and Stock in trade

	Apr-Mar 2016	Apr-Mar 2015
Inventories at the beginning of the period		
(a) Finished products & scraps	6,85,03,331	4,53,62,900
(b) Work-in-progress	11,88,84,678	9,64,01,080
(c) Stock in trade	-	-
	<b>18,73,88,009</b>	<b>14,17,63,980</b>
Inventories at the end of the period		
(a) Finished products & scraps	11,65,37,978	6,85,03,331
(b) Work-in-progress	16,53,60,817	11,88,84,678
(c) Stock in trade	-	-
	<b>28,18,98,795</b>	<b>18,73,88,009</b>
<b>Net (increase)/decrease</b>	<b>(9,45,10,786)</b>	<b>(4,56,24,029)</b>

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements****16 - Employee Benefit Expense**

Amount in INR

(a) Salaries and wages, including bonus	
(1) Salaries and wages including bonus	
(2) Employee separation compensation	
(b) Company's Contribution to provident and other funds (Ref. note 23)	
(c) Workmen and Staff Welfare expenses	
<b>Total Employee Benefit Expense</b>	

<b>Apr-Mar 2016</b>	<i>Apr-Mar 2015</i>
<b>35,48,51,953</b>	29,93,04,666
<b>4,81,782</b>	26,06,016
<b>3,87,39,947</b>	5,85,99,152
<b>2,75,18,765</b>	2,58,70,893
<b>42,15,92,447</b>	<b>38,63,80,727</b>

**17- Finance costs**

Amount in INR

(a) Interest expense	
Cash Credit A/c	
Others	
(b) Other borrowing costs	
Bank Charges	
<b>Total finance costs</b>	

<b>Apr-Mar 2016</b>	<i>Apr-Mar 2015</i>
<b>1,86,31,271</b>	9,912,658
<b>4,141</b>	4,672
<b>22,68,915</b>	14,97,954
<b>2,09,04,327</b>	<b>1,14,15,284</b>

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### 18 - Other Expenses

Amount in INR

	April-March 2016	April-March 2015
(a) Consumption of stores, spare parts and loose tools	46,66,50,948	50,06,49,576
(b) Consumption of Packing Material	2,51,26,234	2,48,63,089
(c) Repairs to buildings	4,25,21,027	5,29,34,813
(d) Repairs to plant and machinery	7,68,74,142	7,47,35,826
(e) Repairs to others	24,60,062	27,28,098
(f) Power and fuel	55,57,52,168	59,76,59,218
(g) Water	1,42,19,129	1,29,95,028
(h) Rent	24,71,083	13,82,500
(i) Rates and taxes	3,11,08,455	2,49,29,637
(j) Insurance charges	36,91,222	30,43,225
(k) Freight and handling charges	3,12,73,125	2,34,65,083
(l) Travelling, conveyance and car running expenses	84,74,352	1,12,92,588
(m) Legal and other professional costs	25,48,411	40,86,412
(n) Conversion charges	16,57,59,394	15,53,78,212
(o) Sales Commission & Discount	52,14,686	47,97,050
(p) Business promotion	20,17,688	44,00,357
(q) Provision for doubtful debts and advances	1,44,97,544	16,59,220
(r) Increase/(decrease) of excise duty on inventory	72,21,847	1,05,77,491
(s) Provision for warranty expenses	53,53,547	41,09,866
(t) Expenses towards Corporate Social Responsibility (Refer Note 31)	37,29,236	24,69,280
(u) Other expenses	8,49,55,860	11,37,26,883
(1) Director's fee	8,62,500	5,00,000
(2) Telephone expenses	37,59,321	32,46,769
(3) Auditors remuneration & out-of-pocket expenses		
(i) As Auditors - statutory audit	12,00,000	10,00,000
(ii) For other services	3,80,000	1,25,000
(iii) Auditors out-of-pocket expenses	35,390	23,206
(4) Cost auditor's remuneration	1,60,000	1,20,000
(5) Other General Expenses	7,85,58,649	10,87,11,908
<b>Total Other Expenses</b>	<b>1,55,19,20,160</b>	<b>1,63,18,83,452</b>

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### 19 - Exceptional items

Amount in INR

#### Exceptional Items

- (a) Consideration received as advance treated as income from Anvita Properties (Refer note 29)
- (b) Gain on Capitalisation of Alipore Flats (Refer note 29)
- (c) Sales Tax Expenses for Previous Year [Refer note No. 20.1(a)]

#### Total Exceptional Items

Apr-Mar 2016	Apr-Mar 2015
–	6,50,00,000
–	1,77,85,763
–	(4,72,00,000)
–	<u>3,55,85,763</u>

### 20.1 Contingent Liabilities and Commitments

#### 20.1 (a) Claims against the Company not acknowledged as debt

- (i) As per clause 6.12 (xiii) of BIFR Order dated 21st November, 2003 for all liabilities not disclosed in the audited balance sheet for the year ended 31st March, 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 on accounts, have not been provided for or recognized in the accounts for financial years 2003-04 to 2015-16.

Particulars	Mar 31st, 2016 (Rupees)	Mar 31st, 2015 (Rupees)
Show Cause Notices/Demand raised by Central Excise Authorities (Under Appeal) (a)	<b>29,62,013</b>	29,62,013
Employee State Insurance demand (Under Appeal)	<b>1,49,06,537</b>	1,49,06,537
Leave liability for ex employees	<b>32,93,000</b>	32,93,000
Labour court cases	<b>1,44,000</b>	1,44,000
Railways dues	<b>4,19,000</b>	4,19,000
Power dues	<b>6,20,97,193</b>	6,20,97,193
Liability for loan for Learjet Aircraft purchase	<b>1,48,78,000</b>	1,48,78,000
Wealth Tax	<b><u>3,90,34,521</u></b>	<u>3,90,34,521</u>

- (a) Sales Tax dues for the period prior to takeover (i.e., 23rd December, 2003) were not disclosed in the accounts for the year ended 31st March 2002. This liability was not recognized by the present management but shown as a Contingent Liability in the Notes to Accounts. 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 31 March, 2015 as exceptional items. This claim has already been lodged with the erstwhile management for recovery.
- (b) 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 :

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

Particulars	31st March 2016 (Rupees)	31st March 2015 (Rupees)
Sales Tax	8,58,59,917	6,57,25,034
Excise Duty	84,84,978	1,54,58,978
Employee State Insurance demand (Under Appeal)	1,73,06,282	1,73,06,282
a) CST Demand raised of Rs 69,04,806 for the difference in the amount of C-Forms received and the amount of interstate sales shown in the returns filed for the period of 2011-12.		
b) Learned Appellate officer has Demanded Rs 6,83,859 the case on point of Excise Duty, Zinc Conversion Chargers, not get form JVAT-404, Interest and Penalty for the period of 2011-12.		
c) CST Demand raised of Rs 75,40,591 for the difference in the amount of C-Forms received and the amount of interstate sales shown in the returns filed and differences in amount of Indirect export under JVAT 409 and deceleration form H for the period of 2012-13.		
d) Demand raised of Rs 76,56,468 in the on point of Excise Duty, Zinc Conversion Chargers, not get form JVAT-404, Interest and Penalty on late payment of LDO for the period of 2012-13.		
e) Cases pertaining to Central sales tax/VAT of Rs 96,24,841 has been settled/dropped during the year.		

### 20.1(b) Commitments

Estimated amounts of contracts to be executed on capital account and not provided for as on 31st March 16: Rs. 2,32,95,744 (31st March'15: Rs. 2,63,55,123).

### 20.2 Claims lodged with erstwhile promoters

- (a) Retiring gratuity dues to the employees separated prior to takeover of the Company by Tata Steel (i.e., 23rd December, 2003) were not disclosed in the accounts for the year ended 31st March, 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 31st March, 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., 23rd December, 2003) were not disclosed in the accounts for the year ended 31st March 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.



## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### Notes forming part of the Financial Statements

#### 20.3 Disclosure under Section 22 of the Micro, Small and Medium Enterprise Development Act, 2016 –

There are few Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding as at the Balance Sheet date. The details are as follows :

Particulars	31st March 2016 (Rupees)	31st March 2015 (Rupees)
a) Principal amount remaining unpaid to the suppliers as at the end of the accounting year	14,586	2,10,144
b) Interest due thereon remaining unpaid to suppliers as at the end of the accounting year	426	1,244
c) Interest paid in terms of Section 16 along with the amount of payment made to supplier beyond the appointment day during the year	4,15,386	8,61,182
d) Interest due and payable for the period of delay in making payment (which have been paid beyond the appointment date during the year but without adding interest specified under the Act)	8,387	3,428
e) Interest accrued and remaining unpaid at the end of the accounting year	8,813	4,672

The above information have been disclosed to the extent such suppliers could be identified by the management on the basis of information available with the company and the same has been relied upon by the auditors.

#### 20.4 (a) CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIALS

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	% of total Consumption	Value Rupees	% of total Consumption	Value Rupees
<b>A. Value of stores &amp; spare parts consumed :</b>				
i) Imported	6	2,82,01,374	4	1,97,17,552
ii) Indigenous	94	43,84,49,574	96	48,09,32,024
<b>B. Value of Raw Material Consumed:</b>				
i) Imported	–	–	–	–
ii) Indigenous	100	29,19,16,522	100	42,04,62,146
<b>C. Value of Imports on CIF basis in respect of :</b>				
Capital goods		–		804,224
Spare Parts		3,37,00,039		2,04,37,468
<b>D. Export of goods on FOB basis</b>		4,69,41,195		6,34,50,523

21 Long Term liabilities include deposits of **Rs. 14,00,00,000** received from Tata Steel (Previous year Rs. 14,00,00,000) towards security deposits against Alipore Flats given on lease for 3 years renewable as per the terms.

22 As the Company has no management control over M/s. Metal Corporation of India Ltd., an associate of the Company, the Consolidated Financial Statements are not prepared for the year ended 31st March, 2016 and any previous periods.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### Notes forming part of the Financial Statements

#### 23. Disclosure relating to Accounting Standard AS 15

- 1 The company has recognized, in the profit and loss account for the current year, an amount of **Rs. 1,99,01,016/-** (2014-15 : Rs 2,08,81,781) as expenses under the following defined contribution plans.

<b>Benefit (Contribution to)</b>	<b>2015-16 (Amount)</b>	<i>2014-15 (Amount)</i>
Provident Fund	<b>99,96,883</b>	1,13,68,254
Superannuation Fund	<b>2,00,000</b>	18,72,289
Employees Pension Scheme	<b>97,04,133</b>	76,41,238
<b>Total</b>	<b>1,99,01,016</b>	<b>2,08,81,781</b>

- 2 The company operates post retirement defined benefit plans as follows :

- a. Funded  
Post Retirement Gratuity
- b. Unfunded :  
Post Retirement Medical Benefits

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

<b>Description</b>	<b>2015-16 (Amount)</b>	<i>2014-15 (Amount)</i>
<b>1 Reconciliation</b>		
a. Obligation as at the beginning of the year	<b>17,13,45,780</b>	15,19,61,570
b. Current Service Cost	<b>96,78,640</b>	81,29,820
c. Interest Cost	<b>1,26,54,930</b>	1,28,84,600
d. Actuarial (gain)/loss	<b>22,36,000</b>	2,37,06,980
e. Amortization of Past Service Cost		-
f. Acquisitions	<b>27,41,710</b>	-
g. Benefits paid	<b>(1,82,06,260)</b>	(2,53,37,190)
h. Obligation as at the end of the year	<b>18,04,50,800</b>	17,13,45,780
<b>2 Change in Plan Assets (Reconciliation of Opening &amp; Closing balances)</b>		
a. Fair Value of plan assets as at the beginning of the year	<b>13,74,19,060</b>	13,32,85,740
b. Expected return on plan assets	<b>1,30,75,140</b>	1,16,95,960
c. Actuarial gain/(loss)	<b>(9,11,970)</b>	(9,01,280)
d. Contributions	<b>3,39,26,720</b>	1,86,75,830
e. Acquisitions	<b>27,41,710</b>	-
f. Benefits paid	<b>(1,82,06,260)</b>	(2,53,37,190)
g. Fair Value of plan assets as at the end of the year	<b>16,80,44,400</b>	13,74,19,060

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

	<b>2015-16</b>	2014-15
	<b>(Amount)</b>	<b>(Amount)</b>
<b>3 Reconciliation of fair value of assets and obligations</b>		
a. Fair value of plan assets as at the end of the year	<b>16,80,44,400</b>	13,74,19,060
b. Present value of obligation as at the end of the year	<b>18,04,50,800</b>	17,13,45,780
c. Amount recognized in the balance sheet	<b>1,24,06,400</b>	3,39,26,720
<b>4 Expense recognized in the period</b>		
a. Current service cost	<b>96,78,640</b>	81,29,820
b. Interest cost	<b>1,26,54,930</b>	1,28,84,600
c. Expected return on plan assets	<b>(1,30,75,140)</b>	(1,16,95,960)
d. Actuarial (gain)/loss	<b>31,47,970</b>	2,46,08,260
e. Amortization of Past Service Cost	-	-
f. Expense recognized in the period	<b>1,24,06,400</b>	3,39,26,720
The expense is disclosed in the line item – Employee Cost.		
<b>5. Assumptions</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
a. Discount rate (per annum)	<b>7.75%</b>	7.80%
b. Estimated rate of return on plan assets (per annum)	<b>9.00%</b>	9.00%
c. Rate of escalation in salary (per annum)	<b>7.00% to 10%</b>	7.00% to 10%

## 6. Information for current Financial Year and Previous Financial Years

	<b>2015-16</b>	2014-15	2013-14	2012-13	2011-12
	<b>(Amount)</b>	<b>(Amount)</b>	<b>(Amount)</b>	<b>(Amount)</b>	<b>(Amount)</b>
<b>I.</b>					
a) Present value of defined benefit obligation	<b>(18,04,50,800)</b>	(17,13,45,780)	(15,19,61,570)	(13,99,79,920)	(12,46,46,650)
b) Fair value of Plan Assets	<b>16,80,44,400</b>	13,74,19,060	13,32,85,740	12,51,16,540	10,51,90,760
c) Surplus/(Deficit) in Plan Assets	<b>(1,24,06,400)</b>	(3,39,26,720)	(1,86,75,830)	(1,48,63,380)	(1,94,55,890)
<b>II.</b>					
a) Experience Adjustment on plan liabilities	<b>(15,58,580)</b>	(35,35,300)	(3,75,69,850)	(21,65,740)	(58,43,950)
b) Experience Adjustment on plan assets	<b>(9,11,970)</b>	(9,01,280)	29,11,820	(16,65,090)	(23,86,220)
<b>III.</b>					
a) Actuarial gain/(losses) on change in assumptions	<b>(6,77,420)</b>	(2,01,71,680)	2,12,55,210	(54,73,700)	(59,30,600)
<b>IV.</b>					
Expected contribution (best estimate) to funded plans in subsequent financial year	<b>(124,06,400)</b>	(3,39,26,720)	(1,86,75,830)	(1,48,63,380)	(1,94,55,890)

The basis used to determine overall expected rate of return on assets and the effect on major categories of plan assets is as follows:

- (i) 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.
- (ii) The company has decided to adopt the group gratuity scheme offered by M/s Life Insurance Corporation of India (LIC) from January 1st, 2012.
- (iii) The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factor.

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### 23. Disclosure relating to Accounting Standard AS 15 (Contd.)

#### 2(b) Details of unfunded post retirement defined benefits obligations are as follows :

Description	2015-16	2015-16	2014-15	2014-15
	(Amount) Medical	(Amount) Others	(Amount) Medical	(Amount) Others
<b>1 Reconciliation of opening and closing balances of obligation</b>				
a. Obligation as at the beginning of the year	26,851,419	7,379,042	16,893,323	6,717,581
b. Current/Employer Service Cost	524,080	-	317,500	-
c. Interest Cost	2,032,885	553,309	1,495,033	594,981
d. Actuarial (gain)/loss	166,749	(188,038)	9,607,123	637,142
e. Benefits paid	(1,577,530)	(570,662)	(1,460,561)	(570,662)
f. Obligation as at the end of the year	27,997,603	7,173,651	26,852,418	7,379,042
<b>2. Expense recognized in the period</b>				
a. Current /Employer service cost	524,080	-	317,500	-
b. Interest cost	2,032,885	553,309	1,495,033	594,981
c. Actuarial (gain)/loss	166,749	(188,038)	9,607,123	637,142
d. Expense recognized in the period	2,723,714	365,271	11,419,656	1,232,123
The net charge is disclosed under the line item – Misc. Expenses.				
<b>3. Assumptions</b>				
a. Discount rate (per annum) as at the beginning of the year	7.80%	7.80%	9.25%	9.25%
b. Discount rate (per annum) as at the end of the year	7.75%	7.75%	7.80%	7.80%
c. Medical costs inflation rate	6.00%		6.00%	
d. Average medical cost (Rs/person) as at the beginning of the year	2266		3148	
e. Average medical cost (Rs/person) as at the end of the year	2363		2266	

Description	2015-16 Medical	2014-15 Medical	2013-14 Medical	2012-13 Medical	2011-12 Medical
<b>4. Information for current Financial Year and Previous 4 Financial years</b>					
I. a. Present value of defined benefit obligation	2,79,97,603	2,42,96,981	(1,68,93,323)	(2,27,50,202)	(1,86,01,760)
b. Fair value of Plan Assets	-	-	-	-	-
c. Surplus/(Deficit) in plan assets	(2,79,97,603)	(2,42,96,981)	1,68,93,323	(2,27,50,202)	(1,86,01,760)
II. a. Experience Adjustment on plan liabilities	14,081	(54,97,740)	(10,43,720)	(15,77,372)	(57,07,540)
b. Experience Adjustment on plan assets	-	-	-	-	-
III. a. Actuarial gains / (losses) on change in assumptions	(1,80,830)	(41,09,384)	82,55,954	(15,14,220)	42,18,000
IV. Expected contribution (best estimate) to funded plans in subsequent financial year	-	-	-	-	-

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### 24. Segment Disclosures

#### Information about Primary Business Segments:

Particulars	Business Segments			Unallocable	Total
	Wire	Rolls	Direct Business		
<b>Revenue :</b>					
External Sales	<b>160,23,69,872</b>	<b>34,60,09,835</b>	<b>32,66,39,788</b>	-	<b>2,27,50,19,495</b>
	1,75,05,98,053	50,07,25,706	25,93,80,251	-	2,51,07,04,010
Add : Inter Segment Sales	<b>7,44,36,303</b>	<b>1,06,95,294</b>	-	<b>(8,51,31,597)</b>	-
	7,63,93,510	73,62,010	-	(8,37,55,520)	-
<b>Total Revenue</b>	<b>1,67,68,06,175</b>	<b>35,67,05,129</b>	<b>32,66,39,788</b>	<b>(8,51,31,597)</b>	<b>2,27,50,19,495</b>
	1,82,69,91,563	50,80,87,716	25,93,80,251	(8,37,55,520)	2,51,07,04,010
<b>Segment result before Interest, exceptional/ extraordinary items, prior period items and tax</b>	<b>18,14,89,050</b>	<b>(5,27,20,283)</b>	<b>(2,13,80,664)</b>		<b>10,73,88,103</b>
	17,12,90,558	56,70,493	(2,90,69,071)		14,78,91,980
Less: Unallocable expenditure (net)					<b>1,25,08,184</b>
					(3,01,05,754)
Less : Interest					<b>(2,09,04,327)</b>
					(1,14,34,505)
<b>Profit/(Loss) Before Taxes, Exceptional Items and Prior Period Items</b>					<b>9,89,91,960</b>
					10,63,51,720
Extraordinary items					-
					3,55,85,763
<b>Profit/(Loss) before Tax</b>					<b>9,89,91,960</b>
					14,19,37,483
Current Tax					<b>4,10,01,841</b>
					4,33,04,508
Tax provision of earlier years					<b>48,67,168</b>
					-
Deferred Tax					<b>(50,53,763)</b>
					54,76,204
<b>Profit/(Loss) after Tax</b>					<b>5,81,76,714</b>
					9,31,56,771
Particulars	Business Segments			Unallocable	Total
	Wire	Rolls	Direct Business		
Segment Assets	<b>62,86,75,075</b>	<b>50,10,41,109</b>	<b>16,49,14,669</b>	<b>15,93,40,347</b>	<b>1,45,39,71,200</b>
	70,16,70,333	43,16,18,144	9,60,42,502	13,48,49,494	1,36,41,80,473
Segment Liabilities	<b>43,80,97,887</b>	<b>16,77,34,803</b>	<b>9,33,87,671</b>	<b>16,70,35,565</b>	<b>86,62,55,926</b>
	46,48,64,458	15,53,73,298	4,98,03,420	16,46,00,737	83,46,41,913
Total Cost Incurred during the period to acquire segment assets	<b>4,83,97,389</b>	<b>34,63,126</b>	-	-	<b>5,18,60,515</b>
	12,75,19,110	30,03,576	-	-	13,05,22,686
Segment Depreciation	<b>3,96,01,123</b>	<b>1,04,72,276</b>	<b>12,39,229</b>	<b>4,09,897</b>	<b>5,17,22,525</b>
	4,46,86,266	(2,49,27,852)	1,36,550	38,38,372	2,37,33,336
Non-Cash Expenses other than depreciation	<b>14,10,828</b>	<b>1,89,22,045</b>	-	-	<b>2,03,32,873</b>
	23,22,125	60,52,977	-	-	83,75,102

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

### Notes forming part of the Financial Statements

#### 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.

#### 25. Related Party Disclosure :

<b>a. List of Related Parties and Relationships :</b>	
<b>A. Party</b>	<b>Relationship</b>
Tata Steel Limited	Holding Company
TM International Logistics Limited	Fellow Subsidiary
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
Tinplate Company of India Limited	Fellow Subsidiary

#### B. Key Management Personnel

Mr. Neeraj Kant	Managing Director
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# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

(A subsidiary of Tata Steel Ltd.)

## Notes forming part of the Financial Statements

### (b) Related Party Transactions during the period

Sl. No.	Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel
1	<b>Purchase of Goods :</b>			
(i)	Tata Steel Limited	<b>15,44,09,003</b> 16,12,74,940		
2	<b>Sale of Goods :</b>			
(i)	Tata Steel Limited	<b>14,54,36,196</b> 26,46,80,595		
(ii)	Jamshedpur Utilities and Services Company Limited		<b>56,582</b> 29,491	
(iii)	Tata Pigments Limited		<b>3,81,406</b> 17,461	
(iv)	Tata Metaliks Limited		1,17,594	
(v)	Tata Sponge Iron Ltd.		<b>3,85,517</b> 3,76,853	
3	<b>Lease rent for flats at Alipore</b>			
	Tata Steel Limited	<b>63,21,600</b> 3,30,000		
4	<b>Rendering of services:</b>			
(i)	Tata Steel Limited	<b>1,29,73,75,655</b> 1,26,87,03,754		
(ii)	Jamshedpur Utilities and Services Company Ltd.		<b>79,500</b> -	
(iii)	Tata Pigments Limited		<b>12,312</b> -	
5	<b>Receiving of Services</b>			
(i)	Tata Steel Limited	<b>41,58,76,442</b> 29,70,35,498		
(ii)	TM International Logistics Limited		<b>78,64,933</b> 5,30,484	
(iii)	Jamshedpur Utilities and Services Company Ltd.		<b>1,00,34,501</b> 76,96,660	
(iv)	Tayo		- 12,02,001	
(v)	Tata Pigments Limited		<b>3,30,192</b> 90,88,496	
(vi)	Tinplate Company of India Ltd.		<b>73,778</b> 43,120	

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements**

**(b) Related Party Transactions during the period (Contd.)**

Sl. No.	Transaction	Holding Company	Fellow Subsidiary	Key Management Personnel
6.	<b>Outstanding receivables as on 31.03.2016 :</b>			
(i)	Tata Steel Limited	<b>9,08,34,631</b> 15,36,83,877		
(ii)	Jamshedpur Utilities and Services Co. Ltd.		<b>48,51,294</b> –	
(iii)	Tayo Rolls Limited		<b>39,52,349</b> 6,04,800	
(iv)	Tata Pigments Limited		<b>12,312</b> 17,461	
7.	<b>Advance receivable</b>			
(i)	Tata Steel Limited	<b>9,15,428</b> 4,42,344		
(ii)	TM International Logistics Limited		<b>1,57,087</b> –	
8.	<b>Payables outstanding as on 31.03.2016 :</b>			
a.	<b>Materials Services</b>			
(i)	Tata Steel Limited	<b>5,62,99,277</b> 4,69,82,582		
(ii)	Jamshedpur Utilities and Services Co. Ltd.		<b>19,77,271</b> 13,25,590	
(iii)	Tayo Rolls Limited		– 3,44,204	
(iv)	Tata Pigments Limited		<b>4,264</b> 1,30,234	
(v)	Tinplate Company of India Limited		– –	
(vi)	Tata Sponge Iron Ltd.		<b>4,098</b> 1,38,695	
b.	<b>Against Finance</b>			
c.	<b>Against lease (flat)</b>			
(i)	Tata Steel Limited	<b>14,00,00,000</b> 14,00,00,000		
d.	<b>Against bills (Conversion) charges</b>			
9.	<b>Managerial Remuneration paid</b> Managing Director			<b>70,12,001</b> 62,33,786

Note : Figures not in bold pertains to the previous year



## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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### Notes forming part of the Financial Statements

#### 26. Earning per Share (EPS) :

	Year ended 31.03.2016 Rupees	Year ended 31.03.2015 Rupees
(i) Profit after tax attributable to equity shareholders	5,81,76,714	9,31,56,771
	Numbers	Numbers
(ii) Weighted average number of equity shares of Rs. 10/- each for basic and diluted EPS	59,91,896	59,91,896
(iii) Basic/diluted Earnings per equity share (Rs. / Share)	9.71	15.55

#### 27. Deferred Tax (Liability) / Assets

Composition of Deferred Tax Assets and Liabilities is as follows:

	As at 31st March 2016 Rupees	As at 31st March 2015 Rupees
<b>a. Deferred Tax Assets</b>		
(i) ESS Compensation	27,67,471	35,19,612
(ii) Provision for Doubtful Debts & Advances	1,16,82,941	66,65,341
(iii) Provision for Leave Salary	2,03,85,287	1,89,59,213
<b>b. Deferred Tax Liabilities</b>		
Difference between book and tax depreciation	1,02,74,695	96,36,925
<b>Deferred Tax Assets (Net)</b>	<b>2,45,61,004</b>	<b>1,95,07,241</b>

The Company has recognised Deferred tax assets for timing differences of items as virtual certainty exists that sufficient future taxable income will be available against which these can be realised. The Company does not have any unabsorbed depreciation or carry forward of losses under the tax laws.

#### 28 Disclosure under AS-29 of ICAI

In accordance with the Accounting Standard 29, Provision, Contingent Liability and Contingent Assets, the movement in provision for warranty, is as indicated below :

	As at 31st March 2016 Rupees	As at 31st March 2015 Rupees
Opening Balance	78,00,310	1,70,51,523
Add : Provision made during the period	57,42,450	41,09,866
Less : Claims accepted	43,36,980	1,10,92,079
Less : Provision no longer required written back	3,88,902	22,69,000
Closing Balance	88,16,878	78,00,310

## **THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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- 29 The Company had entered into a development agreement in 1995 under which it had received certain flats besides cash component of Rs 6,50,00,000/- lakhs in exchange of surrendering the right over a portion of land owned by the Company.

As the Company was under the Board for Industrial & Financial Reconstruction ("BIFR") during the period from F.Y. 2003 to F.Y. 2014, the Company obtained a legal advice to account for the constructed flats after the Company comes out of BIFR, as per the Scheme sanctioned by the hon'ble BIFR. Consequent to the Company coming out of BIFR and ensuring absence of any obligatory commitment, the transaction of flats handed over to the Company in the year 2003-04 has been accounted for as a fixed asset of the Company in FY' 15. The fair value of the flats during the year 2003-04 ascertained at Rs 2,13,32,250/- (excluding depreciation thereon up to 31st March, 2014 of Rs 35,46,487/-) and the cash consideration of Rs 6,50,00,000/- lakhs have been accounted for as an exceptional income in the previous year.

- 30 The Company, vide order no 122/2001 dated 21/11/2003, was declared as Sick Company under The Sick Industrial Companies (Special Provisions) Act, 1985 by the Board for Industrial & Financial Reconstruction BIFR and handed over to Tata Steel Limited for its reconstruction. Net assets and Liabilities (net of respective reserves) were transferred to the Company. The Company was under BIFR during the period from 1st April, 2002 to 31st March, 2013 Consequent to the Company coming out of BIFR, As at April 1, 2014, the Company has adjusted the carrying value of revaluation reserve against the corresponding value of its fixed assets as intended by BIFR.

Accordingly, Revaluation Reserve of Rs 56,84,14,240/- (including Rs. 46,60,00,000/- towards revaluation of land) as at April 1, 2014 has been adjusted against the respective fixed assets of the company. Consequent impact on Statement of Profit and Loss for the year ended March 31, 2015 is nil.

- 31 Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was Rs 38,96,209/-. Revenue expenditure charged to Statement of Profit and Loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is Rs 37,29,235.61 (Rs 34,60,282.14 has been paid in cash and Rs 2,68,953.47 is yet to be paid in cash).
- 32 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.







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