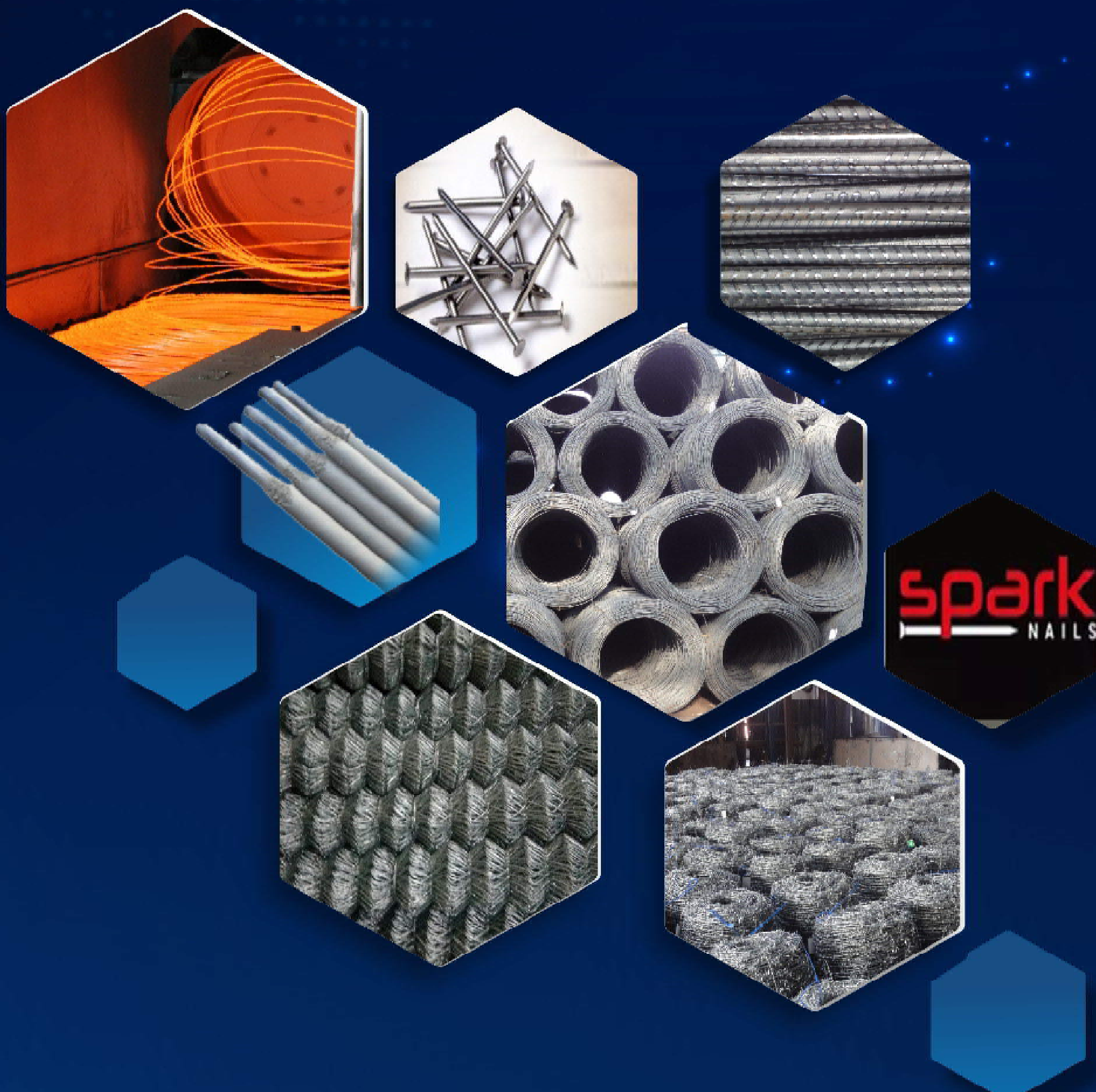
ISWP | RE-IGNITED

81ST ANNUAL REPORT 2017-18



THE INDIAN STEEL & WIRE PRODUCTS LIMITED

A SUBSIDIARY OF TATA STEEL LTD.

Mr. Neeraj Kant, MD receiving award for Active Promotion of TBEM at JRD QV Function, Mumbai

ISWP receiving Significant Achievement in HR Excellence Award at CII HR Excellence Award Confluence 2017-18, Delhi

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

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THE INDIAN STEEL & WIRE PRODUCTS LIMITED

BOARD OF DIRECTORS

Standing (Left to Right)

Mr. Peeyush Gupta Non-executive Director	**Mr. Neeraj Kant** Managing Director	**Mr. Sandeep Bhattacharya** Non-executive Director

Sitting (Left to Right)

Mr. Suresh Kumar Non-executive Director	**Mr. Sudev C. Das** Independent Director	**Mr. Sunil Bhaskaran** Chairman	**Ms. Molly Thambi** Independent Director

COMMITTEES OF BOARD

Audit & Risk Management Committee

Mr. Sudev C. Das	Chairman
Ms. Molly Thambi	Member
Mr. Sandeep Bhattacharya	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
Ms. Molly Thambi	Member
Mr. Sunil Bhaskaran	Member

Committee of Board

Mr. Sunil Bhaskaran	Chairman
Mr. Suresh Kumar	Member
Mr. Sandeep Bhattacharya	Member

Company Secretary
Mr. Rabi Narayan Kar

THE INDIAN STEEL & WIRE PRODUCTS LIMITED

Management Team

Mr. Neeraj Kant	Managing Director
Mr. Umanath Mishra	Chief Financial Officer
Mr. J. K. Singh	Vice President (Wire Mill and Electrode Business)
Mr. Indrajit Nandi	Sr. General Manager (Engg. & Projects)
Mr. Vijayant Kumar	Sr. General Manager (Procurement & PUC)
Mr. Rabi Narayan Kar	Company Secretary

AUDITORS :
Price Waterhouse & Co. Chartered Accountants LLP
Chartered Accountants

Shome & Banerjee
Cost & Management Accountants

S. S. Dhanjal & Co.
Practising Company Secretary

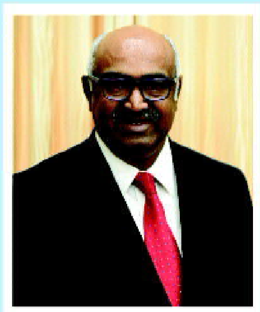
BANKER :
HDFC Bank
SAKCHI, JAMSHEDPUR-831 001

REGISTERED OFFICE :
Flat - 7D & E, 7th Floor,
Everest House,
46C Chowringhee Road, Kolkata-700 071
Telephone : 033-22881925
Mail-id : info@iswp.co.in

WORKS :
P.O. : INDRANAGAR, JAMSHEDPUR-831 008
P.O. : JEMCO, JAMSHEDPUR-831 004

REGISTRAR & TRANSFER AGENT :
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
Website : www.tsrdarashaw.com

CHAIRMAN'S STATEMENT



Dear Shareholders,

It gives me immense pleasure to write to you on behalf of the Board of Directors and management of the Company, at the onset of 15th year of the management takeover by Tata Steel.

The Financial Year 2017-18 witnessed increase in demand of steel together with rise in prices and enhanced domestic capacity utilization. Robust domestic growth in the automobile and construction industry and improved global dynamics have given a boost to the profitability during FY'18, which is likely to sustain in future. Your Company has strived to rationalize its operations, products and processes in tandem with the aforesaid external factors with a view to achieve the desired financial outcomes. This has been catalysed by SANKALP 22, an initiative targeted towards your Company's vision of attaining ROIC of 22% by 2020. Under the umbrella of SANKALP 22, several process improvement projects have been commenced, categorically, focused in the areas of curtailing the input costs and enhancing the product quality with the existing plant and machinery.

Your Company achieved consolidated revenue of Rs. 258.91 Crore which is 9% higher than the previous year and total comprehensive income for the period was Rs. 10.11 Crore, which is almost double than the previous year.

During the year, your Company decided to phase out from the Fasteners business, which was started in the year 2014 by virtue of resurrecting the machinery and equipment available with the Company prior to takeover by Tata Steel. This decision was mainly driven by the high cost of operations and hefty investment required to modernize the equipment. On the other hand, your Company, with an aim to strengthen its core competence, has invested Rs. 20 Crores in establishing manufacturing facilities for downstream products viz. chain links, barbed wires and binding wires. The production capacity of these plants would be ramped-up during FY'19.

I would take this moment to report that your Company, strategically, urges to improve its Value Added Products (VAP) business by fitting within the overall plans of Tata Steel and also to scale-up its Direct Business through exploring synergy with Tata Steel in the retail segment. While upholding the high ethical and governance standards, ISWP is dedicated to serve the community it operates in through multiple CSR activities, efforts towards environment sustainability and various employee engagement programmes. Your company takes every feasible step to provide congenial atmosphere and a sense of security for its workforce. ISWP, being a part of the Tata Steel Group, has always prioritized the workplace safety and has committed to zero injury to its manpower. This has been further reinforced through implementation of principle based safety management system and safety awareness drives.

On behalf of the Board, I would take this opportunity to acknowledge the valuable contributions made by Mr. D Kumar as Director during his long tenure on the Board of the Company. I would like to extend a warm welcome to Mr. Sandeep Bhattacharya as Non-executive Director on the Board with effect from 2nd January 2018, till the ensuing Annual General Meeting.Subject to your approval, Mr.Bhattacharya will be appointed as a Non-executive Director of the Company, liable to retire by rotation.

I would like to express my gratitude towards Company's management and all its employees 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.

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

Jamshedpur
3rd July, 2017

(Sunil Bhaskaran)
Chairman
(DIN : 03512528)

NOTICE OF THE ANNUAL GENERAL MEETING TO THE MEMBERS

NOTICE IS HEREBY GIVEN that the 81st 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 Wednesday, the 29th of August 2018 at 10.30 A.M to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2018, together with the Report of the Board of Directors and the Auditor's Report thereon.
2. To appoint a Director in place of Mr. Peeyush Gupta (holding DIN-2840511), who retires by rotation in accordance with Section 152 (6) of the Companies Act, 2013 and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. **To appoint Mr. Sandeep Bhattacharya as a Non-executive Director of the Company and to pass, with or without modification, the following resolution as Ordinary Resolution:**

   "RESOLVED THAT pursuant to Section 160 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act"), Mr. Sandeep Bhattacharya (DIN: 7071894), who was appointed as an Additional Director of the Company with effect from 2nd January 2018 and holds office only upto the date of this Annual General Meeting in terms of Section 161 of the Act, and who is eligible for appointment and has consented to act as a Director and in respect of whom the Company has received Notice in writing from a member pursuant to the provisions of Section 160 of the Act signifying his intention to propose the candidature of Mr. Sandeep Bhattacharya for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

4. **To ratify the remuneration of M/s. Shome & Banerjee, Cost & Management Accountants, Kolkata appointed as the Cost Auditors of the Company for the Financial Year 2018-19 and to pass, with or without modification, the following resolution as Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 2 lakhs plus out-of-pocket expenses incurred in connection with and during the course of audit payable to M/s Shome & Banerjee, Cost Accountants (Firm Registration No.: 000001) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. **To approve the payment of Commission to the Non-executive Directors of the Company in line with the provisions of the Companies Act, 2013 and to pass, with or without modification, the following resolution as Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended from time to time, a sum not exceeding one percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid and distributed amongst the Non-executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the company calculated as per Section 198 of the Act, every year, for a period of five years, commencing from 1st April 2018."

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. Proxy form is enclosed with the notice.
2. The Explanatory Statement concerning the items of Special Business as required under Section 102 of the Companies Act, 2013 is annexed hereto.
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. A route map, with prominent landmarks, is enclosed with this notice for easy location of AGM venue. The same has also been published on the Website of the Company (www.iswp.co.in).
6. The Company has appointed M/s TSR Darashaw Pvt. Ltd., Mumbai, as Registrar and Transfer Agent with effect from 1st April 2013.
7. The Register of Members and the Transfer Register of the Company will be closed from 20th August, 2018 to 29th August, 2018, both days inclusive.

Registered Office :

Flat - 7 D & E, 7th Floor,
Everest House,
46 C Chowringhee Road, Kolkata - 700 071

Date : 18th July, 2018

By Order of the Board

Rabi Narayan Kar
Company Secretary
Membership No. : ACS-18172

EXPLANATORY STATEMENT

As required by the provisions of Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statement set out all material facts relating to the business mentioned under item nos. 3, 4 and 5 of the accompanying notice dated 18th July, 2018.

Item No. 3 :

Mr. Sandeep Bhattacharya was appointed as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013 with effect from 2nd January 2018. Pursuant to the provisions of Section 161 of the Act, Mr. Sandeep Bhattacharya holds office only upto the date of the ensuing Annual General Meeting. The Company has received a Notice pursuant to Section 160 of the Act, proposing the candidature of Mr. Sandeep Bhattacharya for appointment as a Director.

Mr. Bhattacharya has consented to act as a Director through form DIR-2 and has also confirmed that he has not incurred any disqualification in terms of Section 164 of the Act.

The Board considers it desirable that the Company should benefit itself of Mr. Sandeep Bhattacharya's experience and business insight and recommends his appointment for approval. A brief profile of Mr. Sandeep Bhattacharya is enclosed as Annexure to this notice for your reference.

Save and except Mr. Sandeep Bhattacharya, none of the Directors is deemed to be interested or concerned with the said appointment / resolution under Item No. 3 of the Notice.

Item No. 4 :

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have an audit of its cost records for products covered under the Cost Audit Rules, conducted by a Cost Accountant in Practice. The Board of Directors of the Company, at its meeting held on 18th July, 2018, has approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants as the Cost Auditors of the Company for the Financial Year 2018-19 at a remuneration of Rs. 2 lakhs plus applicable taxes and out of pocket expenses that may be incurred during the course of audit. In accordance with the provisions of Section 148 (3) of the Act read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as considered and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for by passing an Ordinary Resolution, as set out in the Item No. 4 of the Notice, for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2018-19.

M/s Shome & Banerjee have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company.

None of the Directors of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned in Item no. 4 of the Notice.

Item No. 5 :

The members, at the Annual General Meeting held on 8th August 2014, had approved the payment of commission to the Non-executive Directors of the Company for a period of 5 years, till 31st March 2018. Pursuant to Section 197 of the Companies Act, 2013, a Company may pay remuneration by way of commission to the Non-Executive Directors of the Company, provided that such commission shall not exceed one percent (1%) of the net profits of the Company calculated as per Section 198 of Companies Act, 2013.

In view of the above, the Board, at its meeting held on 18th July 2018, has accorded its consent for the payment of commission of not exceeding one percent (1%) per annum of the net profits to the Non-Executive Directors on the Board of the Company or some or any of them, every year, for a period of five financial years commencing from 1st April, 2018, which shall be divisible among the Directors in such proportion as recommended by the Nomination and Remuneration Committee and approved by the Board. The Ordinary Resolution at Item no. 5 is recommeneded for approval by the members.

Only the Non-executive Directors may be deemed to be concerned / interested in this resolution under Item No.5 of the Notice.

Registered Office :
Flat - 7 D & E, 7th Floor,
Everest House,
46 C Chowringhee Road, Kolkata

Date : 18th July, 2018

By Order of the Board

Rabi Narayan Kar
Company Secretary
Membership No. : ACS-18172

Profile of the Directors seeking appointment / re-appointment at the 81st Annual General Meeting

(As per the Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India)

1. Profile of Mr. Peeyush Gupta

Mr. Peeyush Gupta is currently working as Vice President (Steel Marketing & Sales) at Tata Steel Limited, Kolkata. Prior to taking over this responsibility, Mr. Gupta was the President and CEO of Tata Steel (Thailand) plc, a listed company on the Stock Exchange of Thailand. Before moving to Thailand in September 2011, he was Commercial Chief of Tata Steel - Flat Products, Indian Operations.

He is a graduate in Mechanical Engineering with an MBA in Marketing and Finance from McGill University, Canada. He is a Chevening Scholar from Leeds Business School and has done Senior Management development program at CEDEP, France. He is with Tata Steel for more than 22 years and has worked in various functional areas at Indian Operations that include, Strategy & Integration, Financial Controller of Long Products, Performance Improvement Programme and International Trade.

He serves as a Director on the Board of TM International Logistics Limited (TMILL)-a Tata group company engaged in the area of shipping, chartering and port operations and Tata Steel Processing and Distribution Limited (TSPDL), a Tata steel group Company in the business of steel processing and distribution. He has been recently elected as the Chairman on the Board of Tata Steel (Thailand) plc. He is also a member of Global Wires Business Council since 2011, which governs the Tata Steel Group's wires business across India, Thailand and Sri Lanka.

2. Profile of Mr. Sandeep Bhattacharya

Mr. Sandeep Bhattacharya is currently designated as Chief, Financial Transactions and Control, Tata Steel Ltd.

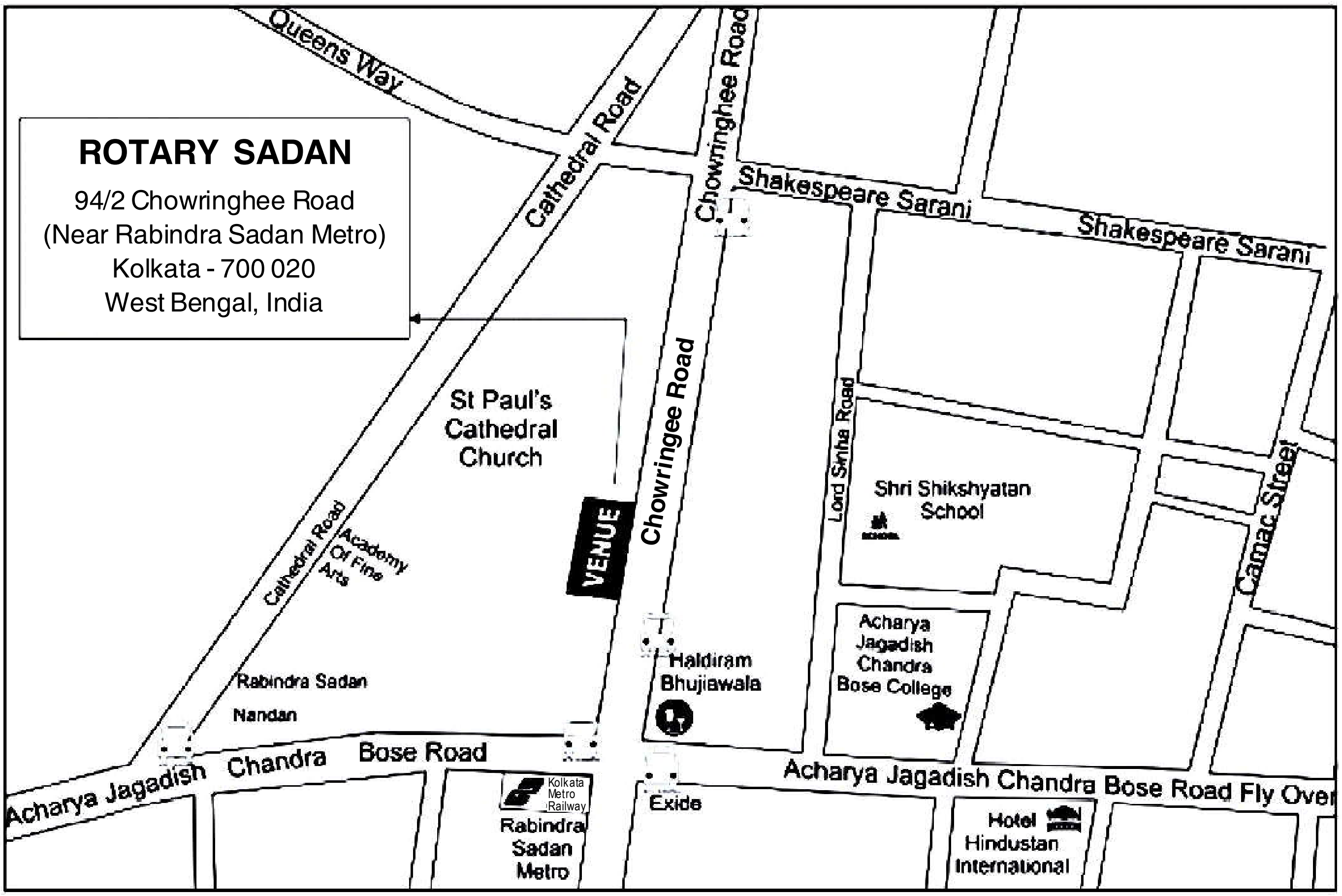
Mr. Sandeep Bhattacharya joined Tata Steel Ltd. in August, 2011 as Chief Finance & Accounts, Orissa. In September, 2014, Mr. Bhattacharya was re-designated as Chief-Financial Transaction & Financial Control in Financial Transaction & Control Department. Mr. Bhattacharya is a Cost Accountant and has done his diploma in management from IMT, Ghaziabad in 2003 and B.Sc. from Calcutta University in 1990.

Before joining Tata Steel, he worked for more than 17 years in various companies including Bharat Petroleum Corporation Ltd, Essar Investments Ltd & Bharat Oman Refineries Ltd in the various areas of Finance & Accounts.

Mr. Bhattacharya also serves on the Board of Tata Pigments Ltd., Adityapur Toll Bridge Ltd., Nicco Jubilee Park Ltd., Tata Steel Odisha Ltd., TM International Logistics Ltd. and International Shipping and Logistics FZE.

ROUTE MAP OF VENUE OF THE 81ST ANNUAL GENERAL MEETING

Rotary Sadan, 94/2 Chowringhee Road (near Rabindra Sadan Metro)
Kolkata - 700 020, West Bengal, India



BOARD'S REPORT

Dear Members,

Your Directors take the pleasure in presenting the 81st report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31st March 2018.

FINANCIAL RESULTS

	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)
Net Sales/ Income	25,891.90	23,762.21
Total Expenditure	23,534.73	21,580.29
Profit / (Loss) before Depreciation, Interest, Exceptional Items and Taxes	2,357.17	2,181.92
Less: Depreciation	596.64	651.23
Profit / (Loss) before Interest, Exceptional Items and Taxes	1,760.53	1,530.69
Less: Interest	112.22	231.60
Profit / (Loss) before Exceptional Items and Taxes	1,648.31	1,299.09
Add: Exceptional items	-	-
Profit / (Loss) before Tax	1,648.31	1,299.09
Less: Taxes	472.13	513.79
Add / Less: Deferred Tax Assets/Liability	139.09	(53.69)
Profit / (Loss) for the period from continuing operations	1,037.09	838.99
Loss before tax from Discontinuing Operations*	(95.24)	(347.57)
Tax Expense*	32.96	120.29
Loss After Tax from Discontinuing Operations*	(62.28)	(227.27)
Profit for the Period	974.81	611.72
Other Comprehensive Income (OCI)	36.21	(97.37)
Total Comprehensive Income for the period	**1,011.02**	**514.35**

** Phasing out of the Fasteners business.*

BUSINESS PERFORMANCE

During the year under review, the gross turnover including other income of the Company was at Rs. 25,891.90 Lakhs compared to Rs. 23,762.21 Lakhs in the previous year. The profit for the year before taxes was at Rs. 1,648.31 Lakhs compared to a profit of Rs. 1,299.09 Lakhs in the previous year. The performance of Company's different business verticals is detailed as under :

(i) **Wire Rod MIll** : Production was at 2,43,614 MT compared to 2,63,013 MT in the previous year.

(ii) **Wire Mill** : Production at Wire Mill was at 60,218 MTas against 57,526 MT in the previous year.

(iii) **JEMCO Rolls & Castings** : Production of Rolls and Castings at JEMCO division of the Company was at 2,382 MT compared to 3,690 MT in the previous year.

(iv) **MIG Wires & Welding Electrodes :** This business has recorded a sales of 2,642 MT compared to 3,526 MT during the previous year.

(v) **Fasteners**: This business vertical recorded a sales of 2,727 MT (including dispatch of 2,512 MT of nails) compared to 3,943 MT of the previous year.

MARKET SCENARIO

The Indian Steel Industry witnessed increasing demand, rising domestic capacity utilization and improved prices during FY '18. The buoyancy in the steel market was partially driven by the improved global dynamics led by supply discipline in China with a view to reduce annual exports and partially by robust domestic growth in the automobile and construction industry. The supply discipline in China is likely to be sustained over years to come and this has led to elevated steel prices in India along with softening of input costs which resulted in higher profitability for this sector in FY '18.

The macro-economic environment of India improved during the year due to fading impact of demonetisation and GST, healthier financial system, manageable inflation levels, and inflection in private capex.

Manufacturing Sector, which contributes to 15% of GDP has started picking up. Government's 'Make in India' programme aims to increase share of manufacturing in GDP to 25% by 2022 and place India on the world map as a manufacturing hub. This policy could make India the fifth largest manufacturing country in the world by 2020. India jumped up 30 notches into the top 100 rankings on the World Bank's "Ease of Doing Business" index.

The Steel demand within India grew by 4%. During the year, India became the 3rd crude steel producer in the world and crossed 100 million tonnes of steel production. The demand in the coming years is expected to grow by 6 to 7%.

NEW BUSINESS

Your Company invested about Rs. 20 Crores in installing production facilities for manufacturing Binding Wire, Barbed Wire and Chain Links. These products are marketed and sold by Tata Steel Global Wires, India and are downstream value added products of steel. Venturing into this business is aligned with our vision and strategy. The production from the new plants commenced during FY'18 and the production capacity would be revamped during FY'19.

BUSINESS STRATEGY

Your Company has made comprehensive strategy for the period from FY' 18 to FY '23. Proposals are under consideration to put up a Galvanizing Line, Spring Wire facilities, etc. in syndication with Tata Steel. The Company is further planning to enhance its power infrastructure to get additional power to run the new facilities. Discussions are also being held to increase the capacity of Rod Mill by about 60,000 MT per annum during next two years.

In the direct business of Nails and Electrodes, the Company is exploring synergy and scalability along with Tata Steel wherein the distribution channel of Tata Agrico would be utilized to increase sales of these products in the retail segment.

Your Company's broad strategy is to improve its Value Added Product (VAP) business which fits within the overall plans of Tata Steel and also to scale up its direct business through the Marketing & Sales network of Tata Steel. The comprehensive strategy document shall be finalized shortly.

DISCONTINUANCE OF FASTENERS BUSINESS

Your Company had been in the business production and sales of fasteners prior to takeover of the Company by Tata Steel. The old Fasteners Division was revamped during 2014 at minimal cost to produce good quality of fasteners. However, as the machinery was old and the galvanizing line was manual, the cost of operation was high and substantial investments were required to modernize the equipment. Accordingly, it was analysed and assessed that, instead of investing in the fasteners business, it would be more prudent to invest in businesses related to Wires. Hence, it was decided to phase out fasteners business and dispose-off old machinery which have been revamped. The space, thus, vacated was utilized for setting up the Barbed Wire and Chain Link facilities. This was a case where investment was prioritized and products that had higher profitability were given preference.

DIVIDEND

Your Directors have decided not to recommend any dividend for the financial year ended 31st March 2018.

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. Along the same lines, during the year, the Company has adopted a set of Governance Guidelines on Board Effectiveness which has been framed in tandem with the legislative provisions on the functions, administration and other processes relating to the Board and its Committees. These guidelines are based on the emerging best practices from both within and outside Tata companies. The Company has various Committees, constituted by the Board of Directors, which have functioned effectively during the year under review.

Compliance with the Secretarial Standards :

An adequate and effective system for ensuring compliance with the provisions of the Secretarial Standards, as applicable, issued by The Institute of Company Secretaries of India, is in place.

AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee of the Board, constituted on 19th April 2014, is guided by the Charter approved by the Board and is complying with the requirements of Section 177 of the Companies Act, 2013 and the rules framed thereunder.

DIRECTORS

Retirement by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Peeyush Gupta, DIN: 2840511, will retire by rotation at the forthcoming Annual General Meeting and is eligible for re-appointment.

Cessation:

Mr. D Kumar (DIN: 0303758), who was elected as the Director on the Board with effect from 20th December 2003, stepped down with effect from 24th October 2017. The Board sincerely appreciates the dedicated contributions made by Mr. Kumar during his long association with the Company, since the management takeover by Tata Steel Ltd., and also acknowledges that his business acumen and expertise have catalysed the financial revival of the Company.

Appointment:

On recommendation of the Nomination & Remuneration Committee, Mr. Sandeep Bhattacharya (DIN: 7071894) has been appointed as an Additional Director of the Company with effect from 2nd January 2018 till the date of the forthcoming Annual General Meeting. The Board proposes to appoint Mr. Bhattacharya as a Non-executive Director of the Company at the ensuing Annual General Meeting and, hence, a relevant resolution to give effect to his appointment is spelt out in the Notice convening the ensuing AGM.

MEETINGS

During the year, seven Board Meetings and six 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, Board, its Committees and other individual Directors which also include criteria for performance evaluation of the Non-executive Directors and Executive Directors.

The Board carried out an annual performance evaluation of its own performance 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 performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, 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 discussed. The Board also discussed in its meeting the performance of the Board, its Committees and individual directors. 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.

AUDITORS

(1) Statutory Auditors:

M/s Price Waterhouse & Co. Chartered Accountants LLP was appointed as the Statutory Auditors of the Company for a period of five (5) years commencing from the 80th Annual General Meeting held on 9th August 2017 till the conclusion of the 85th Annual General Meeting to be held in the year 2022.

The Statutory Auditors Report on Annual Accounts for the financial year 2017-18 contains no qualification or adverse remarks.

Pursuant to the amendment pertaining to statutory auditors under the Companies (Amendment) Act, 2017, the provision of annual ratification on the Auditor's appointment by the shareholders has been repealed. Accordingly, the notice convening the AGM does not comprise of any resolution on ratification of appointment of the Statutory Auditors. In sight of this amendment, PwC will continue to function as the Statutory Auditors of the Company and audit the books of accounts for the Financial Year 2018-19.

(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 S S Dhanjal & Co., Company Secretaries, Jamshedpur to undertake the Secretarial Audit of the Company. The Company believes in good corporate governance and has been regular in compliances. However, due to unavoidable circumstances the filing of CRA-2 was delayed. The Report on the Secretarial Audit is annexed herewith as "Annexure C".

(3) Cost Auditors :

Cost Audit records have been maintained as per the Companies (Cost Records) Rules, 2014. Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors, on recommendation of the Audit & Risk Management Committee, has appointed M/s. Shome & Banerjee, Cost & Management Accountants, Kolkata as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2018-19. As required under the provisions of Companies Act, 2013, a resolution seeking members' ratification on the remuneration payable to the Cost Auditor forms part of the Notice convening the Eighty-first Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

Your Company strives to be actively involved in the welfare and development of the communities in and around the plant premises. Social organizations and various training 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 your Company has continued to provide training and coaching in various games and sports i.e. Archery and Basketball. About 60 medals at state, district and national level were won by our trained candidates in various sports activities. Several other candidates from our sports complex have been given jobs under sports quota by organizations like Indian Army, Sports Authority of India, etc. Gold medal was bagged by a team of archery students at National Archery Championship, Andhra Pradesh. Two candidates from ISWP Sports Complex participated in 18th Junior State Basketball Championship 2018 and the team won gold medal.

Your Company has intervened into 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 400 students. Training is being provided in the areas of (a) Stitching, (b) Organic farming, (c) Mushroom Cultivation, (d) Wood Art (e) Computer Education (f) Archery (g) Career Counselling (h) Smart Classes (i) Bamboo Art (j) Fine Arts and supported the school by providing infrastructural facility such bio-gas, etc.

Under project RAAH, an educational support to the unprivileged class, two students have been enrolled in AL Kabir Polytechnic College, Jamshedpur this year. The project also aims at enhancing the employability skills of the tribal youth, which has been evidenced by the beneficiaries getting decent job opportunities in and around Jamshedpur. Scholarship have also been provided by the Company to 61 pre-nursery students who were mainstreamed into Lady Inder Singh Ram Krishna Mission School (Jamshedpur) for their education. To inculcate the culture of volunteerism among employees, the company continues with the 'Employee Volunteerism' program, Blood Donation Camp, Awareness Sessions, Mentoring sessions, etc. towards Corporate Social Responsibility (CSR) and Affirmative Action. Your Company has celebrated Volunteerism Week during second week of December 2017, in commemoration of ISWP Founder's Day. We have moved a step ahead in volunteerism by covering 62.80% employees against 61.41% during last year. Your Company has been conferred the Significant Adoption Award for 'Education' as a part of Tata Affirmative Action Programme Assessment.

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, are detailed out in "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 got a band jump and placed in the score band of 451-475 this year.

SAFETY, HEALTH AND ENVIRONMENT

Your Company has worked consistently on improving a safe working environment and culture to achieve benchmark among Tata Steel group companies. ISWP implemented principle based SHE Management System and for each principle, one member has been identified from the leadership team, with an intention to increase their involvement and motivate other employees as well. Efforts were put to make the safety management system fool-proof and/or fail safe. Process Safety Risk Management (PSRM), Pre Start Safety Review (PSSR), Management of Change (MoC) processes are implemented to assess the risk and mitigate it up to an ALARP (As Low as Reasonably Practical) level.

Considerable focus was given to Contractor Safety Management System by taking various initiatives like formation of AIC (Area Implementation Committees) for contractors, inclusion of JHA (Job Hazards Analysis) in Purchase Requisitions to make them aware about required safety standards during work before quoting, separate Mass Meetings for contractor employees and designating Contractor Safety Officers, among the Company's Officers, for reviewing the compliance with safety norms by the contractors on a monthly basis.

Employee's engagement is also one of the prime focus areas and it is maximised through different activities like campaigns, competitions, and training, etc. "Khatre Ki Pehchan-3" was also engaged as one such initiative which has been recognized in Tata Edge portal as among the Best Safety Practices. Your Company initiated "Sarvashrestha Suraksha Puraskar" which focused on collective participation, engagement and recognition of employees for best safety practices. In the era of digitization, your Company has implemented software based Safety Management System named Ensafe, which helps in recording, tracking and closure of adverse safety observations from employees, analysing different safety related data and preparing further action plan to improve safety performance. ISWP received 5-star rating in the area of Safety Management System conducted by Tata Steel across its Group Companies.

Employees undergo mandatory periodical medical examination as stipulated under various statutory requirements. Health index monitoring was conducted on several parameters viz. blood sugar, cholesterol, blood pressure and BMI, covering on roll as well as contractor employees, which depicted an average health index of 12.62 on a scale of 16.

Your Company has continued to accentuate its efforts towards environment sustainability by way of energy efficiency, green supply chain, material conservation, waste minimization and life cycle assessment. Emphasis is given on different environment parameters through managing wastes applying 3R (Reduce, Recycle, Reuse). To strengthen the commitment towards the environment we operate, Climate Change Policy has been implemented during the year. The awareness drives are not being limited to only within the Company premises but are spread among the spouses and children of the employees. During the year, the Company had taken steps towards a shift to renewable sources of energy by way of installing bio-gas plant for canteen activities, rain water harvesting facility, having an annual recharge potential of 1.98 KL water, and solar panels.

Compliance to SHE legislations has been achieved through implementation of the Environmental, Occupational Health and Safety Policy and adoption of ISO 14001:2015 for effective Environment Management System.

TOTAL QUALITY MANAGEMENT SYSTEM

Total Quality Management initiatives have been nurtured for encouraging people's participation in the quality improvement drives and subsequently further nurturing the innovation culture.

Through Suggestion Management Forum, employees are encouraged to provide their ideas for improvement of the processes and systems. In aggregate 2,087 suggestions, with 46% employee coverage, were received out of which 249 were accepted. Online Suggestion Management initiative was also launched in FY'18, through which 60% of the suggestions were shared, with a view to timely address the suggestions furnished. Reward for every successfully implemented suggestion was also distributed among employees. In Indian National Suggestion Scheme Association (INSSAN) contests held in 2017, employees had actively participated and 4 employees have been awarded at the Annual Convention 2017 held at Aurangabad.

The Company participated in the Tata Business Excellence Model (TBEM) Assessment for the year 2017 facilitated by Tata Business Excellence Group (TBExG), conducted by an experienced team of assessors from various Tata Group Companies and mentored by a senior executive of the Group. The Company's score, on a scale of 1000, has increased from 525 in comparison to 504 in 2016. The feedback report comprising of strengths and grey areas which need improvement, have been discussed by the Senior Management and efforts are on to cater to the challenges identified by the assessors in due course.

Strategic initiative "SANKALP 22" was launched during FY '18, aiming to achieve the target ROIC of 22% by 2020. Various cost optimisation projects were identified and executed towards achieving the desired target. The cross functional teams were formed at BU level which did the extensive analysis and came out with the improvement ideas. The implementation of the projects are under progress.

Strengthening of the internal communication is focussed every year. In view of the same, this year, new communication platform like bi-annual structured communication forum SAMVAAD between management and union members, electronic kiosk, etc. were introduced.

ENTERPRISE RISK MANAGEMENT

The Company has an Enterprise Risk Management (ERM) framework to identify and evaluate business risks and opportunities associated with the developed plans and objectives, reviewed by the Audit & Risk Management Committee of the Board. This framework seeks to create transparency, minimize adverse impact on the business plans and enhance the Company's competitive advantage. The ERM framework of Tata Steel has been adopted to identify risks, exposure and potential impact on the business at a Company level and also separately for business segments. Risk management forms an integral part of the Company's Annual Planning cycle.

The risk register for FY'18 consisted of 12 risks for which severity was assessed based on the impact and likelihood. The due diligence process for high (Class A) and medium (Class B) risks were performed which culminated into mitigation plans and early warning indicators. The status of the early warning indicators and mitigation plan was monitored and internally reviewed monthly. At the end of FY 18, 11 risks were carried forward, 1 risk moved out and 1 risk was newly identified.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has internal control systems, 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 an audit 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 have implemented corrective actions in their respective areas and thereby have strengthened the controls.

HUMAN RESOURCES MANAGEMENT

Industrial relations during the period were cordial and your Directors would like to place on record their appreciation of the valuable contribution made by employees, at all levels.Your Company has been engaged in a drive of continuous evolvement of the human resources it treasures. As an integral part of achieving our Vision 2020, to become an employer of choice, your Company has envisaged a journey to implement the processes and systems for taking its organisational capabilities to the next level. Your Company has continued to evaluate the training needs of its personnel and has strived to nurture their competency and capability at different levels.

Your Company has been recognized for Significant Achievement in HR continuously for the last 2 years. Many initiatives were taken during the year in order to strengthen the culture of excellence and to continue with the culture of People First. During the year, digitalization of HR processes and systems has been a thrust area for the Company. An HR Portal was introduced to manage all the people related processes through an online system. The entire attendance management system got transformed from pen and paper mode to online version. Keeping in lines with our commitment towards all the statutory provisions, Maternity Benefit Policy for all women employees was revisited with benefits over and above the prescribed guidelines. We got our Works Standing Orders re-certified with significant amendments such as inclusion of POSH clause, exclusion of redundant clauses/terms, etc. Bonus agreement for both the units was closed successfully within the specified timeframe. As a milestone achievement, the Wage Agreement for NR Grade was successfully signed-off for 6 years (ISWP & JEMCO) in March 2018, which will help us in managing the employee cost in the long run. Traineeship model for Associate trainees has been revisited, keeping in mind all the statutory provisions and wage cost rationalization.

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 2017-18.

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 for the Financial Year ended 31st March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures.

(b) They have 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) They have 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, and

(d) They have 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, Key Managerial Personnel or other designated persons 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 statement setting out 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".

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013

Your Company has zero tolerance towards those indulging in sexual misconduct. An Internal Committee has been constituted to function in accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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".

MANAGEMENT OF BUSINESS ETHICS / WHISTLE BLOWER POLICY

Your Company has adopted a framework for managing ethical concerns / issues including Whistle Blower Policy that provides a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy . The Policy provides for adequate safeguards against victimization of employees who avail the mechanism.

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.
4. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

The Directors acknowledge with gratitude the support extended by all the Company's stakeholders viz. 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
18th July 2018

Sunil Bhaskaran
(Chairman)
(DIN : 03512528)

ANNEXURE 'A' TO THE BOARD'S REPORT

POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS

(1) BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee 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 judgment, 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.

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.

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 suf?cient 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 suf?cient 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.

(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-imbursements 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.

ANNEXURE 'C' TO THE BOARD'S REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

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 Indian Steel & Wire Products Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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 31st March, 2018 complied with the statutory provisions 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 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder. (Not applicable to the Company during the audit period)

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder. (Not applicable to the Company during the audit period)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period).

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period).

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period).

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period).

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period).

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period).

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period).

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period).

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period).

(vi) Other laws applicable specifically to the company:

1. The Factories Act, 1948 and allied State laws
2. Air (Prevention and Control of Pollution), Act 1981 and Rules and standards made thereunder.
3. Water (Prevention and Control of Pollution), Act 1974 and Air (Prevention and Control of Pollution), Rules, 1975.
4. The Environment Protection Act, 1986 and Rules and Notifications issued thereunder

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if Applicable; (Not applicable since the Company is unlisted).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except the filing of Form CRA-2 was delayed**.

We further report that 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board meeting were taken unanimously.

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 the company did not have any event which had a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For S S Dhanjal & Co.
Company Secretaries

(Suvinder Singh Dhanjal)
Proprietor
FCS 4444, CP No : 15966

Place : Jamshedpur
Date : 14 July, 2018

Note : This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure-A

To,
The Members
The Indian Steel & Wire Product Ltd.

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of Accounts of the company.

4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S S Dhanjal & Co.
Company Secretaries

(Suvinder Singh Dhanjal)
Proprietor
FCS 4444, CP No : 15966

Place : Jamshedpur
Date : 14 July, 2018

ANNEXURE 'D' TO THE BOARD'S REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2017-18 :

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/csrpolicy.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. 1,073 Lakhs

4. **Prescribed CSR Expenditure (2% of the amount in item no 3 above)** : Rs. 21.45 Lakhs

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

   (a) Total amount spend for the financial year : Rs. 22.28 Lakhs

   (b) Amount unspent, if any :- Nil

   (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
(DIN - 6598469)

Peeyush Gupta
Chairman, CSR Committee
(DIN - 02840511)

Report on CSR Activities during Financial Year 2017-18

Sl. No.	Secor 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)		Actitivites carried out directly/through implementing agency
			Local Area/ others	State/District		Direct Expenditure	Overhead	
1	Promotion of Education	Education Scholarship	Local, Jemco	Jamshedpur, Jharkhand	1.25	1.00	-	CSR Dept.
		Project RAAH	Potka	Jamshedpur, Jharkhand	6.00	5.27	-	CSR Dept.
		Gyanodya Pre-Nursery School	Local	Jamshedpur, Jharkhand	3.00	3.00	-	Disha ki Aur
		English & Science coaching classes	Potka	Jamshedpur, Jharkhand	0.50	0.30	-	CSR Dept.
		Career Counselling	Potka	Jamshedpur, Jharkhand	0.50	0.12	-	Jai Infotech
2	Health & Sanitation	Blood Donation Camp	Local	Jamshedpur, Jharkhand	0.75	0.55	-	CSR Dept.
		Health Check-up Immunization and Sanitation	Local	Jamshedpur, Jharkhand	0.40	0.64 .	-	CSR Dept.
3	Environmental Sustainability	Tree Plantation	Potka	Jamshedpur, Jharkhand	0.15	0.16	-	CSR Dept.
		Basti Cleaning (Swach Bharat Abhiyaan)	Local	Jamshedpur, Jharkhand	1.70	2.37	-	CSR Dept.
4	Employability & Skill Development	Stitching	Potka	Jamshedpur, Jharkhand	0.90	0.73	-	CSR Dept.
		Archery	Local, Potka	Jamshedpur, Jharkhand	1.00	1.01	-	CSR Dept.
		Football	Local	Jamshedpur, Jharkhand	0.10	0.00	-	TRCSC
		Nutritional Gardening	Potka	Jamshedpur, Jharkhand	1.50	2.52	-	TRCSC
		Mushroom Cultivaiton	Potka	Jamshedpur, Jharkhand	1.10	1.54	-	NIIT
		Computer Course	Potka	Jamshedpur, Jharkhand	0.60	1.36	-	NIIT
		Summer Camp	Potka	Jamshedpur, Jharkhand	0.50	0.42	-	CSR Dept
5.	Infrastructure Development & Maintenance	(i) Procurement of infrastructural support equipment (ii) Construction of toilets in the nearby aras under Swach Bharat Mission, complying to the request of the Government	Local	Jamshedpur, Jharkhand	1.50	1.29	-	-
		TOTAL			**21.45**	**22.28**	**-**	**-**
					Total Expenditure	**22.28**		

TRCSC: Technology Resource Communication & Service Centre
Disha Ki Aur: An NGO managed by wives of the Company's officers

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 2017-18.

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

   All the contracts or arrangement or transactions with the related parties entered into by the Company during the year under review were in the ordinary course of business and at arm's length basis and are listed in the Annexure attached hereto. The details are set out in note 32 of the notes forming part of the financial statements.

ANNEXURE 'E' TO THE BOARD'S REPORT

CONTRACTS/ARRANGEMENTS/TRANSACTIONS AT ARM'S LENGTH BASIS DURING 2017-18

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 goods	ISWPL sells electrodes/rolls & castings manufactured by it to TSL under its brand "SPARK".
		Receipt of lease rent	ISWPL has provided some flats on lease to TSL at Alipore, Kolkata.
		Rendering services	ISWPL provides its guest house accommodation to TSL occasionally.
		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.
		Payment of License fees	TSL has provided an office space to ISWPL in Kolkata on leave and license basis.
		Processing of Slag	ISWPL has entered into a transaction with Tata Steel for processing of LD Slag, generated at Tata Steel, at JEMCO Division of the Company.
TM International Logistics Limited (TMILL)	Fellow Subsidiary	Receipt of freight and handling Services	ISWPL receives freight and handling services from TMILL.

Name of the Company	Nature of Relationship	Nature of Transactions	Description of transaction
The Tata Pigments Ltd. (TPL)	Fellow Subsidiary	Rendering services	ISWPL provides its guest house accommodation to TPL occasionally.
Jamshedpur Utilities and Services Company Limited (JUSCO)	Fellow Subsidiary	Sale of goods	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.
		Rendering services	ISWPL provides its guest house accommodation to JUSCO occasionally.
Tata Sponge Iron Limited	Fellow Subsidiary	Sale of goods	ISWPL sells gods (Welding electrodes and MIG wires) manufactured by it to Tata Sponge.
TRF Ltd. Limited	Associate of Holding Co.	Sale of goods	ISWPL sells goods (Welding electrodes and MIG wires) manufactured by it to TRF Ltd.
M Junction Services Ltd.	Joint Venture of Holding Co.	Sale of goods	ISWPL sells gods (Welding electrodes and MIG wires) manufactured by it to M Junction Services Ltd.
		Receiving Services	M Junctions provides auction services for sale of scrap/waste generated during the manufacturing process.
TRL Krosaki Refractories Ltd.	Associate of Holding Co.	Purchase of materials	ISWPL purchases refractory items in accordance with its production requirements from TRL Krosaki.
Tata BlueScope Steel Ltd.	Joint Venture of Holding Co.	Purchase of materials	ISWPL procures sheeting materials from Tata BlueScope Steel.
Tata Metaliks Ltd.	Fellow subsdiary	Sale of goods	ISWPL sells goods (Welding electrodes and MIG wires) manufactured by it to Tata Metaliks.
TKM Global Logistics Ltd.	Joint Venture of Holding Co.	Receipt of services	ISWPL receives import clearance services from TKM Global Logistics.

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 2018.

CONSERVATION OF ENERGY

a) Measures Taken / Impact:

(i) Implementation of various suggestions, in a phased manner, of the Energy Audit Report submitted by Tata Power DDL.

(ii) Installation of the energy efficient mill motors at Rod Mill and Wire drawing mill.

(iii) Improvement in power factor from 0.95 to 0.96, maintaining the power factor during mill idle hours and reduction in maximum demand from 8.8 MVA to 8.4 MVA. These measures have led to reduce the annual power consumption and has resulted in an approximate savings of Rs. 60 lakhs.

(iv) Replacement of existing 40 watt and 250 watt HPMV lights with energy efficient, LED lights, across plant premises and township.

(v) At Wire Mill, mapping of LPG loss has been done and steps are being taken to improve combustion efficiency at zinc bath, lead bath and drying oven.

(vi) Particulars with respect to Energy Consumption in different business verticals are mentioned in the Annexure-I enclosed herewith.

b) Steps taken by the Company for utilizing alternate sources of energy:

A bio-gas plant has been installed at the canteen premises which has reduced the usage of LPG cylinders in the canteen kitchen activities. A study has been carried out for implementation of solar energy at the Works premises which would be commissioned in FY'19.

c) No Capital Investment was made on Energy Conservation during FY '18.

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 of improvements in products at higher efficiency.

3) No separate expenditure was incurred on Research & Development as it is a part of the normal production & planning activity.

4) No expenditure in FY'18 has been incurred on account of imported technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

	2017- 18	**2016-17**
	(Rs. in Lakhs)	**(Rs. in Lakhs)**
EARNINGS	**83.40**	551.71
OUTGO	**102.43**	259.23

Annexure-I

PARTICULARS WITH RESPECT TO ENERGY CONSUMPTION IN DIFFERENT BUSINESS VERTICALS DURING FY '18 :

	2017-18	2016-17
POWER AND FUEL CONSUMPTION		
ELECTRICITY PURCHASED		
Units (KWH)	**5,76,24,398**	605,99,730
Total Cost (in Rs. Lakhs)	**3,893.17**	3,488.91
Rate / Unit (Rs./Kwh)	**6.76**	5.76
OWN GENERATION		
Units (KWH)	**NIL**	NIL
Total Cost (In Rs. Lakhs)	**NIL**	NIL
Rate / Unit (Rs.)	**N. A.**	N. A.
FURNACE OIL / LSHS		
Quantity (KL)	**8,583**	7,984
Total Cost (In Rs. Lakhs)	**2,295**	2,148
Average rate (per KL)	**26,742**	23,710
COAL & HARD COKE		
Quantity (MT)	**11.33**	14.50
Total Cost (In Rs. Lakhs)	**2.07**	3.03
Average rate (per MT)	**18,240**	20,900
CONSUMPTION PER UNIT OF PRODUCTION		
Wire Rod		
Production in MT	**2,43,614**	2,63,013
Electricity (Kwh per MT)	**148**	155.50
Furnace Oil (Litre per MT)	**34**	33.78
Hard Coke (MT)	**1.50**	0.49.
Wire		
Production in MT	**60,219**	57,526
Electricity (Kwh per MT)	**162.71**	205.51
Furnace Oil (Litre per MT)	**N. A.**	N. A.
Coal (Kg per MT)	**N. A.**	N. A.
Cast Iron & Steel based Rolls		
Production in MT	**1,870**	3,274
Electricity (Kwh per MT)	**2,292**	2,947
Furnace Oil (Litre per MT)	**65**	74
Coal & Coke (Kg per MT)	**9.83**	14.01
C. I. Castings & Steel Castings		
Production in MT	**512**	416
Electricity (Kwh per MT)	**3,319**	3,388
Furnace Oil (Litre per MT)	**65**	101
Coal & Coke (Kg per MT)	**NIL**	NIL

ANNEXURE 'G' TO THE BOARD'S REPORT

Extract of Annual Return

as of Financial Year ended 31st March 2018

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	7D & E, 7th Floor, Everest House, 46 C Chowringhee Road, Kolkata - 700 071.
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

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Wire Rods	24105	49
Wires	24108	28
JEMCO (Steel Castings/Iron Castings/Zinc Refinement/Slag Processing	24319	12
Welding Products & Nails	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)

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	
A. Promoters									
(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	56,92,951	56,92,951	95.02	NA	56,92,951	56,92,951	95.02	0
e) Banks / FI	NA	0	0	0	NA				
f) Directors	NA	500	500	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
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**NA**	**56,93,451**	**56,93,451**	**95.02**	**NA**	**56,93,451**	**56,93,451**	**95.02**	**0**
B. Public Shareholding									
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) FIIs	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
Total Public Shareholding (B)=(B)(1)+(B)(2)	**NA**	**2,98,445**	**2,98,445**	**5**	**NA**	**2,98,445**	**2,98,445**	**5**	**0**
C. Shares held by Custodian for GDRs & ADRs	NA	0	0	0	NA	0	0	0	0
Grand Total (A+B+C)	**NA**	**59,91,896**	**59,91,896**	**100**	**NA**	**59,91,896**	**59,91,896**	**100**	**0**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1	Tata Steel Limited	56,92,951	95.01	NA	56,92,951	95.01	NA	0.00%

(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	56,92,951	95.01	–	–	–	56,92,951	95.01

(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. Sandeep Bhattacharya	100	0.0017	NA	NA	NA	100	0.0017
3	Mr. Suresh Kumar	100	0.0017	NA	NA	NA	100	0.0017
4	Mr. Peeyush Gupta	100	0.0017	NA	NA	NA	100	0.0017
5	Mr. Neeraj Kant	100	0.0017	NA	NA	NA	100	0.0017

(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)			
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,765.73	98.43	1,400.00	3,264.16
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
Total (i + ii + iii)	**1,765.73**	**98.43**	**1,400.00**	**3,264.16**
Change in Indebtedness during the financial year				
Addition / (Reduction)	(1,689.75)	(95.93)	-	(1,785.68)
Indebtedness at the end of the financial year				
i) Principal Amount	75.98	2.50	1,400.00	1,478.48
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
Total (i+ii+iii)	**75.98**	**2.50**	**1,400.00**	**1,478.48**

(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		46,13,172
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		17,09,480
	(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		36,00,000
	Total (A)		**99,22,652**

B. Remuneration to other Directors :

S. No.	Name of the Director	(Amount in Rs.)			
		Designation	Sitting Fees	Commission	Total
1.	Mr. Sunil Bhaskaran	Non-executive Director	-	-	-
2.	Mr. Sudev Chandra Das	Independent Director	3,25,000	3,76,110	7,01,000
3.	Ms. Molly Thambi	Independent Director	2,65,000	2,25,666	4,90,666
4.	Mr. Peeyush Gupta	Non-executive Director	-	-	-
5.	Mr. D Kumar*	Non-executive Director	35,000	30,089	90,267
6.	Mr. Suresh Kumar	Non-executive Director	67,500	60,178	1,27,678
7.	Mr. Sandeep Bhattacharya**	Non-executive Director	-	-	- -
Total (B)					**14,09,721**
Total (A+B)					**1,13,32,373**

* Stepped down with effect from 24th October, 2017

** Appointed as Additional Director with effect from 2nd January 2018

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)
A. COMPANY					
Penalty					
Punishment	None	None	None	None	None
Compounding					
B. DIRECTORS					
Penalty					
Punishment	None	None	None	None	None
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment	None	None	None	None	None
Compounding					

Neeraj Kant
Managing Director
(DIN - 6598469)

Rabi Narayan Kar
Company Secretary
(Membership No : ACS 18172))

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE INDIAN STEEL & WIRE PRODUCTS LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of The Indian Steel & Wire Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2018, and its total comprehensive income (comprising of profit/ loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 24, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements - Refer Note 33.1.

        ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Rupen Shah
Partner
Membershp Number : 116240

Kolkata
April 17, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of The Indian Steel & Wire Products Limited on the financial statements as of and for the year ended March 31, 2018.

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")

1. We have audited the internal financial controls over financial reporting of The Indian Steel & Wire Products Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. 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") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.

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

Meaning of Internal Financial Controls Over Financial Reporting

6. 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 assur-

ance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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

8. In our opinion, 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rupen Shah
Partner
Membershp Number : 116240

Kolkata
April 17, 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of The Indian Steel & Wire Products Limited on the financial statements as of and for the year ended March 31, 2018.

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

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

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

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

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

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

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

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

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise, value added tax, As at March 31, 2018 which have not been deposited on account of a dispute, are as follows :

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
Sales Tax Act	Sales Tax / Value Added Tax	1,456.45	1996-97 to 2000-01 and 2003-15	Appellate Authority - Up to Commissioner's level
Excise Duty	Central Excise	134.20	2004-05	Appellate Authority - Up to Commissioner's level
Wealth Tax	Wealth Tax	390.35	1993-94 to 1997-98	Appellate Authority - Up to Commissioner's level

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

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

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

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

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

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

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

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

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

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

Kolkata
April 17, 2018

Rupen Shah
Partner
Membershp Number : 116240

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

Balance Sheet as at 31st March, 2018

Rs. in Lakhs

			Note	As at March 31, 2018	As at March 31, 2017
(I)	**ASSETS**				
(1)	**Non-current assets**				
	(a)	Property, plant and equipment	**04**	**4944.67**	3886.00
	(b)	Capital work-in-progress	**04**	**27.25**	96.93
	(c)	Intangible assets	**04**	**135.97**	121.35
	(d)	Investment properties	**05**	**164.35**	167.73
	(e)	Financial assets			
		(i) Non-current investments	**06**	**0.00**	0.00
	(f)	Other non current assets	**07**	**11.08**	27.43
	(g)	Non current tax asset		**965.28**	910.44
	(h)	Deferred tax assets	**20**	**187.06**	326.16
TOTAL NON-CURRENT ASSETS				**6,435.66**	5,536.04
(2)	**Current assets**				
	(a)	Inventories	**08**	**3,528.74**	4,213.68
	(b)	Financial assets			
		(i) Trade receivables	**09**	**1,729.48**	2,344.00
		(ii) Cash and bank balances	**10**	**95.98**	229.50
		(iii) Other financial assets	**11**	**311.66**	317.51
	(c)	Other current assets	**07**	**939.64**	1,127.30
	(d)	Assets held for sale	**34**	**654.36**	1,265.68
TOTAL CURRENT ASSETS				**7,259.86**	9,497.67
TOTAL ASSETS				**13,695.52**	15,033.71
(II)	**EQUITY AND LIABILITIES**				
(1)	**Equity**				
	(a)	Share capital	**12**	**599.19**	599.19
	(b)	Other equity			
		(i) Reserves & Surplus	**13**	**6,207.88**	5,196.86
		(ii) Other components of equity	**13**	**544.71**	544.71
				7,351.78	6,340.76
(2)	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Other financial liabilities	**14**	**1,400.00**	1,400.00
	(b)	Provisions	**15**	**25.31**	30.60
	(c)	Retirement benefit obligations	**16**	**371.06**	592.19
TOTAL NON-CURRENT LIABILITIES				**1,796.37**	2,022.79
(3)	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Short-term borrowings	**17**	**78.48**	1,864.17
		(ii) Trade payables	**18**	**3,096.56**	3,525.74
		(iii) Other financial liabilities	**14**	**239.94**	63.87
	(b)	Provisions	**15**	**837.97**	806.30
	(c)	Retirement benefit obligations	**16**	**25.87**	22.35
	(d)	Other current liabilities	**19**	**209.28**	297.75
	(e)	Current tax liabilities		**48.35**	51.46
	(f)	Liabilities held for sale	**34**	**10.92**	38.52
TOTAL CURRENT LIABILITIES				**4,547.37**	6,670.16
TOTAL EQUITY AND LIABILITIES				**13,695.52**	15,033.71

See accompanying notes forming part of the Financial Statements

In terms of our report of even date

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata, April 17, 2018

For and on behalf of the Board of Directors

Sunil Bhaskaran
Chairman
DIN-03512528

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Jamshedpur, April 17, 2018

Statement of Profit & Loss for the year ended 31st March, 2018

Rs. in Lakhs

		Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
(1)	**Revenue from operations**	**21**	**25,948.50**	24,509.23
(2)	Other Income	**22**	**164.95**	182.48
(3)	**Total Revenue (1 + 2)**		**26,113.45**	24,691.71
(4)	**EXPENSES**			
	(a) Raw materials consumed	**23 (A)**	**2,139.03**	2,071.22
	(b) Changes in stock of finished goods and work-in progress	**23 (B)**	**433.96**	315.40
	(c) Employee benefit expense	**24**	**4,298.40**	4,097.07
	(d) Finance costs	**25**	**112.22**	231.60
	(e) Depreciation and amortisation expense		**596.64**	651.23
	(f) Excise duty on sale of goods		**221.55**	929.50
	(g) Other expenses	**26**	**16,663.34**	15,096.60
	Total Expenses		**24,465.14**	23,392.62
(5)	**Profit Before Tax (3 - 4)**		**1,648.31**	1,299.09
(6)	Tax Expense			
	(1) Current tax		**472.13**	513.79
	(2) Deferred tax		**139.09**	(53.69)
	Total Tax Expenses		**611.22**	460.10
(7)	**Profit after tax from continuing operations (5-6)**		**1,037.09**	838.99
	(1) Loss before tax from discontinuing operations		**(95.24)**	(347.57)
	(2) Tax expense		**32.96**	120.29
(8)	**Loss after tax from discontinuing operations**		**(62.28)**	(227.27)
(9)	**Profit for the period (7+8)**		**974.81**	611.72
(10)	**Other comprehensive income**			
	(a) Items that will not be reclassified to statement of profit or loss			
	(i) Remeasurement of the employees defined benefit plants		**55.38**	(148.90)
	(ii) Tax impact		**(19.17)**	51.53
	Total other comprehensive income		**36.21**	(97.37)
(11)	**Total comprehensive income for the period (9+10)**		**1,011.02**	514.35
(12)	**Earnings per equity share (for continuing operation):**			
	(1) Basic		**17.31**	14.00
	(2) Diluted		**17.31**	14.00
(13)	**Earnings per equity share (for discontinuing operation):**			
	(1) Basic		**(1.04)**	(3.79)
	(2) Diluted		**(1.04)**	(3.79)
(14)	**Earnings per equity share (for continuing and discontinuing operation) :**			
	(1) Basic		**16.27**	10.21
	(2) Diluted		**16.27**	10.21

See accompanying notes forming part of the Financial Statements
In terms of our report of even date

For and on behalf of the Board of Directors

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata, April 17, 2018

Sunil Bhaskaran
Chairman
DIN-03512528

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Jamshedpur, April 17, 2018

Cash Flow Statement for the year ended 31st March, 2018

Rs. In lakhs

		For the year ended 31.03.2018	For the year ended 31.03.2017
A.	**Cash Flow from Operating activities:**		
	Profit before taxes including discontinued operations	**1,553.07**	951.52
	From continuing operations	**1,648.31**	1,299.09
	From discontinued operations	**(95.24)**	(347.57)
	Adjustments for:		
	Depreciation and amortisation expense	**597.64**	660.23
	Provision for bad & doubtful debts & Advances	**98.11**	137.30
	Interest Income	**(5.53)**	(5.11)
	Finance Cost	**123.65**	260.83
	(P)/L on sale of capital assets (net of discarded assets written off)	**(164.19)**	7.16
	Provision for warranty claims	**(38.84)**	11.01
	Employee separation compensation (amortised, net of payments)	**1.54**	3.52
	Operating profit before working capital changes	**2,165.45**	2,026.46
	Adjustments for (increase)/decrease in operating assets		
	Inventories	**1,092.51**	(221.11)
	Trade receivables	**702.07**	(622.71)
	Other financials assets	**149.84**	(153.18)
	Other non financials assets	**211.60**	(197.34)
	Adjustments for increase/(decrease) in operating liabilities		
	Trade Payables	**(456.78)**	214.98
	Other financials liabilities	**(11.04)**	(3.06)
	Other non financials liabilities	**(88.47)**	(53.29)
	Retirement benefit assets/obligations	**(162.23)**	(10.13)
	Short-term provisions	**68.97**	(29.60)
	Long-term provisions	**(5.29)**	109.83
	Cash generated from operations	**3,666.63**	1,060.85
	Direct taxes paid	**(516.29)**	(326.56)
	Net cash from operating activities	**3,150.34**	734.29
B.	**Cash Flow from Investing activities:**		
	Purchase of property, plant and equipment	**(1,467.52)**	(320.62)
	Sale of property, plant and equipment	**231.46**	3.94
	Interest received	**5.53**	5.11
	Net cash used in investing activities	**(1,230.53)**	(311.57)
C.	**Cash Flow from Financing activities:**		
	Proceeds from/ (Repayment against) working capital borrowings (net)	**(1,785.69)**	(137.06)
	Finance Cost	**(123.65)**	(260.83)
	Net cash used in financing activities	**(1,909.34)**	(397.89)
	Net increase / (decrease) in cash and cash equivalents	**10.47**	24.83
	Cash & cash equivalents as at 1st April	**30.81**	5.98
	Cash & cash equivalents as at 31st March	**41.28**	30.81

See accompanying notes forming part of the financial statements

Notes : (1) Cash & cash equivalents represents cash & cheques on hand and balances with banks (Refer note 10).
(2) Figures in brackets represent outflows.
(3) Previous year's figures have been recast/restated where necessary.

In terms of our report of even date

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata, April 17, 2018

For and on behalf of the Board of Directors

Sunil Bhaskaran
Chairman
DIN-03512528

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Jamshedpur, April 17, 2018

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

Statement of Changes in Equity

A. Equity Share Capital

Particulars	Rs. In Lakhs
Balance as at March 31, 2016	**599.19**
Changes in equity share capital during the year ended March 31, 2017	–
Balance as at March 31, 2017	**599.19**
Changes in equity share capital during the year ended March 31, 2018	–
Balance as at March 31, 2018	**599.19**

B. Other Equity

Rs. In Lakhs

Statement of changes in Equity	Reserves and Surplus					Items of Other comprehensive income	Total Equity
	Amalgamation Reserve	Investment Allowance	Special Reserve	Capital Reserve	Retained Earnings	Equity investment through OCI	
Balance as at March 31, 2016	276.60	267.30	0.73	0.08	4,682.51	-	5,227.22
Recognised in the statement of Profit & loss during the year	-	-	-	-	611.72	-	611.72
Other Comprehensive Income	-	-	-	-	(97.37)	-	(97.37)
Balance as at March 31, 2017	276.60	267.30	0.73	0.08	5,196.86	-	5,741.57
Recognised in the statement of profit and loss during the year	-	-	-	-	974.81	-	974.81
Other Comprehensive Income	-	-	-	-	36.21	-	36.21
Balance as at March 31, 2018	**276.60**	**267.30**	**0.73**	**0.08**	**6,207.88**	**-**	**6,752.59**

See accompanying notes forming part of the financial statements.

In terms of our report of even date

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata, April 17, 2018

For and on behalf of the Board of Directors

Sunil Bhaskaran
Chairman
DIN-03512528

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Jamshedpur, April 17, 2018

Statement of Profit & Loss from Discontinuing Operations for the year ended 31st March, 2018

Rs. in Lakhs

		For the year ended 31.03.2018	For the year ended 31.03.2017
(1)	**Revenue from operations**	**223.53**	1,271.44
(2)	Other Income	**167.20**	0.64
(3)	**Total Revenue (1 + 2)**	**390.73**	1,272.08
(4)	**EXPENSES**		
	(a) Raw materials consumed	**71.76**	474.01
	(b) Changes in stock of finished goods & work-in-progress	**236.50**	6.57
	(c) Employee benefit expense	**13.99**	113.43
	(d) Finance costs	**11.43**	29.23
	(e) Depreciation and amortisation expense	**1.00**	9.00
	(f) Excise duty on sale of goods	**17.85**	141.87
	(g) Other expenses	**133.44**	845.54
	Total Expenses	**485.98**	1,619.65
(5)	**Loss before tax from discontinuing operations (3-4)**	**(95.24)**	(347.57)
(6)	**Tax Expense**		
	(1) Current tax for the year	**32.96**	120.29
	(2) Deferred tax	-	-
	Total tax expense	**32.96**	120.29
(7)	**Loss after tax from discontinuing operations (5-6)**	**(62.28)**	(227.27)

Notes forming part of the Financial Statements

01 - Accounting Policies

(1) GENERAL CORPORATE INFORMATION

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

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

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

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.01 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standard) Rules, 2015.

2.02 Basis of preparation and presentation

These financial statements of the Company are prepared under the historical cost except for certain financial instruments that are measured at fair value at end of each reporting period. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In these financial statements, the fair value for measurement and/or disclosure purpose is determined on such basis except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are catergorised in to Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.03 Use of Estimates

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the

Notes forming part of the Financial Statements
01 - Accounting Policies continued

date of the separate financial statements and the reported amounts of income and expense for the periods presented.

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

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

- Useful lives of Property, plant and equipment (Refer Note 2.08 and 2.09)
- Provisions and Contingencies (Refer Note 33.1 and 33.2)
- Valuation and measurement of income taxes and deferred taxes (Refer Note 27.1 and 27.2)
- Assets and liabilities relating to employee benefits (Refer Note 30)

2.04 REVENUE RECOGNITION

(i) Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company provides normal warranty for 1 to 5 years on Rolls & Casting products sold in line with industry practice. A liability is recognised at the time the product is sold.

(ii) Income from services

Revenues from conversion services are recognised when services are rendered and related costs are incurred and when physical possession of the material converted is passed on to the customers.

(iii) Dividend and Interest income

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

(iv) Rental income

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

2.05 Foreign currencies

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated

Notes forming part of the Financial Statements
01 - Accounting Policies continued

in foreign currencies are accounted for at the rate prevailing on the transaction date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange difference on monetary items are recognised in the statement of profit and loss in the period in which they arise.

2.06 Employee Benefits

i) Short-term benefits

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

ii) Defined contribution retirement benefits

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

iii) Defined benefit retirement benefits

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

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

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

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

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

Notes forming part of the Financial Statements
01 - Accounting Policies continued

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

iv) Other Long-term benefits

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

2.07 Taxation

i) Current tax

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

ii) Deferred tax

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

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

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

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

iii) Minimum alternate tax

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

2.08 Property, Plant and equipment

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

Notes forming part of the Financial Statements
01 - Accounting Policies continued

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

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

Estimated useful lives of the assets are as follows:

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

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

b) Capital work-in-progress

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

2.09 Intangible assets

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

Estimated useful lives of the intangible assets are as follows:

Software	:	5 to 10 years

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

2.10 Impairment of assets

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

2.11 Inventories

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

Scrap are valued at net realisable value.

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

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

2.12 Provisions, Contingent liabilities and Contingent assets

2.12.01 Provisions

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

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

2.12.02 Warranties

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

2.12.03 Contingent liabilities and assets

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

2.13 Foreign exchange gain and losses

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

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

2.14 Financial instruments

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

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

2.15 Financial assets

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

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

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

Investments in equity instruments are classified as at FVTPL.

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

2.15.02 Impairment of financial assets

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

2.15.03 Derecognition of financial assets

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

2.15.04 Cash and cash equivalents

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

2.16 Financial liabilities and equity instruments

2.16.01 Financial liabilities

Financial liabilities are measured at amortised cost or at FVTPL

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

Trade and other payables

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

2.17 Segment Reporting

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

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

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

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

2.18 Leases

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

2.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

2.20 Assets held for sale and discontinued operations

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable.

2.21 Earnings per share

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

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

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on March 28, 2018. The rules notify the new revenue standard Ind AS 115, Revenue from Contracts with Customers and also bring in amendments to existing Ind AS. The rules shall be effective from reporting periods beginning on or after April 1, 2018 .

Ind AS 115-Revenue from contracts with customers

The company is in the process of assessing the detailed impact of Ind AS 115. Presently, the company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements, except that adoption of Ind AS 115 is not expected to significantly change the timing of the company's revenue recognition for product sales. Consistent with the current practice, recognition of revenue will continue to occur at a point in time when products are dispatched to customers, which is also when the control of the asset is transferred to the customer under Ind AS 115.

Amendments to Ind AS 40 Investment Property-Transfer of investment Property

Management has assessed the effects of the amendment on classification of existing property at April 1, 2018 and concluded that no reclassification are required.

Notes forming part of the Financial Statements

04 - Property, plant and equipment

	Buildings (Own use)	Plant and Equipment (Owned)	Furniture and fixtures (Owned)	Office Equipments (Owned)	Vehicles (Owned)	Total Tangible Assets	Computer Software (Acquired)	Total intangible assets	Capital work in progress
Balance as at March 31, 2016	1,159.27	3,507.78	107.50	89.14	73.00	4,936.69	128.87	128.87	143.87
Additions	49.27	243.54	6.85	9.11	7.50	316.27	54.54	54.54	258.80
Disposals	-	-	-	-	(13.57)	(13.57)	-	-	(305.74)
Balance as at March 31, 2017	1,208.54	3,751.32	114.35	98.25	66.93	5,239.39	183.41	183.41	96.93
Additions	181.82	1,420.70	27.36	48.81	22.18	1,700.87	39.79	39.79	1,668.03
Adjustment	-	-	-	-	-	-	-	-	-
Classified as held for sale	-	(67.19)	-	-	-	(67.19)	-	-	-
Disposals	(3.79)	(38.22)	-	(0.68)	(0.02)	(42.71)	-	-	(1,737.71)
Balance as at March 31, 2018	**1,386.57**	**5,066.61**	**141.71**	**146.38**	**89.09**	**6,830.36**	**223.20**	**223.20**	**27.25**
Accumulated depreciation									
Balance as at March 31, 2016	70.30	599.19	15.29	28.13	15.49	728.40	32.67	32.67	-
Depreciation expense	80.22	495.68	13.43	28.41	9.72	627.46	29.39	29.39	-
Disposals	-	-	-	-	(2.47)	(2.47)	-	-	-
Balance as at March 31, 2017	150.52	1,094.87	28.72	56.54	22.74	1,353.39	62.06	62.06	-
Depreciation expense	84.82	420.02	17.42	37.14	9.69	569.09	25.17	25.17	-
Classified as held for sale	-	(10.22)	-	-	-	(10.22)	-	-	-
Disposals	(2.34)	(23.63)	-	(0.60)	-	(26.57)	-	-	-
Balance as at March 31, 2018	**233.00**	**1,481.04**	**46.14**	**93.08**	**32.43**	**1,885.69**	**87.23**	**87.23**	-
Net Carrying amount									
Balance as at March 31, 2017	**1,058.02**	**2,656.45**	**85.63**	**41.71**	**44.19**	**3,886.00**	**121.35**	**121.35**	**96.93**
Balance as at March 31, 2018	**1,153.57**	**3,585.57**	**95.57**	**53.30**	**56.66**	**4,944.67**	**135.97**	**135.97**	**27.25**

Notes :

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

b. The company has discontinued its Fastener business and therefore, all assets pertaining to Fastener business have been reclassified under the head "Assets held for Sale".

c. As at March 31, 2017 Gross block includes Rs. 67.19 lakhs and Accumulated depreciation includes Rs. 10.22 lakhs for fasteners division.

Notes forming part of the Financial Statements

05 - Investment Properties

	Rs In Lakhs
	Freehold Buildings
Cost or deemed cost	
Balance at March 31, 2016	174.48
Additions	-
Disposals	-
Balance at March 31, 2017	**174.48**
Additions	-
Disposals	-
Balance at March 31, 2018	**174.48**
Accumulated depreciation	
Balance at March 31, 2016	3.37
Depreciation expense	3.38
Disposals	-
Balance at March 31, 2017	**6.75**
Depreciation expense	3.38
Disposals	-
Balance at March 31, 2018	**10.13**
Net Carrying amount	
Balance at March 31, 2017	167.73
Balance at March 31, 2018	**164.35**

Information regarding income and expenditure of investment property

	As at March 31, 2018	As at March 31, 2017
Rental income derived from investment properties	**53.32**	53.32
Direct operating expenses (including repairs and maintenance)	**(3.64)**	(3.68)
Profit arising from investment properties before depreciation	**49.68**	49.64
Less – Depreciation	**(3.38)**	(3.38)
Profit arising from investment properties	**46.30**	46.26

The companys investment properties consist of a residential premises in India. As at March 31, 2018 and March 31, 2017, the fair values of the properties are Rs. 6294 lakhs and Rs. 6291 lakhs respectively. These valuations have been performed by an independent valuer. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The Company had given residential premises in a building situated at Alipore Road, Kolkata 700 072 to Tata Steel Limited on operating lease from May 1, 2008. As stipulated in the lease agreement, the Lessee has given an interest free security deposit of Rs 1,400 lakhs which is refundable upon expiry of the agreement.

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

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

Information about the fair value hierarchy are as follows :

Particulars	**As at March 31, 2018**	As at March 31, 2017
	Level 3	Level 3
Investment property in India - at Kolkata city (Rs. in lakhs)	**6294**	6291

Notes forming part of the Financial Statements
06 - Non Current Investments

Rs In Lakhs

	As at March 31, 2018	As at March 31, 2017
(A) Other Investments		
(1) Quoted		
(2) Unquoted		
(a) In fully paid Equity Shares		
1,40,280 shares (1,40,280 shares) of Rs. 10 each of INCAB Industries Ltd. (pledged with Punjab National Bank) (*)	**0.00**	0.00
250 shares (250 shares) of Rs. 100 each in Bihar State Financial Corporation (*)	**0.00**	0.00
4,01,200 equity shares (14,94,900 equity shares) of Rs. 10 each in Brahma Steyr Tractors Ltd. (#) (*)	**0.00**	0.00
1,20,166 equity shares (10,66,846 equity shares) of Rs. 10 each in Metal Corporation of India Ltd. (#) (*)	**0.00**	0.00
(b) In fully paid debentures		
1,400 4% debentures (1,400 debentures) of Rs. 500 each in Assam Bengal Cement Co. Ltd. (in liquidation) (*)	**0.00**	0.00
(c) In fully paid preference shares		
2,852 - 5% tax free cumulative preference shares (2,852 preference shares) of Rs. 100 each in Metal Corporation of India Ltd. (*)	**0.00**	0.00
Total Investments	**0.00**	0.00

*** Amount below rounding of norm adopted by the company.**

Note- The above mentioned Share/debenture certificates are not physically available.

During the year number of equity shares held by the company in Metal Corporation of India Ltd and Brahma Steyr Tractors Ltd has been reinstated in line with the details availble for financial statement of the respective entity as filed with Ministry of Corporate Affairs.

Notes forming part of the Financial Statements

07- Other current and non current assets

Rs in Lakhs

	As at March 31, 2018			As at March 31, 2017		
	Non current	**Current**	**Total**	Non current	Current	Total
(a) Capital advances	**202.12**	**-**	**202.12**	218.47	-	218.47
(b) Advance with public bodies	**-**	**450.04**	**450.04**	-	510.06	510.06
i) Service tax	**-**	**18.92**	**18.92**	-	73.23	73.23
ii) Excise	**-**	**15.05**	**15.05**	-	307.91	307.91
iii) Sales tax/Value added tax/Others	**-**	**23.57**	**23.57**	-	128.92	128.92
iv) GST	**-**	**392.50**	**392.50**	-	-	-
(c) Loans and advances to related parties	**-**	**54.14**	**54.14**	-	60.17	60.17
(d) Other loans and advances	**-**	**628.03**	**628.03**	-	799.95	799.95
i) Prepayments	**-**	**11.28**	**11.28**	-	15.10	15.10
ii) Advance to suppliers	**-**	**425.81**	**425.81**	-	506.78	506.78
iii) Others	**-**	**190.94**	**190.94**	-	278.07	278.07
Gross Loans and advances	**202.12**	**1,132.21**	**1,334.33**	218.47	1,370.18	1,588.65
Less: Provision for bad & doubtful loans & advances						
(a) Capital advances	**191.04**	**-**	**191.04**	191.04	-	191.04
(b) Other loans and advances	**-**	**192.57**	**192.57**	-	242.88	242.88
Total provision for bad & doubtful loans & advances	**191.04**	**192.57**	**383.61**	191.04	242.88	433.92
Total Loans and advances	**11.08**	**939.64**	**950.72**	27.43	1,127.30	1,154.73
Classification of loans and advances						
Secured, considered good	**-**	**-**	**-**	-	-	-
Unsecured, considered good	**11.08**	**939.66**	**950.74**	27.43	1,127.30	1,154.73
Doubtful	**191.04**	**192.57**	**383.61**	191.04	242.88	433.92
Gross Loans and advances	**202.12**	**1,132.23**	**1,334.35**	218.47	1,370.18	1,588.65

Notes forming part of the Financial Statements

8 - Inventories

Rs In Lakhs

		As at March 31, 2018	As at March 31, 2017
(a)	Raw materials (At lower of Cost and Net Realisable Value(NRV))	**816.23**	761.51
(b)	Work-in-progress and semi-finished goods (At lower of Cost and NRV)	**1,131.71**	1,225.07
(c)	Finished goods (At lower of Cost and NRV)	**153.92**	358.49
(d)	Scraps and Defectives (At Net Realisable Value)	**30.02**	166.05
(e)	Stores and spares (at cost less write off for obsolescence)	**1,396.86**	1,702.56
Total Inventories		**3,528.74**	4,213.68

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

Finished goods	**Nil**	Nil

WIP comprises :	As at March 31, 2018	As at March 31, 2017
Rolls and casting	**1,097.61**	1,210.71
Welding product	**34.10**	14.36
Total	**1,131.71**	1,225.07

FG comprises :	As at March 31, 2018	As at March 31, 2017
Rolls and casting	**31.72**	149.06
Welding product	**122.20**	209.43
Total	**153.92**	358.49

i) The cost of inventories recognised as an expense during the year was **Rs 2,139.03 lakhs** (31.03.2017 : Rs 2,071.23 lakhs.)

ii) The cost of inventories recognised as an expense during the year in respect of writedowns of inventory to its net realisable value was **Rs 327.87 lakhs** (31.03.2017 : Rs 162 lakhs).

iii) The mode of valuation of inventories has been stated in note 2.11.

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

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

Notes forming part of the Financial Statements

09 - Trade receivables

Rs In Lakhs

	As at March 31, 2018	As at March 31, 2017
Trade receivables		
Current		
(1) Unsecured, considered good	**1,729.48**	2,344.00
(2) Unsecured, considered Doubtful	**32.88**	233.47
Total Trade Receivables	**1,762.36**	2,577.47
Less : Allowances for doubtful debts	**32.88**	233.47
Net Trade Receivables	**1,729.48**	2,344.00

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

(b) Ageing of receivables:

	As at March 31, 2018	As at March 31, 2017
Amounts not yet due	**1,057.26**	1,883.69
One month overdue	**324.29**	113.37
Two months overdue	**27.93**	83.76
Three months overdue	**34.80**	78.68
Between three to six months overdue	**88.28**	80.34
Greater than six months overdue	**229.80**	337.64
	1,762.36	2,577.47

(c) The credit period given to customers range from 0 to 60 days.

The Company provides allowances in trade receivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowances is computed based on the ageing of the receivables.

Age wise provisioning is as under-

		As at March 31, 2018	As at March 31, 2017
0 - <1 year		**14.10**	20.25
1 - < 2 year	**3.91**	50.24	
2 - < 3 year	**5.38**	66.19	
> 3 year		**9.49**	96.79
TOTAL		**32.88**	233.47

Movement in provision for doubtful debts are as under-

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the period	**233.47**	238.86
Allowances during the year	**66.16**	100.59
Written off during the year	**(266.75)**	(105.99)
Balance at the end of the year	**32.88**	233.47

(d) The concentration of credit risk is limited to the fact that the major customer is Tata Steel Limited which is the parent company and SAIL Group, which is a public sector undertaking.

(e) Of the trade receivable balance as at March 31,2018 **Rs. 1762.36 lakhs** (as at March 31, 2017 of Rs. 2577.46 lakhs) is due from company's major customers i. e. having more than 5% of total outstanding trade receivables. (Tata Steel Ltd - 54% and SAIL Group -20%, the entities largest customers).

(f) The Company has discontinued its Fastener business and therefore, all trade receivable pertaining to Fastener business have been reclassified under the head "Assets held for Sale" .

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

Notes forming part of the Financial Statements

10 - Cash and cash balances

Rs In Lakhs

			As at March 31, 2018	As at March 31, 2017
(a)	Cash in hand		**1.05**	1.32
(b)	Cheques, drafts on hand		**1.12**	1.50
(c)	Unrestricted Balances with banks		**39.11**	27.99
	(1) Unrestricted Balance with scheduled banks		**39.11**	27.99
		(i) In Current Account	**36.05**	24.93
		(ii) In Deposit Account	**3.06**	3.06
	Total cash and cash equivalents		**41.28**	30.81
(d)	Earmarked Balances with banks			
	(1) Earmarked Balance with scheduled banks		**54.70**	198.69
		(i) In Deposit Account	**54.70**	198.69
		Escrow account with PNB	**-**	95.94
		Margin Money Deposit	**54.70**	102.75
	Total cash and cash balances		**95.98**	229.50

Notes:

a) Out of the above **Rs. 41.28 lakhs** (As as March 31, 2017 Rs. 30.81 lakhs) has been shown as Cash & cash equivalent in Cash flow statement as per IND Accounting Standard 7 "Statement of cash flows".

b) Earmarked balances with banks in deposit accounts

i) Escrow account with PNB related to deposits for Erstwhile promoters payable as per Board for Industrial and Financial Reconstruction (BIFR)order dated November 21, 2003. Based on legal opinion, the unclaimed fixed deposit amount of Rs. 75.47 lakhs along with the interest accrued thereon (Rs. 21.95 lakhs) has been transferred to the Investor Protection & Education Fund on August 7, 2017, pursuant to Section 125 of the Companies Act, 2013.

ii) Margin money deposit related to Fixed Deposit against Letter of Credit/Foreign Letter of credit.

11 - Other financial assets - current

Secured and considered good

Rs In Lakhs

		As at March 31, 2018	As at March 31, 2017
(a)	Security deposits	**38.15**	37.73
(b)	Other financial assets	**273.51**	279.78
	Other financial assets	**311.66**	317.51

Notes forming part of the Financial Statements

12 - Share Capital

Rs In Lakhs

	As at March 31, 2018	As at March 31, 2017
Authorised:		
70,00,000 (31.03.2017 : 70,00,000) equity Shares of Rs.10 each	**700.00**	700.00
	700.00	700.00
Issued:		
59,91,896 (31.03.2017: 59,91,896) equity Shares of Rs.10 each	**599.19**	599.19
Subscribed and Paid up :		
59,91,896 (31.03.2017: 59,91,896) equity Shares of Rs.10 each	**599.19**	599.19
Total Share Capital	**599.19**	599.19

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

Rs in Lakhs	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares:				
Issued, subscribed & fully paid up : At beginning and end of the year	**59,91,896**	**599.19**	5,991,896	599.19

Terms / rights attached to equity shares

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

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

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

Sharholders holding more than	As at March 31, 2018		As at March 31, 2017	
5% share capital :	No. of shares	%	No. of shares	%
Tata Steel Limited (Holding company)	**5,692,651**	**95.01%**	5,692,651	95.01%

Notes forming part of the Financial Statements

13 - Other equity

Rs In Lakhs

			As at March 31, 2018	As at March 31,2017
1	**Reserves and Surplus**		**6,207.88**	5,196.86
	a)	Reconciliation of retained earnings :		
		Balance at the beginning of the year	**5,196.86**	4,682.51
		Profits attributable to the owners of the company	**974.81**	611.72
		Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	**36.21**	(97.37)
		Balance at the end of the year	**6,207.88**	5,196.86
2	**Other components of equity**			
	a)	Capital reserve		
		Opening and closing balance	**0.08**	0.08
	b)	Amalgamation reserve		
		Opening and closing balance	**276.60**	276.60
	c)	Investment Allowance (Utilised) Reserve		
		Opening and closing balance	**267.30**	267.30
	d)	Special Reserve (Machinery Replacement Reserve)		
		Opening and closing balance	**0.73**	0.73
		Total other components of equity	**544.71**	544.71

Notes forming part of the Financial Statements

Rs In Lakhs

14 - Other financial liabilities

	As at March 31, 2018			As at March 31, 2017		
	Non current	**Current**	**Total**	Non current	Current	Total
(a) Creditors for other liabilities						
(i) Creditors for capital supplies/services	**-**	**207.41**	**207.41**	-	20.30	20.30
(ii) Other credit balances *	**1,400.00**	**32.53**	**1,432.53**	1,400.00	43.57	1,443.57
Total Other financial liabilities	**1,400.00**	**239.94**	**1,639.94**	1,400.00	63.87	1,463.87

* Long Term liabilities include deposits of **Rs. 1,400 lakhs** received from Tata Steel (As at March 31, 2017 Rs.1,400 lakhs) towards security deposit against Alipore flats given on lease for 3 years renewable as per the terms.

15 - Provisions

	As at March 31, 2018			As at March 31, 2017		
	Non current	**Current**	**Total**	Non current	Current	Total
(a) Provision for employee benefits						
(1) Long-term Employee Benefits						
(i) Compensated absence	**-**	**791.92**	**791.92**	-	716.34	716.34
(ii) Provision for employee separation compensation	**25.31**	**7.24**	**32.55**	30.60	9.04	39.64
(b) Provision For Warranty Claims	**-**	**38.81**	**38.81**	-	80.92	80.92
Total Provisions	**25.31**	**837.97**	**863.28**	30.60	806.30	836.90

Notes :

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

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	**80.92**	88.17
Provision made during the period	**8.87**	16.83
Claims accepted	**(3.27)**	(18.25)
Provision no longer required written back	**(47.71)**	(5.83)
Balance at the end of the year	**38.81**	80.92

16 - Retirement benefit obligations

	As at March 31, 2018			As at March 31, 2017		
	Non current	**Current**	**Total**	Non current	Current	Total
(A) Retirement benefits liabilities						
(i) Pension Obligations	**74.55**	**6.41**	**80.96**	80.70	6.80	87.50
(ii) Retiring Gratuity (Net)	**39.05**	**-**	**39.05**	222.27	-	222.27
(iii) Postretirement medical benefits	**257.46**	**19.46**	**276.92**	289.22	15.55	304.77
Total Retirement benefit liabilities	**371.06**	**25.87**	**396.93**	592.19	22.35	614.54

Notes forming part of the Financial Statements

17 - Short term borrowings

Rs In Lakhs

	As at March 31, 2018	As at March 31, 2017
A. Secured		
From Banks		
(1) Working Capital Demand Loans		
Cash Credit	**75.98**	1,765.73
Total Secured Borrowings	**75.98**	1,765.73
B. Unsecured		
Other Loans		
(1) Deposit from Anvita Properties Pvt. Ltd. (Developer of erstwhile Promoters)	**2.50**	2.50
(2) Fixed Deposits of Erstwhile promoters	**-**	95.94
Total Unsecured Borrowings	**2.50**	98.44
Total Borrowings	**78.48**	1,864.17

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

b) As per clause 6.5 (b) of Board for Industrial and Financial Reconstruction order, principal amount calculated on takeover was to be repaid in four equal annual instalments, commencing from F.Y. 2006-07 to the erstwhile promoters. Interest had been waived as per the order. Accordingly, demand drafts aggregating Rs. 75.66 lakhs were sent by the company on August 18, 2006, February 11, 2008, November 19, 2008 and January 15, 2010 in the instalment of Rs 19.06 lakhs, Rs. 37.92 lakhs, Rs. 56.80 lakhs and Rs. 75.66 lakhs respectively. Of these instalments sent, demand drafts amounting to Rs. 75.47 lakhs were returned unacknowledged by the erstwhile promoters. The unacknowledged amounts were deposited in the escrow account with Punjab National Bank on February 23, 2010 and subsequently transferred to a fixed deposit amount (escrow A/c) with the same bank.

Based on legal opinion, the unclaimed fixed deposit amount of Rs. 75.47 lakhs along with the interest accrued thereon (Rs. 21.95 lakhs) has been transferred to the Investor Protection & Education Fund on August 7, 2017, pursuant to Section 125 of the Companies Act, 2013.

Notes forming part of the Financial Statements

18 - Trade payables

Rs. in lakh

	As at March 31, 2018	As at March 31, 2017
Trade Payables		
(a) Total outstanding dues of micro enterprises and small enterprises	**41.61**	12.59
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Creditors for supplies and services	**2,143.27**	2,734.91
(ii) Creditors for accrued wages and salaries	**911.68**	778.24
Total Trade Payables	**3,096.56**	3,525.74

19 - Other Current liabilities

Rs. in lakh

	As at March 31, 2018	As at March 31, 2017
Other Current liabilities		
(a) Advances received from customers	**146.95**	135.89
(b) Creditors for other liabilities		
(i) Statutory Dues	**59.06**	153.50
(ii) Employee recoveries and employer contributions	**-**	0.27
(iii) Other credit balances	**3.27**	8.09
Total Other Current Liabilities	**209.28**	297.75

20 - Deferred Tax (Liability) / Assets

Rs. in lakh

	As at March 31, 2018	As at March 31, 2017
Composition of Deferred Tax Assets and Liabilities is as follows :		
(a) Deferred Tax Assets		
(i) ESS Compensation	**19.74**	21.59
(ii) Provision for Doubtful Debts & Advances	**50.17**	127.67
(iii) Provision for Leave Salary	**274.07**	234.99
(iv) Difference between book and tax depreciation	**-**	-
(b) Deferred Tax Liabilities		
Difference between book and tax depreciation	**156.92**	58.09
Deferred Tax Assets (Net)	**187.06**	326.16

Notes forming part of the Financial Statements

21 - Revenue from operations

Rs. in Lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	Sale of products	**5,819.53**	7,145.48
(b)	Sale of Services	**17,789.70**	15,609.59
(c)	Other operating revenues (Scrap sale)	**2,339.27**	1,754.16
Revenue from Operations		**25,948.50**	24,509.23

Notes -

Revenue from major products and services

Rs. in Lakhs

Sale of Products	For the year ended March 31, 2018	For the year ended March 31, 2017
MIG, Electrodes & Nails	**2,713.03**	3,067.55
Rolls and casting	**2,743.60**	4,069.18
GI Wire	**362.90**	-
Others	**-**	8.75
Gross Sale of Products (Inc of taxes)	**5,819.53**	7,145.48
Conversion Income	**17,789.70**	15,609.59
Scrap Sales	**2,339.27**	1,754.16
Revenue from Operations (Gross)	**25,948.50**	24,509.23

22 - Other Income

Rs. in Lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	Interest Income		
	Interest received on deposits	**5.53**	5.11
(b)	Net gain/(loss) on sale of fixed assets	**48.92**	(7.16)
(c)	Rental income	**53.32**	53.32
(d)	Miscellaneous income	**57.18**	131.21
Total Other Income		**164.95**	182.48

Notes forming part of the Financial Statements

23 (A) - Raw material consumed

Rs. in Lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
Raw material consumed			
(a)	Opening stock	**761.51**	530.59
(b)	Add: Purchases	**2,265.51**	2,776.15
(c)	Sub Total (a+b)	**3,027.02**	3,306.74
(d)	Less: Closing stock	**816.23**	761.51
(e)	Other adjustments	**71.76**	474.01
Total raw material consumed		**2,139.03**	2,071.22

23 (B) - Changes in inventories of finished products and work in progress

Rs. in Lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the period			
(a)	Finished products & Scraps	**524.54**	662.83
(b)	Work-in-progress	**1,225.07**	1,402.18
		1,749.61	2,065.01
Inventories at the end of the period			
(a)	Finished products & Scraps	**183.94**	524.54
(b)	Work-in-progress	**1,131.71**	1,225.07
		1,315.65	1,749.61
Net (increase)/decrease		**433.96**	315.40

24 - Employee Benefit Expense

Rs. in Lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
(a)	Salaries and wages, including bonus		
	(1) Salaries and wages including bonus	**3,734.38**	3,574.16
	(2) Employee separation compensation	**1.54**	3.52
(b)	Company's Contribution to provident and other funds	**332.70**	310.34
(c)	Workmen and Staff welfare expenses	**229.78**	209.05
Total Employee benefit expense		**4,298.40**	4,097.07

Note : *Salaries and wages including bonus amounting Rs. 56.51 lakhs capitalised as a part of Property, plant & equipments*

Notes forming part of the Financial Statements

25 - Finance costs

Rs. in Lakhs

	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest expense		
Cash Credit A/c	**101.81**	182.52
Others	**3.97**	5.26
(b) Bank Charges	**6.44**	43.82
Total Finance Costs	**112.22**	231.60

26 - Other Expenses

Rs. in Lakhs

			For the year ended March 31, 2018		For the year ended March 31, 2017
(a)	Consumption of stores, spare parts and loose tools		**5,790.50**		4,933.31
(b)	Consumption of Packing Material		**225.42**		240.00
(c)	Repairs to buildings		**435.73**		416.46
(d)	Repairs to plant and machinery		**617.65**		620.18
(e)	Repairs to others		**26.63**		15.20
(f)	Power and fuel		**6,135.32**		5,282.30
(g)	Water		**311.39**		169.63
(h)	Rent		**12.89**		17.79
(i)	Rates and taxes		**332.64**		256.49
(j)	Insurance charges		**31.96**		49.28
(k)	Freight and handling charges		**200.53**		261.70
(l)	Travelling, conveyance and car running expenses		**65.24**		69.62
(m)	Legal and other professional costs		**39.68**		41.26
(n)	Conversion charges		**1,609.76**		1,680.74
(o)	Sales Commission & Discount		**28.71**		30.29
(p)	Business promotion		**19.89**		12.34
(q)	Allowances for doubtful debts and advances		**86.62**		137.30
(r)	Increase / (decrease) of excise duty on inventory		**(86.63)**		1.71
(s)	Provision for warranty expenses		**(38.84)**		11.01
(t)	Expenses towards Corporate Social Responsibility		**22.38**		30.14
(u)	Other expenses		**795.87**		819.85
	(1) Director's fee	**6.93**		5.90	
	(2) Telephone expenses	**26.58**		39.08	
	(3) Auditors remuneration & out-of-pocket expenses			15.34	
	(i) As Auditors - statutory audit	**10.30**		15.00	
	(ii) For other services	**–**		-	
	(ii) Auditors out-of-pocket expenses	**1.43**		0.34	
	(4) Cost auditor's remuneration	**1.60**		1.60	
	(5) Other General Expenses	**749.03**		757.93	
Total Other Expenses			**16,663.34**		15,096.60

Notes forming part of the Financial Statements

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

Rs. in Lakhs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Tax		
- In respect of current year	**472.13**	513.79
- In respect of prior year	**-**	-
Deferred Tax in respect of current year	**139.09**	(53.69)
Total Income tax recognised in the current year	**611.22**	460.10

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax from continuing operations	**1,648.31**	1,299.09
Income tax expense calculated at 34.608%	**570.45**	449.59
Effect of expenses not allowed in income tax	**40.77**	10.51
	611.22	460.10

Income tax expenses recognised in profit or loss account

The tax rate used for reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax laws.

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

Arising on income and expenses recognised in other comprehensive income:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement of defined benefit obligations	**55.38**	(148.90)
Total income tax recognised in other comprehensive income	**19.17**	(51.53)

Notes forming part of the Financial Statements

28. Segment Disclosures

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

a) Wires Segment which includes rod & wire mill

b) Rolls Segment which includes JEMCO division

c) Direct business Segment which includes MIG products

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

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

Information about Reportable Segments :

Particulars	Reportable Segments			Unallocable	Total
	Wire	Rolls	Direct Business		
Revenue:					
External Sales	**20,067.59**	**3,226.90**	**2,765.64**	**53.32**	**26,113.45**
	17,103.53	4,428.03	3,106.83	53.32	24,691.71
Add : Inter Segment Sales	**724.29**	**96.91**	**-**	**(821.20)**	**-**
	814.24	82.37	-	(896.61)	-
Total Revenue	**20,791.88**	**3,323.81**	**2,765.64**	**(767.88)**	**26,113.45**
	17,917.77	4,510.40	3,106.83	(843.29)	24,691.71
Segment result before Interest, exceptional/ extraordinary items, prior period items and tax	**2,827.95**	**(968.22)**	**53.35**	**-**	**1,913.08**
	2,689.32	(1,080.41)	11.95	-	1,620.86
Less: Unallocable expenditure (net)					**(152.55)**
					(90.17)
Less : Interest					**(112.22)**
					(231.60)
Profit/(Loss) Before Taxes, Exceptional Items and Prior Period Items					**1,648.31**
					1,299.09
Extraordinary items					-
					-
Profit/(Loss) Before Tax					**1,648.31**
					1,299.09
Current Tax					**472.13**
					513.79
Deferred Tax					**139.09**
					(53.69)
Profit/(Loss) After Tax					**1,037.09**
					838.99

Particulars	Business Segments			Unallocable	Total
	Wire	Rolls	Direct Business		
Segment Assets	**6,629.09**	**4,483.01**	**603.96**	**1,979.46**	**13,695.52**
	6,365.42	4,904.36	989.77	2,774.16	15,033.71
Segment Liabilities	**3,510.22**	**1,324.76**	**46.99**	**1,461.77**	**6,343.74**
	4,002.89	1,669.42	1,432.22	1,588.42	8,692.95
Total Cost Incurred during the period to acquire segment assets	**1,470.07**	**200.92**	**-**	**-**	**1,670.99**
	197.08	126.77	-	-	323.85
Segment Depreciation for the period	**476.48**	**114.69**	**1.00**	**4.47**	**596.64**
	449.23	188.62	9.00	4.38	651.23
Non-Cash Expenses other than depreciation	**(6.01)**	**43.67**	**23.15**	**-**	**60.81**
	11.89	202.21	-	-	214.10

(2) Notes :

(i) Segment profit represents the profit and loss before tax earned by each segment without allocation of corporate costs, share profit of joint ventures, other income, as well as interest costs. This is the measure reported to the executive management committee for the purposes of resource allocation and assessment of segment performance.

(ii) Adjustments and eliminations -

a) 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 reportable 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.

b) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments are considered as unallocable.

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

Notes forming part of the Financial Statements

29. Earnings Per Share (EPS)

Rs. in Lakhs

	For the year ended March 31, 2018	For the year ended March 31, 2017
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the Company from continuing operations	**1,037.09**	838.99
Profit for the year attributable to owners of the Company from discontinuing operations	**(62.28)**	(227.27)
Total Profit for the year attributable to owners of the Companny from continuing and discontinuing operations	**974.81**	611.72
	No's.	No's.
Weighted average number of equity shares of Rs.10 each for basic and diluted EPS	**5,991,896**	5,991,896
Basic/diluted Earnings per equity Share. (Rs./ Share) from continuing operations	**17.31**	14.00
Basic/diluted Earnings per equity Share. (Rs./ Share) from discontinuing operations	**(1.04)**	(3.79)
Basic/diluted Earnings per equity Share. (Rs./ Share) from continuing and discontinuing operations	**16.27**	10.21

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

30. Disclosure relating to Indian Accounting Standard Ind AS - 19

30.01 Defined contribution plans

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

The company has recognized, in the profit and loss account for the current year, an amount of **Rs. 210.45 Lakhs** (2016-17 : Rs 220.54 lakhs) as expenses under the following defined contribution plans.

Rs. in lakhs

Benefit (Contribution to)	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Provident Fund	**113.28**	114.11
Superannuation Fund	**-**	3.00
Employees Pension Scheme	**97.17**	103.43
Total	**210.45**	220.54

Notes forming part of the Financial Statements

30 - Disclosure relating to Indian Accounting Standards INDAS-19 (contd.)

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

a. Funded

Post Retirement Gratuity

b. Unfunded:

Post Retirement Medical benefits

Post Retirement pension for retired whole-time directors

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

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

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

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

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

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

The most recent actuarial valuation of the plan assets and the present value of defined benefit obligation were carried out As at March 31, 2018 by independent actuary, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

During the year ended March 31, 2018 and March 31,2017 there was no amendment, curtailments and settlements in the gratuity plan and post retirement pension plans.

Notes forming part of the Financial Statement

30 - Disclosure relating to Indian Accounting Standards INDAS-19 (contd.)

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

Rs.in lakhs

	Description	For the year ended March 31, 2018	For the year ended March 31, 2017
1.	**Reconciliation of opening and closing balances of obligation**		
a.	Obligation as at the beginning of the year	**1,947.81**	1,804.51
b.	Current Service Cost	**118.27**	100.63
c.	Interest Cost	**129.99**	130.06
d.	Actuarial (gain)/ loss	**37.31**	165.34
e.	Benefits paid	**(181.66)**	(252.73)
f.	Obligation as at the end of the year	**2,051.72**	1,947.81
2.	**Change in Plan Assets (Reconciliation of opening & closing balances)**		
a.	Fair Value of plan assets as at the beginning of the year	**1,725.54**	1,680.44
b.	Interest income on plan assets	**124.65**	125.27
c.	Return on plan assets	**51.87**	48.50
d.	Contributions	**292.27**	124.06
e.	Acquisitions	**-**	-
f.	Benefits paid	**(181.66)**	(252.73)
g.	Fair Value of plan assets as at the end of the year	**2,012.67**	1,725.54
3.	**Reconciliation of fair value of assets and obligation**		
a.	Fair value of plan assets as at the end of the year	**2,012.67**	1,725.54
b.	Present value of obligation as at the end of the year	**2,051.72**	1,947.81
c.	Amount recognized in the balance sheet	**39.05**	222.27
4.	**Components of defined benefit costs recognised in profit and loss**		
a.	Current service cost	**118.27**	100.63
b.	Net Interest cost	**5.34**	4.79
Defined benefit costs recorded in profit and loss		**123.61**	105.42
5.	Components of defined benefit costs recognised in other comprehensive income		
a.	The return on plan assets (excluding amounts included in net interest expense)	**(51.87)**	(48.50)
b.	Actuarial (gains)/loss arising from changes in financial assumptions	**33.45**	117.17
c.	Actuarial (gains)/loss arising from experience adjustments	**3.86**	48.17
Defined benefit costs recorded in Other comprehensive income		**(14.56)**	116.84
6.	**Total defined benefit cost recognised**	**109.05**	222.26

7.	**Investment Details**	**%age invested As at March 31, 2018**	%age invested As at March 31, 2018
a.	GOI Securities	**5.45%**	6.46%
b.	Public Sector unit Bonds	**22.42%**	26.94%
c.	State / Central Government Guaranteed Securities	**11.62%**	16.52%
d.	Special Deposit Schemes	**4.14%**	4.66%
e.	Private Sector unit Bonds	**5.81%**	6.71%
f.	Others	**50.56%**	38.72%
		100%	100%

Notes forming part of the Financial Statements

30 - Disclosure relating to Indian Accounting Standards INDAS-19 (contd.)

8. Principal assumption used for the purpose of the actuarial valuation

	As at March 31, 2018	As at March 31, 2017
a. Discount rate (per annum)	**7.50%**	7.00%
b. Estimated rate of return on plan assets (per annum)	**7.50%**	9.00%
c. Rate of escalation in salary (per annum)	**7.0% to 10%**	7.0% to 10%

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

The actual return on plan assets was **Rs. 51.87 lakhs** (for the year ended March 31, 2017: Rs. 48.50 Lakhs)

	For the year ended March 31, 2018 No of years	For the year ended March 31, 2017 No of years
9. Duration		
Weighted average duration of the defined benefit obligation	**7**	9
10. Expected contribution by the company in the next financial year	**39.05**	222.27

11. Sensitivity analysis

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

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 126 lakhs** (increase by **Rs.143 lakhs**) [As at March 31, 2017: decrease by Rs.153 lakhs (increase by Rs.179 lakhs)]

ii) If the expected salary increase growth increases (decreases) by 1%, the defined benefit obligation would increase by **Rs.140 lakhs** (decrease by **Rs. 126 lakhs**) [As at March 31, 2017: increase by Rs.176 lakhs (decrease by Rs. 153 lakhs)]

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

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

Notes forming part of the Financial Statements

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

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

	Description	For the year ended March 31, 2018		For the year ended March 31, 2017	
1	**Reconciliation of opening and closing balances of obligation**	**Rs Medical**	**Rs Others**	Rs Medical	Rs Others
a.	Obligation as at the beginning of the year	**304.77**	**87.50**	279.98	71.74
b.	Current/Employer Service Cost	**6.44**	**-**	5.40	-
c.	Interest Cost	**20.64**	**5.89**	21.01	5.30
d.	Actuarial (gain)/loss	**(35.17)**	**(5.66)**	16.02	17.15
e.	Benefits paid	**(19.76)**	**(6.77)**	(17.64)	(6.69)
f.	Obligation as at the end of the year	**276.92**	**80.96**	304.77	87.50
2.	**Expense recognized in the period**				
a.	Current /Employer service cost	**6.44**	**-**	5.40	-
b.	Interest cost	**20.64**	**5.89**	21.01	5.30
c.	Actuarial (gain)/loss	**(35.17)**	**(5.66)**	16.02	17.15
d.	Expense recognized in the period	**(8.09)**	**0.23**	42.43	22.45
	The net charge is disclosed under the line item – Misc. Expenses.				
3.	**Assumptions**				
a.	Discount rate (per annum) as at the beginning of the year	**7.00%**	**7.00%**	7.75%	7.75%
b.	Discount rate (per annum) as at the end of the year	**7.50%**	**7.50%**	7.00%	7.00%
c.	Medical costs inflation rate	**6.00%**	**-**	6.00%	-
d.	Average medical cost (Rs/person) as at the beginning of the year	**2359**	**-**	2363	-
e.	Average medical cost (Rs/person) as at the end of the year	**2500**	**-**	2359	-

4. Sensitivity analysis

a) Employees PRMB Sensitivity analysis

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 29 lakhs** (increase by **Rs. 36 lakhs**) [As at March 31, 2017: decrease by Rs.37 lakhs (increase by Rs.47 lakhs)]

ii) If the Medical cost inflation rate increases (decreases) by 1%, the defined benefit obligation would increase by **Rs. 35 lakhs** (decrease by **Rs. 29 lakhs**) [As at March 31, 2017: increase by Rs. 46 lakhs (decrease by Rs. 37 lakhs)]

b) Ex- MD PRMB Sensitivity analysis

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 1 lakhs** (increase by **Rs.1 lakhs**) [As at March 31, 2017: decrease by Rs.1 lakhs (increase by Rs.1 lakhs)]

c) Pension Sensitivity analysis

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by **Rs. 6 lakhs** (increase by **Rs. 7 lakhs**) [As at March 31, 2017: decrease by Rs.7 lakhs (increase by Rs.8 lakhs)]

ii) If the Inflation rate increases (decreases) by 1%, the defined benefit obligation would increase by **Rs. 7 lakhs** (decrease by **Rs. 6 lakhs**) [As at March 31, 2017: increase by Rs.8 lakhs (decrease by Rs.7 lakhs)]

Notes forming part of the Financial Statements

31 - Financial Instruments

31.01 Capital Management

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

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

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

	As at March 31, 2018	As at March 31, 2017
Borrowings	**78.48**	1,864.17
Cash and bank balances	**(95.98)**	(229.50)
Net Debt	**(17.50)**	1,634.67
Total equity	**7,351.78**	6,340.76
Net debt to equity ratio	**-0.24%**	25.78%

31.02 Financial Risk management objectives

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

31.03 Market Risk

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

Interest rate sensitivity analysis:

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

Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets at the end of the reporting period are as follows.:

Particulars	**Currency**	**As at March 31, 2018**	As at March 31, 2017
Trade Receivables	USD	**NIL**	INR 47.54 lakhs (Rate- INR 64.84/USD)

Note : Above mentioned foreign currency exposures are not hedged

Notes forming part of the Financial Statements

Foreign currency sensitivity analysis

The Company's currency exposures in respect of financial assets and financial liabilities as at March 31, 2018 & March 31, 2017 that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar and EURO exchange rates. Following is the impact of a 10% movement in USD and EURO on profit before tax arising due to revaluation of foreign current financial assets and financial liabilities.

	As at March 31, 2018	As at March 31, 2017
Effect of 10% stregthening of USD against INR (Impact in PL)	**NIL**	INR 4.75 lakhs
Effect of 10% stregthening of USD against INR (Impact in equity)	**NIL**	INR 3.11 lakhs

Commodity price risk

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

31.04 Credit risk management

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of account receivables and where appropriate, provision has been considered in the books.

Concentration of credit risk elated to Tata Steel Limited is approx. 54% of the gross trade receivables. Concentration of credit risk of SAIL, Company's second largest customer is approx 20%. The concentration of credit risk is limited to the fact that the major customer is Tata Steel Limited which is the parent company and SAIL Group, which is a public sector undertaking. The remaining customer base are widely spread hence Company's credit risk is considered to be low.

31.05 Liquidity risk management

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

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

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

	Carrying amount	**Less than 1 yr**	**Between 1-5 yrs**
March 31, 2018			
Non-derivative financial liabilities			
Borrowings	**78.48**	**78.48**	**-**
Trade payables	**3,096.56**	**3,096.56**	**-**
Other financial liabilities	**1,639.94**	**239.94**	**1,400.00**
	4,814.98	**3,414.98**	**1,400.00**
March 31, 2017			
Non-derivative financial liabilities			
Borrowings	1,864.17	1,864.17	-
Trade payables	3,525.74	3,525.74	-
Other financial liabilities	1,463.87	63.87	1,400.00
	6,853.78	5,453.78	1,400.00

Notes forming part of the Financial Statements

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

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

	As at March 31, 2017		
	Amortised cost	Total Carrying Value	Total Fair Value
Financial Assets :			
Trade Receivables	2,344.00	2,344.00	2,344.00
Cash and bank balances	229.50	229.50	229.50
Other financial assets	317.51	317.51	317.51
Total	2,891.01	2,891.01	2,891.01
Short Term borrowings	1,864.17	1,864.17	1,864.17
Trade payable	3,525.74	3,525.74	3,525.74
Other financial liabilities	1,463.87	1,463.87	1,463.87
Total	6,853.78	6,853.78	6,853.78

The entity has access to financial facilities of which **Rs. 2,924.02 lakhs** were unused at the end of the reporting period (As at March 31, 2017: Rs. 1,234.27 lakhs). The entity expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. Details of financial facilities is tabled below :

Financing facilities :

	As at March 31, 2018	As at March 31, 2017
Secured working capital demand loan facility,		
- Amount used	**75.98**	1,765.73
- Amount unused	**2,924.02**	1,234.27
	3000.00	3000.00

Notes forming part of the Financial Statements

32. Related Party Disclosure :

(a) List of Related Parties and Relationships :

A.

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

B. Key Management Personnel

Mr. Neeraj Kant	Managing Director

Notes forming part of the Financial Statements

(b) Related Party Transactions during the period

Sl. No.	Transaction	Holding Company	Fellow Subsidiary	Associates	Joint Venture
1	**Purchase of Goods:**				
(i)	Tata Steel Limited	**1,039.49**	-	-	-
		1,259.08	-	-	-
(ii)	Tayo Rolls Limited	-	-	-	-
		-	49.07	-	-
(iii)	TRL Krosaki Refractories Limited	-	-	**93.96**	-
		-	-	58.05	-
(iv)	Tata BlueScope Steel Limited	-	-	-	**16.85**
			-	-	-
2	**Sale of Goods:**				
(i)	Tata Steel Limited	**877.79**	-	-	-
		586.06	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**0.91**	-	-
		-	1.69	-	-
(iii)	Tata Pigments Limited	-	-	-	-
		-	1.31	-	-
(iv)	Tata Sponge Iron Ltd	-	**3.81**	-	-
		-	5.49	-	-
(v)	TRF Limited	-	-	**64.32**	-
		-	-	103.72	-
(vi)	Jamshedpur continuous annealing processing company	-	-	-	-
		-	-	-	0.60
(vii)	Mjunction Services Limited	-	-	-	**5.89**
		-	-	-	50.65
(viii)	Tata Metaliks Limited	-	**2.61**	-	-
		-	-	-	-
3	**Lease rent for flats at Alipore**				
(i)	Tata Steel Limited	**53.32**	-	-	-
		53.32	-	-	-
4	**Rendering of services:**				
(i)	Tata Steel Limited	**18,022.07**	-	-	-
		13,968.62	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**0.56**	-	-
		-	0.39	-	-
(iii)	Tata Pigments Limited	-	**0.53**	-	-
		-	0.11	-	-
5	**Receiving of services:**				
(i)	Tata Steel Limited	**4,390.87**	-	-	-
		3,886.14	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**164.45**	-	-
		-	107.47	-	-
(iii)	Tata Pigments Limited	-	-	-	-
		-	1.25	-	-
(iv)	TM International Logistics Limited	-	-	-	**37.51**
		-	-	-	30.50
(v)	Mjunction Services Limited	-	-	-	**25.50**
		-	-	-	19.45
(vi)	TKM Global Logistics Limited	-	-	-	**3.68**
					-
6	**Outstanding receivables as on 31.03.2018:**				
(i)	Tata Steel Limited	**974.98**	-	-	-
		1,410.00	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**0.73**	-	-
		-	0.48	-	-
(iii)	Tayo Rolls Limited	-	-	-	-
		-	0.60	-	-

Notes forming part of the Financial Statements

Sl. No.	Transaction	Holding Company	Fellow Subsidiary	Associates	Joint Venture
(iv)	Tata Pigments Limited	-	**0.36**	-	-
		-	0.71	-	-
(v)	Tata Sponge Iron Ltd	-	**1.52**	-	-
		-	1.06	-	-
(vi)	TRF Limited	-	-	**38.21**	-
		-	-	46.90	-
(vii)	Mjunction Services Limited	-	-	-	-
					10.13
(viii)	Tata Metaliks Limited		**0.58**		-
		-	-	-	-
7	**Advance paid**				
(i)	Tata Steel Limited	**54.14**	-	-	-
		60.17	-	-	-
(ii)	Tayo Rolls Limited	-	**24.35**	-	-
		-	24.85	-	-
(iii)	Tata Metaliks Limited	-	**0.17**	-	-
		-	0.17	-	-
(iv)	TRL Krosaki Refractories Limited	-	-	**0.40**	-
		-	-	7.90	-
(v)	TKM Global Logistics Limited	-	-	-	**3.76**
		-	-	-	-
(vi)	Tata BlueScope Steel Limited	-	-	-	**1.82**
		-	-	-	0.09
(vii)	TM International Logistics Limited	-	-	-	**-**
		-	-	-	0.09
8	**Payables outstanding as on 31.03.2018:**				
a.	**Materials & Services**				
(i)	Tata Steel Limited	**694.10**	-	-	-
		506.92	-	-	-
(ii)	Jamshedpur Utilities and Services Company Limited	-	**32.12**	-	-
		-	17.83	-	-
(iii)	TRL Krosaki Refractories Limited	-	-	**7.21**	-
		-	-	-	-
(iv)	Mjunction Services Limited	-	-	-	**1.81**
		-	-	-	0.14
(v)	TM International Logistics Limited	-	-	-	**0.20**
		-	-	-	-
(vi)	TKM Global Logistics Limited	-	-	-	**0.09**
		-	-	-	-
b.	**Against Finance**				
c.	**Against lease (flat)**				
(i)	Tata Steel Limited	**1,400.00**	-	-	-
		1,400.00	-	-	-

Note : Figures not in bold pertains to the previous year

(i) During the year, the Company paid an amount of **Rs 152.38 lakhs** (March 31, 2017 : Rs. 134.19 lakhs) as remuneration to key managerial personnel.

The details of such remuneration is as below:

		As at March 31, 2018	As at March 31, 2017
(a)	Short term employee benefits	**95.77**	82.60
(b)	Post employment benefits	**26.32**	24.06
(c)	Other long term employee benefits	**30.29**	27.53
		152.38	134.19

Notes forming part of the Financial Statements

33.1 - Contingent liabilities and commitments

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

(i) As per clause 6.12 (xiii) of Board for Industrial and Financial Reconstruction order dated November 21, 2003 for all liabilities not disclosed in the audited balance sheet for the year ended March 31, 2002 including notes on accounts as then, would be the personal responsibility of the erstwhile promoters to discharge. In view of the above, the following liabilities which were not disclosed in the said balance sheet including the notes to accounts, have not been provided for or recognized in the accounts for financial years 2003-04 to 2017-18.

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Show Cause Notices/Demand raised by Central Excise Authorities (Under Appeal) (a)	**29.62**	29.62
Employee State Insurance demand (Under Appeal)	**149.07**	149.07
Leave liability for ex employees	**32.93**	32.93
Labour court cases	**1.44**	1.44
Railways dues	**4.19**	4.19
Power dues	**620.97**	620.97
Liability for loan for Learjet Aircraft purchase	**148.78**	148.78
Wealth Tax	**390.35**	390.35

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

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

Rs. in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Sales tax matters in dispute relating to issues of applicability and classification.	**1,456.45**	978.75
Excise duty matters in dispute relating to issues of applicability and classification.	**134.20**	134.20
Employee State Insurance demand (Under Appeal)	**173.06**	173.06

33.1(b) Commitments

Estimated amounts of contracts to be executed on capital account and not provided for as on March 31, 2018: **Rs. 334.55 lakhs** (March 31, 2017: Rs. 214.75 lakhs).

33.2 Claims lodged with the erstwhile management/promoters for recovery

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

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

Notes forming part of the Financial Statements

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

34. Assets and liabilities held for sale

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

In view of the above fact, it was decied to discontinue the Fasteners business.

Rs. in Lakhs

	As at March 31, 2018	As at March 31, 2017
(I) ASSETS		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets	**5.84**	-
	5.84	-
(2) Current assets		
(a) Inventories	**507.74**	915.31
(b) Financial assets		
(i) Trade receivables	**124.62**	278.33
(c) Other non-financial assets	**16.16**	72.04
	648.52	1,265.68
TOTAL ASSETS	**654.36**	1,265.68
(II) EQUITY AND LIABILITIES		
(1) Equity	-	-
(2) Non-current liabilities	-	-
	-	-
(3) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	**10.92**	38.52
	10.92	38.52
TOTAL EQUITY AND LIABILITIES	**10.92**	38.52

The net cash flows attributable to the Fasteners Division are as follows :

	As at March 31, 2018	As at March 31, 2017
Cash generated from Operating activities	**391.48**	(472.33)
Cash generated from Investing activities	**166.39**	-
Cash generated from Financing activities	**(11.43)**	(22.80)
Net cash inflows/(outflows)	**546.43**	(495.13)

Notes forming part of the Financial Statements

35 Long Term liabilities include deposits of Rs. 1400 lakhs received from Tata Steel (Previous year Rs. 1400 lakhs) towards security deposit against Alipore flats given on lease for 3 years renewable as per the terms.

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

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

Rs. in lakhs

		As at March 31, 2018	As at March 31, 2017
a).	Principal amount remaining unpaid to the suppliers as at the end of the accounting year	**37.64**	7.33
b).	Interest due thereon remaining unpaid to suppliers as at the end of the accounting year	**0.28**	0.24
c).	Interest paid in terms of Section 16 along with the amount of payments made to suppliers beyond the appointment day during the year	**–**	–
d).	Interest due and payable for the period of delays in making payment (which have been paid beyond the appointment date during the year but without adding interest specified under the act)	**3.69**	5.02
e).	The amount of interest accured during the year for the year remaining unpaid at the end of the accounting year.	**3.97**	5.26

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

36.02 'Disclosure in terms of G.S.R.307(E) read with G.S.R.308(E) dated 30th March, 2017 issued by the Ministry of Corporate Affairs, Government of India.

The details of the specified bank notes (SBNs) held and transacted during the period from 8 November, 2016 to 30 December, 2016 are as follows :

	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	0.70	0.07	0.76
Add : Permitted receipts	-	3.58	3.58
Less : Permitted payments	-	(2.88)	(2.88)
Less : Amount deposited in Banks	(0.70)	-	(0.70)
Closing cash in hand as on 30th December, 2016	**-**	**0.77**	**0.77**

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

Notes forming part of the Financial Statements

36.04 Details of CSR expenditure :

		As at March 31, 2018	As at March 31, 2017	
a)	Gross amount required to be spent by the company during the year	**21.45**	28.76	

Rs. in lakhs

		In Cash	**Yet to be paid in Cash**	**Total**
b)	Amount spent during the year ending on			
	31st March, 2018 -			
i)	Construction/acquisition of any asset	**-**	-	-
ii)	On purposes other than (i) above	**21.09**	**1.29**	**22.38**
	31st March, 2017 -			
i)	Construction/acquisition of any asset	**-**	-	-
ii)	On purposes other than (i) above	24.23	5.91	30.14

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

In terms of our report of even date

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

Rupen Shah
Partner
Membership Number: 116240

Kolkata, April 17, 2018

For and on behalf of the Board of Directors

Sunil Bhaskaran
Chairman
DIN-03512528

Neeraj Kant
Managing Director
DIN-06598469

U. Mishra
Chief Financial Officer

Rabi Narayan Kar
Company Secretary

Jamshedpur, April 17, 2018

NOTES

The Indian Steel & Wire Products Limited

Regd. Office : Flat - 7D & E, 7th Floor, Everest House, 46C Chowringhee Road, Kolkata - 700 071

Attendance Slip

I hereby record my presence at the EIGHTIETH ANNUAL GENERAL MEETING of the Company at ROTARY SADAN, 94/2, CHOWRINGHEE ROAD, KOLKATA-700 020, at 11 A.M. on Wednesday, the 9th August, 2017.

Member's Folio No. ....

Name of the attending Member (in block letters) ....

Name of Proxy (In block letters, to be filled in if the
proxy attends instead of the member) ....

No. of shares held ....

Signature of the attending member/proxy ....

NOTES :

1. If you intend to appoint a proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office, at least 48 hours before the meeting.
2. Share/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly filled up and signed.

The Indian Steel & Wire Products Limited

Regd. Office : Flat - 7D & E, 7th Floor, Everest House, 46C Chowringhee Road, Kolkata- 700 071

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Managmeent and Administration) Rules, 2014]

CIN : U27106WB1935PLC008447

Name of the company : The Indian Steel & Wire Products Limited

Registered Office : Flat - 7D & E, 7th Floor, Everest House, 46C Chowringhee Road, Kolkata - 700 071

Name of the member (s) :
Registered Address :
E-mail Id :
Folio No. :

I/We, being the member (s) of.................. shares of the above named company, hereby appoint

1. Name :..
   Address :
   E-mail Id :
   Signature :.., or failing him

2. Name :..
   Address :
   E-mail Id :
   Signature :..

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 80th Annual General Meeting of the company, to be held on the 9th day of August 2017 at 11 a.m. at the Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020 and at any adjournment thereof.

Signed on this......................day of................2017

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder (s)

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Health Check-up Camp at KGBV, Potka


Archery Training at KGBV, Potka


Blood Donation Camp at ISWP Hospital, Jamshedpur


Nutritional Gardening at KGBV, Potka

Registered Office: Flat 7 D & E, 7th Floor, Everest House, 46 C Chowringhee Road, Kolkata-700071, West Bengal, India
Corporate & Works Office : Indranagar, Jamshedpur - 831008, Jharkhand, India
Phone : +91 657 6690524, Website: www.iswp.co.in, Email: info@iswp.co.in
Corporate Identification Number : U27106WB1935PLC008447

SCPL 44498