



**The Indian Steel & Wire Products Limited**

**77th  
Annual Report  
2013-2014**

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Board of Directors

(As on 30th April, 2014)

Mr. Sunil Bhaskaran	Chairman
Mr. P. K. Jha	
Mr. Suresh Kumar	
Mr. D. Kumar	
Ms. Meena Lall	
Mr. Sudev C. Das	
Mr. V. K. Mahajan	(PNB Nominee)
Mr. Neeraj Kant	Managing Director

### Board Committees

#### Audit Committee

Mr. P. K. Jha	Chairman
Mr. Suresh Kumar	Member
Mr. D. Kumar	Member

#### Nomination & Remuneration Committee

Mr. Suresh Kumar	Chairman
Mr. Sunil Bhaskaran	Member
Mr. P. K. Jha	Member

#### Corporate Social Responsibility Committee

Mr. Sunil Bhaskaran	Chairman
Mr. Sudev C. Das	Member
Mr. Neeraj Kant	Member

### Company Secretary

Mr. Rabi Narayan Kar

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### THE INDIAN STEEL & WIRE PRODUCTS LIMITED

#### Management Team

(As on 30<sup>th</sup> April, 2014)

Mr. Neeraj Kant	Managing Director
Mr. J. K. Singh	Sr. General Manager (Rod Mill & Commercial)
Mr. T. Deepak	General Manager (Finance & Accounts)
Mr. Indrajit Nandi	General Manager (Projects & Shared Services)
Mr. Vijayant Kumar	General Manager (Wire Mill & QA)
Mr. Chandan Banerjee	General Manager (JEMCO)
Mr. Amit Sahay	General Manager (HR/IR & ADMN.)
Mr. Rabi Narayan Kar	Company Secretary

#### AUDITORS

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

Chartered Accountants

##### M/S U SHARMA & ASSOCIATES

Cost Accountants

#### BANKER

##### PUNJAB NATIONAL BANK

BISTUPUR, JAMSHEDPUR-831 001

#### REGISTERED OFFICE :

7, RED CROSS PLACE, KOLKATA - 700 001

Telephone : 033-22133081

#### WORKS :

P.O. : INDRANAGAR, JAMSHEDPUR-831 008

P.O. : JEMCO, JAMSHEDPUR-831 004

#### Registrar & Transfer Agent

M/S TSR Darashaw Pvt. Ltd.

6-10 Haji Moosa Patrawala Industrial House

20, Dr. E. Moses Road

Near Famous Studio

Mahalaxmi, Mumbai - 400 001

Tel No. : (022) 66568484

Fax No. : (022) 66568494

E-mail : csg-unit@tsrdarashaw.com

Website : www.tsrdarashaw.com

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

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

**NOTICE IS HEREBY GIVEN** that the **SEVENTY SEVENTH** Annual General Meeting of the members of **THE INDIAN STEEL & WIRE PRODUCTS LIMITED** will be held at the Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700020 on Friday, the 8th August 2014 at 10.00 A.M to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Statement of Profit & Loss Account for the year ended 31st March 2014 and the Balance Sheet as at that date together with the Report of the Board of Directors and the Auditor's Report thereon.
2. To appoint a Director in place of Mr. D. Kumar (holding DIN- 00303758), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mrs. Meena Lall (holding DIN - 05133322), who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

#### **SPECIAL BUSINESS:**

**To consider and, if thought fit, to pass with or without modification(s), the following Resolutions :**

##### **5. As an Ordinary Resolution :**

"RESOLVED THAT pursuant to Section 152,160 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Sudev C. Das, DIN-01072628, who was appointed as an Additional Director of the Company with effect from 30th April 2014 and who, under Section 161 of the Companies Act, 2013, holds office only upto the date of this Annual General Meeting, in respect of whom the Company has received Notice in writing from a member along with the requisite deposit pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mr. Sudev C. Das for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT Mr. Sudev C. Das, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 8th August, 2014 to 7th August 2019."

##### **6. As an Ordinary Resolution :**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other relevant provision, if any, of the Companies Act 2013 ("Act") and the rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. P. K. Jha, DIN-00015139 , a non-executive director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 8th August 2014 to 7th August 2018."

##### **7. As an 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 for each year, for a period of five years, commencing from 1st April 2013."

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

- NOTE :**
- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be lodged with the Company at its Registered Office at least 48 hours before the commencement of the meeting.
  - 2) The Explanatory Statement concerning the items of Special Business as required under Section 102 of the Companies Act, 2013 is annexed hereto.
  - 3) Members are requested to bring the attendance slips along with copies of the Annual Report to the Meeting.
  - 4) Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
  - 5) The Register of Members and the Transfer Register of the Company will be closed from 30th July 2014 to 8th August, 2014, both days inclusive.

Registered Office :  
7 Red Cross Place,  
Kolkata-700 001  
2nd July, 2014

By Order of the Board

Rabi Narayan Kar  
Company Secretary

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

### **ANNEXURE TO NOTICE**

As required by the provisions of Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statement set out all material facts relating to the business mentioned under item nos. 5, 6 & 7 of the accompanying notice dated 2nd July, 2014.

#### **ITEM NO. 5**

Mr. Sudev C. Das was appointed as an Additional Director of the Company with effect from 30th April 2014 by the Board of Directors at their meeting held on 30th April 2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Sudev C. Das holds office only upto the date of this Annual General Meeting. The Company has received a Notice pursuant to Section 160 of the Companies Act, 2013 alongwith the requisite deposit from a Member proposing the candidature of Mr. Sudev C. Das for appointment as an Independent Non-Executive Director.

Mr. Sudev C. Das is a Post Graduate in Economics with rich and varied experience in the areas of Securities Market and Banking. Mr. Das possesses more than 40 years experience in Banking and Finance (including corporate and international finance) and financial/securities markets. He has also rendered his services for a span of three years at the Securities and Exchange Board of India as an Executive Director.

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

In the opinion of the Board, Mr. Das fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. The Board considers it desirable that the company should benefit from the vast experience of Mr. Sudev C. Das and recommends his appointment for approval.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Das as Independent Director is being placed before the members in General Meeting for their approval.

Save and except Mr. Sudev C. Das, none of the Directors is deemed to be interested or concerned with the said appointment/resolution under Item No.5 of the Notice.

#### **ITEM NO. 6**

Mr. P.K. Jha, a Chartered Accountant by profession, was appointed on the Board of your Company on 20th December 2003, as an additional director and his appointment as a Non-Executive Director was approved by the Shareholders at their 66th Annual General Meeting held on 27th March, 2004. Mr. Jha is having a vast professional experience in Finance & Accounts.

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

In the opinion of the Board, Mr. Jha fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Jha as Independent Director is being placed before the members in General Meeting for their approval.

Save and except Mr. P. K. Jha, none of the Directors is deemed to be interested or concerned with the said appointment/resolution under Item No.6 of the Notice.

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

### **ITEM NO.7**

Presently, the Company pays sitting fees of Rs. 10,000/- (Rupees Ten Thousand only) to its Non-Executive Directors for every meeting attended of the Board of Directors and Committees thereof.

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.

The Board, at its meeting held on 30th April, 2014, 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, for a period of five financial years commencing from 1st April, 2013, which shall be divisible among the Directors in such proportion as recommended by the Nomination and Remuneration Committee and approved by the Board.

All the directors of the Company, except Mr. Neeraj Kant, Managing Director, are concerned / interested in this resolution under Item No.7 of the Notice.

Registered Office :  
7 Red Cross Place,  
Kolkata-700 001  
2nd July, 2014

By Order of the Board

Rabi Narayan Kar  
Company Secretary



## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### **CHAIRMAN'S STATEMENT**

Dear Shareholders,

It gives me great pleasure in presenting to you the performance of your company for the Year 2013-14.

I am happy to inform you that your Company has been declared as a positive net-worth company and has been discharged from the purview of The Sick Industrial Companies (Special Provisions) Act, 1985, by BIFR vide its order dated 29th October 2013.

In 2013-14, your Company achieved its highest ever turnover of Rs 232.58 crore, an increase of 15.35% over the turnover of Rs. 201.63 crores achieved during 2012-2013. However, profit before tax (PBT) was lower by 24.24%.

Your Company has embarked upon the business of MIG Wires, which provided a boost to the turnover of the company during the year under review. However, profits were low on account of pressure on sales margins. Also, poor market conditions, especially in the area of Roll Castings and Electrodes resulted in lower profit before tax.

Several improvement initiatives have been taken to achieve operational excellence. Efforts are onto to revitalize the Company's businesses. Over time, we wish to establish our competitive edge and garner a larger share in the market. We will strengthen our direct business portfolio of rolls and electrodes that are sold under the brand name SPARK. We are developing our business partners and channel network to best-in-class service to our customers.

On behalf of the Board, I would like to take this opportunity to acknowledge the valuable contributions made by Mr. A. M. Misra as Chairman and Mr. N. P. Sinha as Director during their long tenure on the Board of the Company. I would like to extend a warm welcome to Mr. Sudev C. Das as a non-executive director on the Board with effect from 30th April, 2014, subject to your approval, Mr. Das will be appointed an Independent Director of the Company.

I wish to compliment the Company Management and all the employees of the Company for their contribution to the improved performance in FY 14. I sincerely thank the Union for maintaining industrial harmony and look forward to their continued support in future. I would also like to acknowledge the trust reposed on the management by our shareholders and other stakeholders.

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

Jamshedpur  
30<sup>th</sup> April, 2014

**(Sunil Bhaskaran)**  
Chairman

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### DIRECTORS' REPORT

#### TO THE MEMBERS

The Directors are pleased to present their report on the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March 2014.

#### FINANCIAL RESULTS

	2013-14 (Rs. in lakhs)	2012-13 (Rs. in lakhs)
Net Sales / Income	<b>23,257.50</b>	<b>20,163.50</b>
Total Expenditure	<b><u>20,834.88</u></b>	<b><u>17,109.92</u></b>
Profit before Depreciation Interest, Exceptional items and Taxes	<b>2,422.62</b>	<b>3,053.73</b>
Less : Depreciation	<b><u>492.52</u></b>	<b><u>511.21</u></b>
Profit before Interest, Exceptional items and Taxes	<b>1,930.10</b>	<b>2,542.52</b>
Less : Interest	<b><u>24.23</u></b>	<b><u>26.45</u></b>
Profit Before Exceptional items and Taxes	<b>1,905.87</b>	<b>2,516.07</b>
Less : Exceptional items	<b><u>-</u></b>	<b><u>-</u></b>
Profit / (Loss) Before Tax	<b>1,905.87</b>	<b>2,516.07</b>
Less : Taxes	<b>653.80</b>	<b>850.65</b>
Add : Deferred Tax Assets	<b>(5.99)</b>	<b>(32.41)</b>
Profit / Loss After Tax	<b><u><u>1,258.06</u></u></b>	<b><u><u>1,697.83</u></u></b>

#### **BUSINESS PERFORMANCE & PROSPECTS**

The Company under the present management has completed its tenth full year of operation. During the year under review, Wire Rod production was at 2,26,893 MT compared to 2,08,469 MT in the previous year. The production of Wire was lower at 47,988 MT as against 48,769 MT in the previous year. Production of Rolls & Castings at JEMCO Division of the Company was at 2,985 MT compared to 3,069 MT in the previous year.

The Direct Business of Welding Electrodes and MIG Wires, having synergy with wire manufacturing, taken up in the year 2009-10 year has recorded a despatch of 3,008 MT compared to 3,585 MT in the previous year.

During the year under review, the gross turnover including other income of the Company was at Rs.23,257.50 Lakhs compared to Rs. 20,163.50 Lakhs in the previous year, which is highest ever. The profit for the year before exceptional items and taxes was at Rs. 1,905.87Lakhs compared to a profit of Rs 2,516.07 Lakhs in the previous year. The net profit for the year was Rs.1,258.06 Lakhs compared to a profit of Rs 1,697.83 Lakhs in the previous year.

The performance during the year under review in terms of profitability as against last year is lower mainly due to poor market conditions particularly in the area of Roll Castings and Welding Electrodes.

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

### **DIVIDEND**

The Directors have decided not to recommend any dividend for the financial year ended 31st March 2014.

### **DE-REGISTRATION OF THE COMPANY FROM BIFR**

The Members are requested to note that pursuant to the order dated 29th October 2013 of Hon'ble Board for Industrial & Financial Reconstruction (BIFR), the Company was discharged from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 and was declared as a Positive Networth Company.

### **CORPORATE GOVERNANCE**

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

### **COMMUNITY INITIATIVES**

Being a part of Tata Group, the Company continues to be actively involved in the welfare and development of the Communities in and around the plant premises. Social organizations and various academic institutions including those associated with education, sports, community development, skill development, etc. are supported by the Company by way of several initiatives taken up by them during the year. At the year's onset, an initiative named "UDAAN" was taken up to secure the overall well - being of the women employees.

### **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 data on Affirmative Action lays emphasis on 4Es i.e. Employment, Employability, Entrepreneurship and Education which is being monitored on quarterly basis to ensure its implementation in the right spirit.

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

The Company continued to accentuate its efforts in the area of Safety and Health of its employees, which have gone a long way in maintaining congenial atmosphere of work inside the plant. Safety Campaigns were observed with the intent to keep the employees and contract labour consistently aware and conscious of Safety processes and regulations.

During the year under review, your Company also observed the National Safety Day in which safety quiz, safety slogans, safety talk, sit and draw competition, etc. were organized in which employees participated. The Safety excellence journey launched in your Company and safety rules and procedures have yielded positive results by way of reduced "LOST TIME INJURY FREQUENCY (LTIFR)" as well as reduced first aid cases.

On the occasion of World Environment Day, plantation was done in and around factory premises and residential colony. Compliance to EHS legislations has been achieved through implementation of the Environmental, Occupational Health and Safety Policy of the company which ensures continual improvement at safety front.

### **AWARDS**

The Company has undergone Tata Business Excellence Model (TBEM) Assessment in which it succeeded to fetch an appreciable score of 480 as against 476 in the previous year and has bagged Serious Adoption Award.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Remuneration Committee of the Board was reconstituted and renamed as Nomination and Remuneration Committee complying with the requirements of the provisions of the Companies Act, 2013 and the rules framed thereunder.

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

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Board, at its meeting on 30th April, 2014, constituted a Corporate Social Responsibility Committee comprising of three non-executive directors. The terms of reference and scope of work are same as prescribed under Section 135 read with Schedule VII of the Companies Act, 2013 and the rules framed thereunder.

### **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.**

a) **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure A' to this report.

b) **PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended regarding employees is given in Annexure "B".

### **PERSONNEL**

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.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the company, Mr. D. Kumar and Mrs. Meena Lall will retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

During the year under review, Mr. N. P. Sinha, Mr. A. M. Misra and Mr. Sudev C. Das have stepped down as Directors of the Company with effect from 20th January 2014, 18th January 2014 and 29th October 2013 respectively. Mr. N. P. Sinha ceased to be the Director of the Company on and from 20th January 2014 on attaining the age of retirement. By the order dated 29th October 2013 of BIFR, Mr. Sudev C. Das, who was Special Director on the Board, stood discharged from the directorship forthwith. The Board would like to place on record their sincere appreciation for the contributions made by Mr. N. P. Sinha, Mr. A. M. Misra and Mr. Sudev C. Das, during their tenure with the Board.

Mr. Sudev C. Das, who was appointed Additional Director w.e.f. 30th April, 2014, and who holds office up to the date of the forthcoming Annual General Meeting of the company, has been proposed in writing by a shareholder for the office of Independent Non-Executive Director.

In accordance with the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, it is proposed to appoint Mr. Sudev C. Das and Mr. P.K.Jha, who are currently non-executive directors of the Company and who meet the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, as independent directors for a period of 5 years and 4 years respectively from the date of the ensuing Annual General Meeting.

### **AUDIT REPORT**

The Statutory Auditors Report on Annual Accounts for the financial year 2013-14 contain one qualification which warrants comments from the Board of Directors. The Audit Report was qualified on the ground that an advance of Rs.650 Lakhs received from the Developer against building development project at the Company's land premises at Alipore Road, Kolkata has not been adjusted, even though the Company has come out of BIFR with effect from 29th October, 2013. Further, the recording of the assets in the books of accounts would also need to be examined and modified, if required. In this connection, we have requested a legal opinion so as to determine the implications of alternative accounting treatment for recognizing the assets in the books as well as the advance received from the developer and to gauge its impact on the tax liability for the Company. On obtaining the legal opinion, we will initiate necessary actions towards the accounting treatment during the year 2014-15.

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

### **AUDITORS**

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors based on the representations received from the Operating Management, confirms:

- I. that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- II. that the Board had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- III. that the Board had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and
- IV. that they have prepared the annual accounts on a going concern basis.

### **ACKNOWLEDGEMENT**

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

On behalf of the Board of Directors

Jamshedpur  
30th April 2014

Sunil Bhaskaran  
(Chairman)

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### ANNEXURE 'A' TO THE DIRECTOR'S REPORT

Particulars of Conservation of Energy, Technology Absorption and foreign exchange earnings and outgo in terms of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 forming part of the Director's Report for the year ended 31st March 2014.

#### CONSERVATION OF ENERGY

- a) Measures Taken :
- (i) Implementation of various suggestions, in a phased manner, of the Energy Audit Report submitted by an Independent body.
  - (ii) Necessary steps are being taken in consultation with Group Companies to reduce energy consumption by synchronizing activities in the shop floor.
- b) Additional investments proposals, if any, being implemented with a view to reduce energy consumption.

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

#### TECHNOLOGY ABSORPTION

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

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	2013-14 (Rs in Lakhs)	2012-13 (Rs in Lakhs)
EARNINGS	577.71	207.88
OUTGO	77.891	87.09

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**FORM A**

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

	<b>2013-14</b>	<b>2012-13</b>
<b>POWER &amp; FUEL CONSUMPTION</b>		
<b>ELECTRICITY PURCHASED</b>		
Units (KWH)	58,528,402	53,832,430
Total Cost (Rs/Lacs)	2,308.21	2030.91
Rate/Unit (Rs/Kwh)	3.94	3.69
<b>OWN GENERATION</b>		
Units (KWH)	-	-
Total Cost (Rs/Lacs)	-	-
Rate/Unit (Rs)	-	-
<b>COAL&amp;COKE</b>		
Quantity (MT)	6.80	0.50
Total Cost (Rs/Lacs)	0.89	0.06
Average Rate Rs/Mt	13,088	12,000
<b>FURNACE OIL/LSHS</b>		
Quantity (KL)	8,762	7,909
Total Cost (Rs/Lacs)	3,732.07	3212.29
Average Rate (Rs/KL)	42,592	40,616
<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Wire Rod</b>		
Production in MT	2,26,893	2,08,469
Electricity (Kwh Per Mt)	156.77	151.37
Furnace Oil (Litre Per Mt)	38	37
Coal (Kg. Per Mt)	N.A.	N.A.
<b>Wire</b>		
Production in MT	47,988	48,769
Electricity (Kwh Per Mt)	184.80	178.19
Furnace Oil (Litre Per Mt)	N.A.	N.A.
Coal (Kg .Per Mt)	N.A.	N.A.
<b>Cast Iron &amp; Steel based Rolls</b>		
Production in MT	2,735	2,971
Electricity (Kwh Per Mt)	3,224	2,749
Furnace Oil (Litre Per Mt)	79	97
Coal & Coke (Kg. Per Mt)	Nil	Nil
<b>C.I Castings and Steel Castings</b>		
Production in MT	250	98
Electricity (Kwh Per Mt)	2,737	2, 316
Furnace Oil (Litre per Mt)	79	Nil
Coal & Coke (Kg.Per Mt)	Nil	Nil

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### FORM B

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

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

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

- 1) Efforts:  
Company has achieved ISO-9001:2000 Certification from Indian Register Quality Systems (IRQS). Our Executives participated in National Conferences and visited various production centres for establishing contacts with potential customers.
- 2) Benefits derived as a result of the above effects:  
Better acceptance of the Company's Products in the competitive market through effective reduction of cost in manufacturing process and improvement in quality of products.
- 3) Technology imported in the last five years:  
There was no technology import in the last five years.  
Training on New technology on Wire drawing and galvanizing was given by Tata Steel Wire Division to our employees, which has now been absorbed by them.



**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Annexure 'B' to Directors' Report**

**Statement pursuant to section 217 (2A) of the Companies Act, 1956 and  
the Companies (Particulars of Employees) Rules, 1975**

Sl. No.	Name	Age (Years)	Designation/ Nature of duties	Gross Remuneration Rs.	Qualification	Total Experience (Years)	Date of commencement of employment	Last employment held Designation - period for which post held
1.	Mr. Neeraj Kant	51	Managing Director	72,52,125	B. Tech (Chemical Engg.) from IIT Kanpur MBA from University of Edinburgh, UK	22	1st April, 2013	Chief Sales Manager Northern Region Tata Steel Ltd. 12 years

Notes : (1) Gross remuneration comprises salary, allowances, monetary value of perquisites, bonus and the Company's contribution to Provident Fund and Superannuation Fund but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.

(2) The nature of employment of the above managerial personnel is contractual.

On behalf of the Board of Directors

Sunil Bhaskaran  
(Chairman)

Jamshedpur  
30th April, 2014

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF THE INDIAN STEEL AND WIRE PRODUCTS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of THE INDIAN STEEL & WIRE PRODUCTS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

#### Basis for Qualified Opinion

As stated in Note 21, an advance of Rs. 650 Lakhs received against building development project from the developers has not been recognized in the books as income, although the matter concerning the said project has been duly settled, with the title deeds of the property transferred to the Company. Even though the company has come out of BIFR as per its order dated 29th October 2013, said advance has not been recognized as income. Had the management recognized the above mentioned advance as income, income for the period would have increased by Rs. 650 lakhs. Accordingly, income tax, net profit and shareholder's fund would have increased by Rs.221 lakhs, Rs.429 lakhs and Rs. 429 lakhs respectively.

We draw attention to Note 21 to the financial statements which, describes the uncertainty related to recording of property transferred by developers to the company as a consideration for transfer of old property. This new property has not been recorded in the books of accounts as the management is not certain whether it needs to recognize the

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

said property and contends to obtain legal opinion in this matter and the related tax implications, if any. Since, the valuation of the assets to be recognised is not yet available; we are not able to quantify its impact on income, income tax and net profit for the period and shareholder's fund as at 31st March 2014.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit/loss of the Company for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For Deloitte Haskins & Sells LLP**

*Chartered Accountants*

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

**Abhijit Bandyopadhyay**

(Partner)

(Membership No. 054785)

Kolkata, 30<sup>th</sup> April, 2014

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/ activities/ result, clauses (xi), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of CARO are not applicable.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956. In terms of the BIFR order, fixed deposits amounting to Rs. 76.24 Lakhs, which were due, have been rescheduled for payment in four equal installments commencing from financial year 2006-07. Accordingly, demand drafts aggregating Rs. 75.66 lakhs were sent by the

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

Company on January 15, 2010 towards annual installments for 2006-07, 2007-08, 2008-09 and 2009-10 but demand drafts totaling Rs. 75.47 Lakhs were returned unacknowledged. Subsequently, these were deposited in an escrow account with the Punjab National Bank. (See footnote to Note 4 of the financial statements)

- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below :

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Sales Tax Act	Sales Tax	Appellate Tribunal	2004-05	30.73
		Commissioner	1989-90, 2008-09 2009-10	426.05
		JCCT	1996-97, 2006-07 to 2008-09	36.47
		Deputy Commissioner	1990-91 to 2003-2004 2006-07 to 2008-09	313.43
		Asst. Commissioner	1996-97 to 2000-01 2003-04 to 2010-11	117.42
		<b>Total (Net of Advance Rs. 472.07)</b>		<b>452.03</b>
Excise Duty	Central Excise	Commissioner Excise	1994-95	2.89
		Commissioner Excise	1995-96	13.92
		Commissioner Excise	1996-97	0.57
		Commissioner Excise	1997-98	12.00
		Commissioner Excise	1998-99	0.24
		Commissioner Excise	2004-05	67.10
		CESTAT, Kolkata	2004-05	69.74
		<b>Total</b>		<b>166.46</b>
Wealth Tax	Wealth Tax	ACIT	1993-94 to 1997-98	390.35

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

- (xi) The Company does not have accumulated losses as at 31st March, 2014 and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us and on the basis of representations made by the management with regard to utilisation of term loan under the rehabilitation scheme, term loan obtained have been utilised for the purposes for which it was obtained.
- (xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xiv) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Registration No. 302009E)

**Abhijit Bandyopadhyay**  
(Partner)  
(Membership No.: 054785)

Kolkata, 30<sup>th</sup> April, 2014

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## Balance Sheet as at 31<sup>st</sup> March, 2014

Amount in INR

	Note	March 31, 2014 Audited	March 31, 2013 Audited
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	02	5,99,18,960	5,99,18,960
(b) Reserves and surplus	03	94,48,77,069	82,75,37,505
		<u>1,00,47,96,029</u>	<u>88,74,56,465</u>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	04	77,97,000	77,97,000
(b) Other Non - Current liabilities	6(A)	22,96,00,737	22,96,00,737
(c) Long-term provisions	05	8,42,88,928	6,60,59,138
		<u>32,16,86,665</u>	<u>30,34,56,875</u>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	04	6,41,38,304	7,88,63,224
(b) Trade & Other payables	6(B)	30,65,03,831	38,53,89,903
(c) Other current liabilities	6(C)	6,62,74,510	5,31,17,471
(d) Short-term provisions	05	2,43,69,857	3,83,06,457
		<u>46,12,86,502</u>	<u>55,56,77,055</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,78,77,69,196</u></u>	<u><u>1,74,65,90,395</u></u>
<b>(II) ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	07	86,63,77,570	87,11,70,798
(ii) Intangible assets	07	10,67,944	15,70,951
(iii) Capital work-in-progress		1,79,37,563	2,48,18,716
		<u>88,53,83,077</u>	<u>89,75,60,465</u>
(b) Non-current investments	08	6	6
(c) Deferred tax assets (net)	28	2,49,83,445	2,43,84,351
(d) Long-term loans and advances	09	10,72,32,963	7,82,23,883
		<u>1,01,75,99,491</u>	<u>1,00,01,68,705</u>
<b>(2) Current assets</b>			
(a) Inventories	10	33,90,94,980	32,62,62,470
(b) Trade receivables	11	30,74,14,453	28,22,37,865
(c) Cash and cash equivalents	12	97,72,637	3,83,31,125
(d) Short-term loans and advances	09	11,38,87,635	9,95,90,230
		<u>77,01,69,705</u>	<u>74,64,21,690</u>
<b>TOTAL ASSETS</b>		<u><u>1,78,77,69,196</u></u>	<u><u>1,74,65,90,395</u></u>

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Chairman

Abhijit Bandyopadhyay  
Partner

Company Secretary

Managing Director

Jamshedpur, April 30<sup>th</sup> 2014

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2014**

Amount in INR

	Note	April-March 2014 Audited	April-March 2013 Audited	
I	Revenue from operations	13	2,32,37,89,000	2,00,26,24,180
II	Other Income	14	19,61,280	1,37,41,119
III	<b>Total Revenue (I + II)</b>		<b>2,32,57,50,280</b>	2,01,63,65,299
IV	<b>EXPENSES</b>			
(a)	Raw materials consumed	19.4	18,22,69,735	12,69,64,877
(b)	Purchases of finished, semi-finished and other products	19.6	5,51,89,390	18,55,63,891
(c)	Changes in stock of finished goods, work-in-progress and stock-in-trade	19.7	(17,93,485)	(4,13,67,105)
(d)	Employee benefit expense	15	35,32,92,419	30,79,87,316
(e)	Finance costs	16	24,23,181	26,45,029
(f)	Depreciation and amortisation expense		5,77,19,591	6,04,77,408
	Less: Transferred from Revaluation Reserve		84,66,688	93,56,318
	Net Depreciation and amortisation expense		4,92,52,903	5,11,21,090
(g)	Other expenses	17	1,49,45,29,480	1,13,18,43,268
	<b>Total Expenses (IV)</b>		<b>2,13,51,63,623</b>	1,76,47,58,366
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>19,05,86,657</b>	25,16,06,933
VI	Extraordinary items		-	-
VII	<b>Profit before tax (V - VI)</b>		<b>19,05,86,657</b>	25,16,06,933
VIII	Tax Expense			
(1)	Current tax		6,53,79,499	8,50,64,979
(2)	Deferred tax		(599,094)	(32,40,700)
	<b>Total tax expense</b>		<b>6,47,80,405</b>	8,18,24,279
IX	<b>Profit/(loss) after tax (VII - VIII)</b>		<b>12,58,06,252</b>	16,97,82,654
X	<b>Earnings per equity share:</b>			
(1)	Basic	27	21.00	28.34
(2)	Diluted	27	21.00	28.34
	<b>Amount available for appropriations</b>			
XI	<b>Profit/(loss) for the period (IX above)</b>		<b>12,58,06,252</b>	16,97,82,654
XII	Add: Profit and Loss account balance brought forward from last year / (period)		19,61,85,366	2,64,02,712
XIII	<b>Amount carried to Balance Sheet (XI + XII)</b>		<b>32,19,91,618</b>	19,61,85,366

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Chairman

Abhijit Bandyopadhyay  
Partner

Company Secretary

Managing Director

Jamshedpur, April 30<sup>th</sup> 2014

Directors



# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014

Amount in INR

	For the year ended 31st March, 2014 Audited	For the year ended 31st March, 2013 Audited
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit before taxes and extraordinary items</b>	<b>19,05,86,657</b>	25,16,06,933
Adjustments for:		
Depreciation and amortisation expense	4,92,52,903	5,11,21,090
(P)/L on sale of capital assets (net of discarded assets written off)	52,947	(2,05,589)
Provision for bad & doubtful debts	4,64,701	25,78,721
Interest Income	(20,14,227)	(40,25,610)
Interest charged to profit and loss account	24,23,181	26,45,029
Provision for Warranty Claims	53,53,391	50,09,434
Employee Separation Compensation (amortised, net of payments)	4,90,239	6,59,936
<b>Operating profit before working capital changes</b>	<b>24,66,09,792</b>	30,93,89,944
Adjustments for :		
Movements in trade and other receivables	(3,73,25,684)	(2,80,02,365)
Movements in inventories	(1,28,32,510)	(8,41,17,791)
Movements in trade and other payables	(6,58,88,655)	6,23,77,591
Cash generated from operations	13,05,62,943	25,96,47,379
Direct taxes paid	(9,66,36,023)	(11,26,53,611)
<b>Cash Flow before extraordinary item</b>	<b>3,39,26,920</b>	-
Extraordinary item	-	-
<b>Net cash from operating activities</b>	<b>3,39,26,920</b>	14,69,93,768
<b>B. Cash Flow from Investing activities:</b>		
Purchase of fixed assets	(4,55,48,090)	(6,35,07,665)
Sale of fixed assets	8,09,566	4,72,865
Interest received from external investments / agencies (Bank etc.)	20,14,227	40,25,610
<b>Net cash used in investing activities</b>	<b>(4,27,24,297)</b>	(5,90,09,190)
<b>C. Cash Flow from Financing activities:</b>		
Net increase/ (decrease) in working capital borrowings	(1,47,24,920)	3,93,03,742
Repayment of borrowings from Group Companies	-	(9,85,75,906)
Interest paid to external agencies (Banks)	(24,20,050)	(4,02,249)
Interest paid to MSME	(3,131)	(7,413)
Interest paid to Group Companies	-	(22,35,367)
Net cash used in financing activities	(1,71,48,101)	(6,19,17,193)
<b>Net increase / (decrease) in cash or cash equivalents</b>	<b>(2,59,45,478)</b>	2,60,67,385
Cash & cash equivalents as at 1st April 2013	2,75,60,828	14,93,443
Cash & cash equivalents as at 31st March, 2014	16,15,350	2,75,60,828

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants

Chairman

Abhijit Bandyopadhyay  
Partner

Company Secretary

Managing Director

Jamshedpur, April 30<sup>th</sup>, 2014

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

#### 01 - Accounting Policies

##### 1. SIGNIFICANT ACCOUNTING POLICIES.

###### (a) GENERAL CORPORATE INFORMATION

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

The Company is one of the first wire drawing plants established in India in the year 1920. The Wire Unit comprises Wire Rod Mill and Wire Mill. The product portfolio of the Company includes various products like Welding electrodes, GI Wires, Nails, Barbed Wire, Wire Rod and TMT. The Wire division of the company being an External Processing Agent receives conversion charges from Tata Steel. With effect from 01.07.2012, the Company had started a new line of business as a distribution agent of MIG Wire for Tata Steel Wire Division (TSWD). From 01.07.2013 TSWD has exited from the Mig Wire business and the Company is now running this business in its own capacity.

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.

###### (b) BASIS FOR ACCOUNTING

The financial statements are prepared under the historical cost convention on an accrual basis of accounting with the generally accepted accounting principles and are in compliance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956 .

###### (c) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of these financial statements and the reported amount of income and expenses for the periods presented. Actual results could differ from these estimates. Material estimates in these financial statements that are susceptible to change as more information becomes available include provisions for doubtful debts, warranty obligations, liability for employee related benefits, etc.

###### (d) INVENTORIES

Finished and semi finished products produced and purchased by the Company are carried at lower of cost and net realisable value.

Raw materials are carried at lower of cost and net realisable value.

Stores and spare parts are valued at or below cost.

Realisable scrap, defectives and Moulds, Tools and Tackles produced in-house are valued at estimated net realisable value.

Cost is ascertained on a moving weighted average basis for raw materials and stores & spare parts. The cost of finished & semi finished products is determined on full absorptions cost basis.

###### (e) DEPRECIATION

(i) Intangible assets are amortised over a period of sixty months.

(ii) Depreciation on tangible fixed assets is provided on the reducing balance method on all Fixed Assets except for the Rod Mill of Wire Division and for the additions made to Plant and Machinery

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

#### 01 - Accounting Policies continued

during Financial Years 1989-90, 1992-93 and 1993-94 at Rolls Division where Company is providing depreciation on the Straight Line Method, on pro-rata basis at the rates given in Schedule XIV to the Companies Act, 1956 from the date of installation/additions. Depreciation on the revalued portion of assets is provided on the values ascertained by the valuers and adjusted against Capital Reserve created on revaluation of fixed assets adopting similar basis as applied to original costs stated above.

(iii) The cost incurred for acquiring leasehold land is being amortised over the period of lease.

#### (f) REVENUE RECOGNITION

(i) Sales comprise sale of goods and services recorded on despatch of goods to customers net of trade discounts. Sales value is inclusive of Excise Duty.

(ii) Export incentive under the Duty Entitlement Pass Book Scheme has been recognized on the basis of exports made.

#### (g) FIXED ASSETS

Intangible assets are stated at cost less amortisation. Tangible fixed assets are stated at their cost of acquisition, adjusted for revaluation done in the previous years and reduced by depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working conditions for its intended use.

#### (h) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Monetary items are translated at the year end exchange rates and the profit or loss so determined and also the realized exchange gains/losses are recognized in the Statement of Profit & Loss.

#### (i) INVESTMENTS

Long-term investments are valued at cost. Provision for diminution in value of long term investments is made only if such a decline is other than temporary. Current investments are valued at lower of cost and fair value.

#### (j) EMPLOYEE BENEFITS

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

(ii) Post employment and other long term employee benefits, viz., gratuity, leave encashment, medical benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

#### (k) BORROWING COSTS

Interest and other costs relating to borrowing of funds are recognised as an expense in the period in which they are incurred.

#### (l) SEGMENT REPORTING

The Company has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risk and returns, the organizational structure and the internal reporting system. The Company's operations predominantly relate to manufacture of Wire products and Rolls.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

#### 01 - Accounting Policies continued

**(m) LEASES**

Rental income from operating leases is recognised on a straight line basis over the terms of the relevant leases.

**(n) EARNING PER SHARE**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20 - Earnings per share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average number of shares outstanding during the year. Diluted earnings during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

**(o) DEFERRED TAX**

Deferred tax assets and liabilities are recognized by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(p) IMPAIRMENT OF ASSETS**

The carrying amount of fixed assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

**(q) PROVISIONS CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to Accounts. Contingent Assets are neither recognised nor disclosed in the financial statements.

**(r) WARRANTY FOR PERFORMANCE OF ROLLS**

Estimated liability in respect of Warranty for performance of Rolls is provided for as a percentage of claims to turnover of prior years.

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Notes forming part of the financial statements**

**02 - Share Capital**

Amount in INR

**Authorised :**

Ordinary Shares of Rs. 10 each  
(31.03.2014: 70,00,000 Ordinary Shares of Rs.10 each)

**Issued :**

Ordinary Shares of Rs. 10 each  
(31.03.2014: 59,91,896 Ordinary Shares of Rs. 10 each)

**Subscribed and Paid up:**

Ordinary Shares of Rs.10 each  
(31.03.2014: 59,91,896 Ordinary Shares of Rs. 10 each)

**Total Share Capital**

March 31st 2014 Audited	March 31st 2013 Audited
7,00,00,000	7,00,00,000
<u>7,00,00,000</u>	<u>7,00,00,000</u>
5,99,18,960	5,99,18,960
5,99,18,960	5,99,18,960
<u>5,99,18,960</u>	<u>5,99,18,960</u>

**Reconciliation of shares**

Ordinary Shares of Rs. 10 each	No. of shares			
	March 31st 2013	Addition	Deletion	March 31st 2014
a) Authorized share capital	70,00,000	-	-	70,00,000
b) Issued share capital	59,91,896	-	-	59,91,896
c) Subscribed and fully paid-up	59,91,896	-	-	59,91,896
d) Subscribed and not fully paid-up	-	-	-	-

**Shareholding Pattern**

Shareholders holding more than 5% share capital :	March 31st 2014		March 31st 2013	
	No. of Shares	%	No. of Shares	%
Tata Steel Ltd. (Holding Company)	56,89,401	94.95%	55,42,636	92.50%

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Notes forming part of the financial statements**

**03 - Reserves & Surplus**

**Amount in INR**

	<b>March 31st 2014 Audited</b>	<b>March 31st 2013 Audited</b>
(1) Capital Reserve	<b>8,000</b>	8,000
(2) Revaluation Reserve		
Revaluation Reserve as per last Balance Sheet	<b>60,45,40,928</b>	61,38,97,246
Less: Depreciation transferred to P&L Account	<b>84,66,688</b>	93,56,318
	<b>59,60,74,240</b>	60,45,40,928
(3) Investment Allowance (Utilised) Reserve	<b>2,67,29,960</b>	2,67,29,960
(4) Special Reserve (Machinery Replacement Reserve)	<b>73,251</b>	73,251
(5) Profit & Loss account - Surplus / (Deficit)	<b>32,19,91,618</b>	19,61,85,366
<b>Total Reserves and Surplus</b>	<b>94,48,77,069</b>	82,75,37,505

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**  
**Notes forming part of the financial statements**  
**04 - Borrowings**

	March 31st, 2014 Audited				March 31st, 2013 Audited				Amount in INR
	Long Term	Current maturities of Long-term	Short Term	Total	Long Term	Current maturities of Long-term	Short Term	Total	
<b>A. Secured Borrowings</b>									
(a) Repayable on Demand									
From Banks									
(i) Working Capital Demand Loans	-	-	-	-	-	-	-	-	-
(i) Cash Credit/Packing Credits (Punjab National Bank : Secured by hypothecation of Finished goods, Semi Finished Goods, Raw Material, Stores and Spares and Book Debts)	-	-	6,41,38,304	6,41,38,304	-	-	7,88,63,224	7,88,63,224	
<b>Total Secured Borrowings</b>	-	-	6,41,38,304	6,41,38,304	-	-	7,88,63,224	7,88,63,224	
<b>B. Unsecured Borrowings</b>									
(a) Other Loans									
(1) Deposit from Anvita Properties Pvt. Ltd. (Developer of erstwhile Promoters)	2,50,000	-	-	2,50,000	2,50,000	-	-	2,50,000	
(2) Fixed deposits of Erstwhile promoters*	75,47,000	-	-	75,47,000	75,47,000	-	-	75,47,000	
<b>Total Unsecured Borrowings</b>	77,97,000	-	-	77,97,000	77,97,000	-	-	77,97,000	
<b>Total Borrowings</b>	77,97,000	-	6,41,38,304	7,19,35,304	77,97,000	-	7,88,63,224	8,66,60,224	

\* As per clause 6.5 (b) of BIFR Order, principal is to be repaid in four equal annual instalments, commencing from F.Y. 2006-07. Interest has been waived as per BIFR Order. Accordingly demand drafts aggregating Rs. 19,06,000/- were sent by the company on August 18, 2006 but demand drafts totalling Rs. 18,86,750/- were returned unacknowledged. Subsequently these were deposited in the Company's account in Punjab National Bank on December 19, 2006. On February 11, 2008, the demand drafts aggregating Rs. 37,92,250/- were again sent by the company towards annual instalments for 2006-07 and 2007-08 but demand drafts totalling Rs. 37,73,000/- were returned unacknowledged. These were subsequently deposited in the Company's account in Punjab National Bank on March 27, 2008. The demand drafts aggregating Rs. 56,79,500/- were again sent on November 19, 2008 by the company towards annual instalments for 2006-07, 2007-08 and 2008-09 but demand drafts totalling Rs. 56,60,250/- were returned unacknowledged. These were subsequently deposited in the Company's account in Punjab National Bank on December 15, 2008 for Rs. 38,94,000/- & on December 24, 2008 for Rs. 17,66,250/-. On February 26, 2009, the total amount of Rs. 56,60,250/- was transferred to a new Escrow account with Punjab National Bank. Demand drafts aggregating Rs. 75,66,250/- were sent on January 15, 2010 by the company towards annual instalments for 2006-07, 2007-08, 2008-09 and 2009-10, but demand drafts totalling Rs. 75,47,000/- were returned unacknowledged. These were subsequently deposited in the new Escrow account with Punjab National Bank on February 23, 2010. This amount has been transferred to Fixed Deposit (Escrow A.c) with Punjab National Bank in Dec '10. (Also refer Note 12 - Cash & Cash Equivalents).

## THE INDIAN STEEL &amp; WIRE PRODUCTS LIMITED

## Notes forming part of the financial statements

## 05 - Provisions

	Amount in INR					
	March 31st, 2014 Audited			March 31st, 2013 Audited		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>(a) Provision for employee benefits</b>						
(1) Post-employment Defined Benefits						
(i) Retiring Gratuity	1,86,75,830	-	1,86,75,830	22,50,520	1,26,12,860	1,48,63,380
(ii) Post retirement medical benefits	1,58,75,464	10,17,859	1,68,93,323	2,05,24,200	9,18,300	2,14,42,500
(iii) Other post-employment defined benefits	61,49,774	5,67,807	67,17,581	-	-	-
(2) Leave Benefit Scheme	4,07,25,442	31,68,430	4,38,93,872	3,81,70,521	27,67,630	4,09,38,151
(b) Provision for employee separation compensation	28,62,418	25,64,238	54,26,656	51,13,897	24,87,819	76,01,716
(d) Provision For Warranty Claims	-	1,70,51,523	1,70,51,523	-	1,95,19,848	1,95,19,848
<b>Total Provisions</b>	<b>8,42,88,928</b>	<b>2,43,69,857</b>	<b>10,86,58,785</b>	<b>6,60,59,138</b>	<b>3,83,06,457</b>	<b>10,43,65,595</b>



**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Notes forming part of the financial statements**

**06 - Trade and other payables**

Amount in INR

	March 31st 2014 Audited	March 31st 2013 Audited
<b>6(A) Non-current liabilities</b>		
Other Long Term Liabilities*	<u>22,96,00,737</u>	<u>22,96,00,737</u>
<b>Other non-current liabilities</b>	<u>22,96,00,737</u>	<u>22,96,00,737</u>
<b>6(B) Trade &amp; Other Payables</b>		
(a) Creditors for supplies / services		
– Units registered under MSMED Act 2006	-	1,65,852
– Others	<b>24,65,88,387</b>	31,24,46,996
(b) Creditors for accrued wages and salaries	<b>5,99,15,444</b>	7,27,77,055
<b>Total Trade Payables</b>	<u>30,65,03,831</u>	<u>38,53,89,903</u>
<b>6(C) Other Current Liabilities</b>		
(a) Current maturities of long-term debt	-	-
(b) Advances received from customers	<b>1,68,66,776</b>	1,12,20,364
(c) Statutory dues (Excise duty, service tax, sales tax, TDS, Royalty, etc.)	<b>3,33,72,663</b>	2,97,23,437
(d) Creditors for Capital Supply / Services	<b>10,39,799</b>	24,30,615
(e) Other Liabilities	<b>1,49,95,272</b>	97,43,055
<b>Total Other current liabilities</b>	<u>6,62,74,510</u>	<u>5,31,17,471</u>

\*Includes Advance against booking of flats and Building development Project **Rs. 8,96,00,737/-** ( 31.03.2013: Rs.8,96,00,737/-) and Security Deposit received from Tata Steel Ltd. for Flats given on lease **Rs. 14,00,00,000/-** (31.03.2013: Rs. 14,00,00,000/-).

## THE INDIAN STEEL &amp; WIRE PRODUCTS LIMITED

## Notes forming part of the financial statements

## 07 - Fixed Assets

	Leasehold Land (Incl Roads)	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Railway Sidings	Total Tangible Assets	Computer Software	Total Intangible assets
Cost at beginning of year	46,71,71,717	53,76,71,915	1,52,32,58,222	97,17,884	55,76,105	92,09,360	10,12,476	2,55,36,17,679	62,31,374	62,31,374
Additions	-	47,65,262	4,20,50,255	18,35,139	23,85,214	22,50,000	-	5,32,85,870	-	-
Disposals	-	-	(55,400)	-	-	(26,13,569)	-	(26,68,969)	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-
<b>Cost at end of year</b>	<b>46,71,71,717</b>	<b>54,24,37,177</b>	<b>1,56,12,53,077</b>	<b>1,15,53,023</b>	<b>79,61,319</b>	<b>88,45,791</b>	<b>10,12,476</b>	<b>2,60,42,34,580</b>	<b>62,31,374</b>	<b>62,31,374</b>
Depreciation at beginning of year	3,63,636	37,54,74,158	1,20,34,87,706	77,28,133	41,60,937	77,19,834	10,12,476	1,68,24,46,880	46,60,423	46,60,423
Charge for the year	40,404	56,33,743	4,11,64,486	6,09,375	4,59,054	8,42,835	-	4,87,49,897	5,03,007	5,03,007
Disposals	-	-	(21,740)	-	-	(17,84,716)	-	(18,06,456)	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-
Adjusted during the year	-	64,07,290	20,53,619	3,987	1,760	32	-	84,66,688	-	-
<b>Depreciation at end of year</b>	<b>4,04,040</b>	<b>38,75,15,191</b>	<b>1,32,36,84,071</b>	<b>83,41,495</b>	<b>46,21,751</b>	<b>62,77,985</b>	<b>10,12,476</b>	<b>1,73,78,57,009</b>	<b>51,63,430</b>	<b>51,63,430</b>
<b>Net book value at beginning of year</b>	<b>46,68,08,081</b>	<b>16,21,97,757</b>	<b>23,67,70,516</b>	<b>19,89,751</b>	<b>14,15,168</b>	<b>19,89,526</b>	<b>-</b>	<b>87,11,70,798</b>	<b>15,70,951</b>	<b>15,70,951</b>
<b>Net book value at end of year</b>	<b>46,67,67,677</b>	<b>15,49,21,986</b>	<b>23,55,69,006</b>	<b>32,11,528</b>	<b>33,39,568</b>	<b>25,67,806</b>	<b>-</b>	<b>86,63,77,571</b>	<b>10,67,944</b>	<b>10,67,944</b>

Amount in INR

March 31st, 2013  
Audited

	Leasehold Land (Incl Roads)	Freehold Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Railway Sidings	Total Tangible Assets	Computer Software	Total Intangible assets
Cost at beginning of year	46,71,71,717	53,43,45,056	1,48,61,50,253	1,02,74,990	17,79,825	92,39,411	10,12,476	2,51,29,73,728	49,43,999	49,43,999
Additions	-	33,26,858	3,72,69,108	86,718	1,57,437	-	-	4,08,40,121	12,87,375	12,87,375
Disposals	-	-	(1,65,120)	-	-	(4,15,000)	-	(5,81,120)	-	-
Other re-classifications (Transfers in / out)	-	-	4,980	(6,43,823)	6,38,843	3,84,949	-	3,84,949	-	-
<b>Cost at end of year</b>	<b>46,71,71,717</b>	<b>53,76,71,915</b>	<b>1,52,32,58,221</b>	<b>97,17,884</b>	<b>55,76,106</b>	<b>92,09,360</b>	<b>10,12,476</b>	<b>2,55,36,17,678</b>	<b>62,31,374</b>	<b>62,31,374</b>
Depreciation at beginning of year	3,23,132	36,26,76,410	1,24,09,65,668	76,91,851	32,54,620	63,38,447	10,12,476	1,62,22,62,705	42,96,085	42,96,085
Charge for the year	40,404	59,07,537	4,31,43,980	4,97,225	4,43,511	7,24,095	-	5,07,56,752	3,64,338	3,64,338
Disposals	-	-	(86,148)	-	-	(2,27,695)	-	(3,13,843)	-	-
Other re-classifications (Transfers in / out)	-	-	4,980	(4,65,742)	4,60,762	3,84,949	-	3,84,949	-	-
Adjusted during the year	-	68,90,210	24,59,227	4,799	2,044	37	-	93,56,317	-	-
<b>Depreciation at end of year</b>	<b>3,63,536</b>	<b>37,54,74,157</b>	<b>1,28,64,87,707</b>	<b>77,28,132</b>	<b>41,60,937</b>	<b>72,19,833</b>	<b>10,12,476</b>	<b>1,68,24,46,880</b>	<b>46,60,423</b>	<b>46,60,423</b>
<b>Net book value at beginning of year</b>	<b>46,68,48,185</b>	<b>17,16,68,646</b>	<b>24,51,84,585</b>	<b>25,83,138</b>	<b>15,25,205</b>	<b>29,00,964</b>	<b>-</b>	<b>89,07,11,024</b>	<b>6,47,914</b>	<b>6,47,914</b>
<b>Net book value at end of year</b>	<b>46,68,08,081</b>	<b>16,21,97,757</b>	<b>23,67,70,514</b>	<b>19,89,753</b>	<b>14,15,169</b>	<b>19,89,527</b>	<b>-</b>	<b>87,11,70,798</b>	<b>15,70,951</b>	<b>15,70,951</b>

Notes:

**Notes :**

- The Depreciation for the period on revalued portion of assets amounting to Rs.84,66,688/- has been adjusted against Capital reserve on revaluation of assets.
- Cost at the beginning and the end of the period excludes assets transferred as a loan from Tata Steel at NIL value.
- Cost at the beginning and the end of the year excludes assets transferred from Tata Steel (Wire Division).
- The fixed assets have been regrouped/rearranged wherever necessary.

THE INDIAN STEEL & WIRE PRODUCTS LIMITED

Notes forming part of the financial statements

08 - Investments

	March 31st, 2014 Audited			March 31st, 2013 Audited		
	Non-current	Current	Total	Non-current	Current	Total
<b>(A) Trade Investments</b>	-	-	-	-	-	-
(1) Quoted	-	-	-	-	-	-
(2) Unquoted	-	-	-	-	-	-
<b>(B) Other Investments</b>						
(1) Quoted						
(2) Unquoted						
<b>(a) In fully paid Equity Shares</b>						
1,40,280 shares of Rs. 10 each of INCAB Industries Ltd./ (pledged with Punjab National Bank) (#)	1	-	1	1	-	1
250 shares of Rs. 100 each in Bihar State Financial Corporation (#)	1	-	1	1	-	1
14,94,900 equity shares of Rs. 10 each in Brahma Steyr Tractors Ltd. (#)	1	-	1	1	-	1
10,66,846 equity shares of Rs. 10 each in Metal Corporation of India Ltd. (#)	1	-	1	1	-	1
<b>(b) In fully paid debentures</b>						
1,400-4% debentures of Rs. 500 each in Assam Bengal Cement Co. Ltd. (in liquidation) (#)	1	-	1	1	-	1
<b>(c) In fully paid preference shares</b>						
2,852 - 5% tax free cumulative preference shares of Rs. 100 each in Metal Corporation of India Ltd. (#)	1	-	1	1	-	1
<b>Total Investments</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>6</b>

# Book value of each Rs. 1/-

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## Notes forming part of the financial statements

### 09 - Loans and Advances

Amount in INR

	March 31st, 2014 Audited			March 31st, 2013 Audited		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>Loans and advances</b>						
(a) Capital advances	27,44,930	-	27,44,930	49,92,373	-	49,92,373
(b) Advance with public bodies	-	7,39,79,712	7,39,79,712	-	6,79,54,559	6,79,54,559
(c) Other loans and advances	-	4,72,53,710	4,72,53,710	-	3,89,39,042	3,89,39,042
(d) Advance tax (Net of Provision for Tax of Rs. 24,75,97,794/-)	10,44,88,033	-	10,44,88,033	7,32,31,510	-	7,32,31,510
<b>Gross Loans and advances</b>	<b>10,72,32,963</b>	<b>12,12,33,422</b>	<b>22,84,66,385</b>	<b>7,82,23,883</b>	<b>10,68,93,601</b>	<b>18,51,17,484</b>
<b>Less: Provision for bad &amp; doubtful loans &amp; advances</b>						
(a) Capital advances	-	-	-	-	-	-
(b) Advance with public bodies	-	-	-	-	-	-
(c) Other loans and advances	-	73,45,787	73,45,787	-	73,03,371	73,03,371
<b>Total provision for bad &amp; doubtful loans &amp; advances</b>	<b>-</b>	<b>73,45,787</b>	<b>73,45,787</b>	<b>-</b>	<b>73,03,371</b>	<b>73,03,371</b>
<b>Total Loans and advances</b>	<b>10,72,32,963</b>	<b>11,38,87,635</b>	<b>22,11,20,598</b>	<b>7,82,23,883</b>	<b>9,95,90,230</b>	<b>17,78,14,113</b>
<b>Classification of loans and advances</b>						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	10,72,32,963	11,38,87,635	22,11,20,598	7,82,23,883	9,95,90,230	17,78,14,113
Doubtful	-	73,45,787	73,45,787	-	73,03,371	73,03,371
<b>Gross Loans and advances</b>	<b>10,72,32,963</b>	<b>12,12,33,422</b>	<b>22,84,66,385</b>	<b>7,82,23,883</b>	<b>10,68,93,601</b>	<b>18,51,17,484</b>

### 10 - Inventories

Amount in INR

	March 31st 2014 Audited	March 31st 2013 Audited
(a) Raw materials (At lower of Cost and Net Realisable Value(NRV))	2,37,84,363	1,38,11,547
(b) Work-in-progress and semi-finished goods (At lower of Cost and NRV)	9,64,01,079	9,40,74,241
(c) Finished goods (At lower of Cost and NRV and scrap at NRV)	4,53,62,899	2,90,40,531
(d) Stock in Trade (i.e., Traded Goods)	-	1,68,55,722
(d) Stores and spares (at cost less write off for obsolescence)	17,35,46,639	17,24,80,429
<b>Total Inventories</b>	<b>33,90,94,980</b>	<b>32,62,62,470</b>

THE INDIAN STEEL & WIRE PRODUCTS LIMITED

Notes forming part of the financial statements

11 - Trade and other receivables

Amount in INR

	March 31st 2014 Audited	March 31st 2013 Audited
<b>11 Trade receivables</b>		
(1) Outstanding for a period exceeding six month from the date they were due for payment	4,65,02,554	2,13,09,470
(2) Others	27,18,23,049	27,16,17,260
<b>Gross Trade Receivables</b>	<b>31,83,25,603</b>	<b>29,29,26,730</b>
Less : Provision for bad and doubtful debts	1,09,11,150	1,06,88,865
<b>Net Trade Receivables</b>	<b>30,74,14,453</b>	<b>28,22,37,865</b>
<b>Classification of Trade Receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	30,74,14,453	28,22,37,865
Doubtful	1,09,11,150	1,06,88,865
<b>Total Trade Receivables</b>	<b>31,83,25,603</b>	<b>29,29,26,730</b>

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

#### 12 - Cash and cash equivalents

Amount in INR

	March 31st 2014 Audited	March 31st 2013 Audited
(a) Balances with banks		
(i) In Current Account	5,40,211	2,70,97,978
(ii) In Deposit Account*	87,76,156	1,07,70,297
(b) Cheques, drafts on hand	3,00,000	3,00,000
(c) Cash in hand	1,56,270	1,62,850
<b>Total cash and cash equivalents</b>	<b>97,72,637</b>	<b>3,83,31,125</b>

#### Additional Details

\* Includes Rs. 5,87,280/- (31.03.2013: Rs. 17,43,354/-) as Margin Money Deposit

\* Includes Rs. 75,70,007/- (31.03.2013: Rs. 90,26,943/-) in Escrow account with Punjab National Bank. Also refer footnote to Note 4.

Note : Out of the above Rs. 16,15,350/- (31.03.2013 : Rs. 2,75,60,828/-) has been shown as Cash & Cash Equivalent in Cash Flow Statement as per Accounting Standard 3.

#### 13 - Revenue from operations

Amount in INR

	Apr-March 2014 Audited	Apr-March 2013 Audited
(a) Sale of products	71,63,85,886	73,93,05,965
(b) Sale of Services	1,43,75,76,551	1,12,65,70,236
(c) Other operating income	26,04,18,677	22,00,30,129
<b>Gross Revenue from Operations</b>	<b>2,41,43,81,114</b>	<b>2,08,59,06,330</b>
(d) Less : Excise duty recovered on sales	9,05,92,114	8,32,82,150
<b>Total Revenue from Operations</b>	<b>2,32,37,89,000</b>	<b>2,00,26,24,180</b>

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

#### 14 - Other Income

Amount in INR

	<b>Apr-Mar, 2014 Audited</b>	<i>Apr-Mar, 2013 Audited</i>
(a) Interest Income		
(a) Interest received on sundry advance, deposits, customers balances, etc.	<b>20,14,227</b>	40,25,610
(b) Profit on sale of capital assets (net of loss on assets sold/scrapped/written off) Profit/(Loss) on Sale of tangible assets	<b>(52,947)</b>	2,05,589
(c) Write back of Liabilities no longer required	-	95,09,920
<b>Total Other Income</b>	<b><u>19,61,280</u></b>	<u>1,37,41,119</u>

#### 15 - Employee Benefit Expense

Amount in INR

	<b>Apr-Mar, 2014 Audited</b>	<i>Apr-Mar, 2013 Audited</i>
(a) Salaries and wages, including bonus		
(1) Salaries and wages including bonus	<b>29,22,84,309</b>	25,89,75,759
(2) Employee separation compensation	<b>4,90,239</b>	6,59,936
(b) Contribution to provident and other funds	<b>4,42,12,133</b>	3,23,42,074
(c) Staff welfare expenses	<b>1,63,05,738</b>	1,60,09,547
<b>Total Employee Benefit Expense</b>	<b><u>35,32,92,419</u></b>	<u>30,79,87,316</u>

#### 16- Finance costs

Amount in INR

	<b>Apr-Mar, 2014 Audited</b>	<i>Apr-Mar, 2013 Audited</i>
Interest expense		
Interest on Others		
(a) Interest paid to external agencies (Bank etc.)	<b>24,20,050</b>	4,02,249
(b) Interest paid to Group Companies	-	22,35,367
(c) Interest paid to MSME	<b>3,131</b>	7,413
<b>Total finance costs</b>	<b><u>24,23,181</u></b>	<u>26,45,029</u>

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Notes forming part of the financial statements**

**17 - Other Expenses**

Amount in INR

	For the year ended 31st March, 2014 Audited	For the year ended 31st March, 2013 Audited
(a) Consumption of stores and spare parts	48,39,72,373	32,32,72,193
(b) Repairs to buildings	547,22,406	3,88,62,490
(c) Repairs to machinery	6,77,71,989	5,71,41,662
(d) Fuel oil consumed	37,74,03,601	32,48,94,254
(e) Purchase of power	23,08,20,768	19,85,04,927
(f) Conversion charges	9,04,56,247	3,34,21,020
(g) Freight and handling charges	1,73,06,360	1,49,49,291
(h) Rent	4,92,010	43,756
(i) Rates and taxes	1,38,56,854	1,07,85,608
(j) Insurance charges	25,77,213	21,02,323
(k) Commission, discounts and rebates	36,76,031	27,75,452
(l) Provision for doubtful debts and advances	4,64,701	25,78,721
(m) Excise duties	43,90,644	22,52,779
(n) Other expenses	14,66,18,283	12,02,58,792
(1) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	10,00,000	7,50,000
(ii) For Company law matters	-	1,00,000
(iii) Auditors out-of-pocket expenses	-	13,123
(2) Legal and other professional costs	32,44,653	44,23,282
(3) Advertisement, Promotion & Selling Expenses	13,90,172	5,78,163
(4) Travelling Expenses	74,66,710	81,91,581
(5) Other General Expenses	13,35,16,748	10,62,02,643
<b>Total Other Expenses</b>	<b><u>1,49,45,29,480</u></b>	<b><u>1,13,18,43,268</u></b>



## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

18. The Company was declared a sick industrial Company within the meaning of section 3 (i) (o) of the Sick Industrial Companies (Special provisions) Act, 1985. The Board for Industrial and Financial Reconstruction (BIFR) sanctioned a scheme vide its Orders dated 22nd October, 2003, 21st November, 2003 and 18th December, 2003 for rehabilitation of the Company by takeover of its management by Tata Steel Limited. As per the Rehabilitation scheme approved by the BIFR, it was envisaged that the company's net worth would become positive by the end of financial year 2012-13. By enhancing its capabilities in the production of TMT Bars and Galvanised Wires, the net worth of the company became positive in FY 2011 - 12, much before the target set in the said scheme. The company has been delisted from BIFR as per its order dated 29th Oct 2013.

#### 19.1 Contingent liabilities and commitments

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

- (i) As per clause 6.12 (xiii) of BIFR Order dated 21st November, 2003 for all liabilities not disclosed in the audited balance sheet for the year ended 31st March, 2002 including notes on accounts as then would be the personal responsibility of the erstwhile promoters to discharge. In view of the above, the following liabilities which were not disclosed in the said balance sheet including the notes on accounts, have not been provided for or recognized in the accounts for financial years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14.

Particulars	31 <sup>st</sup> March, 2014 (Rupees)	31 <sup>st</sup> March, 2013 (Rupees)
Show Cause Notices/Demand raised by Central Excise Authorities (Under Appeal) *	29,62,013	29,62,013
Demands raised by Sales Tax Authorities (Under Appeal)	4,72,07,484	4,72,07,484
Employee State Insurance demand (Under Appeal)	1,49,06,537	1,49,06,537
Leave liability for ex employees	32,93,000	32,93,000
Labour court cases	1,44,000	1,44,000
Railways dues	4,19,000	4,19,000
Power dues	6,20,97,193	6,20,97,193
Liability for loan for Learjet Aircraft purchase	1,48,78,000	1,48,78,000
Wealth Tax	3,90,34,521	3,90,34,521

\* Demand amounting to Rs. 13,45,190/- had been dropped as per order of CEGAT and amounting to Rs. 29,07,324/- had been dropped as per order of Addl. Commissioner Appeal during March, 2009.

Demand amounting to Rs. 2,69,05,011/- had been dropped as per order of Central Excise Authorities during March, 2010.

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.

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

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

Particulars	31 <sup>st</sup> March 2014 (Rupees)	31 <sup>st</sup> March 2013 (Rupees)
Sales Tax	4,52,01,609	1,35,60,042
Excise Duty	1,36,84,240	1,36,84,240
Employee State Insurance demand (Under Appeal)	1,73,06,282	1,73,06,282

#### 19.1(b) Guarantees

Counter guarantees given to the bankers of Rs. 38,46,000/-; details are not ascertainable with available data.

#### 19.1(c) Commitments

Estimated amounts of contracts to be executed on capital account and not provided for as on 31st March '14 **Rs. 2,68,48,661** (31st March '13: Rs. 2,60,63,510).

#### 19.2 Claims lodged with erstwhile promoters

- (i) Retiring gratuity dues to the employees separated prior to takeover of the Company by Tata Steel (i.e., 23rd December, 2003) were not disclosed in the accounts for the year ended 31st March, 2002. This liability was not recognised by the present management but shown as a Contingent Liability in the Notes to Accounts. During the year 2008 - 09, management decided to settle the dues to separated employees. Accordingly, Rs. 55,53,803/- was provided in the accounts for the year ended 31st March, 2009 and was included in the line item Employee Cost. This claim has already been lodged with the erstwhile management for recovery.
- (ii) Income Tax dues for the period prior to takeover (i.e., 23rd December, 2003) were not disclosed in the accounts for the year ended 31st March 2002. This liability was not recognised by the present management but shown as a Contingent Liability in the Notes to Accounts. During the year 2010-11, the Company received the final order from the Income Tax Authorities for the assessment year 1998-99 for Rs. 2,70,35,565/ against the contingent liability of Rs. 3,05,00,693/-. Accordingly, this amount was charged to the profit and loss account 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.

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

Particulars	31 <sup>st</sup> March 2014 (Rupees)	31 <sup>st</sup> March 2013 (Rupees)
Principal amount due to suppliers	0	1,65,852
Interest accrued and due to suppliers on the above amount	3,131	7,413
Payment made to suppliers (other than interest) beyond the appointed day, during the year	13,98,256	3,96,929
Interest paid to suppliers (other than Section 16)	Nil	Nil
Interest paid to suppliers (Section 16)	Nil	Nil
Interest due and payable to suppliers for payments already made	3,131	2,534
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act.	3,131	4,879

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.

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## Notes forming part of the financial statements

### 19.4 CONSUMPTION OF RAW MATERIALS

19.4 (a)	Year ended 31st March 2014		Year ended 31st March 2013	
	Value (Rs.)		Value (Rs.)	
Opening Stock	1,38,11,547		1,07,08,906	
Purchases	19,22,42,551		13,00,67,518	
Closing Stock	2,37,84,363		1,38,11,547	
<b>Raw Material Consumed</b>	<b>18,22,69,735</b>		<b>12,69,64,877</b>	

19.4 (b)	Year ended 31st March 2014		Year ended 31st March 2013	
	Quantity (MT)	Value (Rupees)	Quantity (MT)	Value (Rupees)
Pig Iron	38.91	9,54,642	95.80	26,46,726
Steel Scrap	871.75	2,19,85,980	2,258.58	3,56,82,117
Purchased Roll Scrap	427.35	1,49,89,495	616.40	2,35,21,599
Ferro Moly	18.83	1,69,49,686	17.79	1,79,48,354
Nickel	25.20	2,38,55,078	17.27	1,78,84,116
Nickel Mg Alloy	23.47	1,95,52,746	22.31	2,19,48,353
Wire Rod	2,123.36	8,28,77,698	0.00	0
Others		11,04,410		73,33,610
		<b>18,22,69,735</b>		<b>12,69,64,877</b>

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

### 19.5 CONSUMPTION OF IMPORTED AND INDIGENOUS MATERIALS

	Year ended 31st March 2014		Year ended 31st March 2013	
	% of total Consumption	Value Rupees	% of total Consumption	Value Rupees
<b>A Value of stores &amp; spare parts consumed :</b>				
i) Imported	5	2,19,84,002	18	5,70,79,921
ii) Indigenous	95	46,19,88,371	82	26,61,92,272
<b>B Value of Raw Material Consumed:</b>				
i) Imported	0	0	0	0
ii) Indigenous	100	18,22,69,735	100	12,69,64,877
<b>C Value of Imports on CIF basis in respect of :</b>				
Capital goods		0		0
Spare Parts		77,89,106		1,87,08,653
<b>D Expenditure in foreign currency</b>		0		0
<b>E Earning in foreign exchange</b>		0		0
<b>F Export of goods on FOB basis</b>		5,77,70,537		2,07,88,055

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Notes forming part of the financial statements**

**19.6 PURCHASES OF FINISHED & SEMI-FINISHED PRODUCTS**

	<b>Year ended 31st March 2014</b>		<i>Year ended 31st March 2013</i>	
	<b>Quantity MT</b>	<b>Value Rupees</b>	<i>Quantity MT</i>	<i>Value Rupees</i>
Semi Finished Roll Casting	<b>193.80</b>	<b>1,79,04,000</b>	549.10	4,92,36,000
MIG wire	<b>579.90</b>	<b>3,72,85,390</b>	2,034.81	13,63,27,891

**19.7 CHANGE IN STOCK**

	<b>Year ended 31st March 2014</b>	<i>Year ended 31st March 2013</i>
	<b>Value (Rs.)</b>	<i>Value (Rs.)</i>
Opening stock of finished goods, work-in-progress and stock-in-trade	<b>13,99,70,494</b>	9,86,03,389
Closing stock of finished goods, work-in-progress and stock-in-trade	<b>14,17,63,979</b>	13,99,70,494
Change in stock of finished goods, work-in-progress and stock-in-trade	<b>(17,93,485)</b>	(4,13,67,105)

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

20. The Company had given residential premises in a building situated at Alipore Road , Kolkata 700 072 for a period of three years commencing from 1st May, 2008 to Tata Steel Limited on operating lease. As stipulated in the lease agreement, the Lessee has given an interest free deposit of Rs 14,00,00,000/- which is refundable upon expiry of the agreement. The lease agreement has been renewed for a period of 3 years from May'11. Additionally, the Company charges lease rent of Rs. 1,10,000 per month for the said premises. The details are given below:

Particulars	Total		Not later than one year		Later than one year & not later than 5 years		Later than 5 years	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Gross Lease Rental	14,30,000	27,50,000	13,20,000	26,40,000	1,10,000	1,10,000	0	0
Less: Unearned Income	1,10,000	14,30,000	0	13,20,000	1,10,000	1,10,000	0	0
Present value of lease rental	13,20,000	13,20,000	13,20,000	13,20,000	0	0	0	0

Particular of assets given on lease are as follows :

Assets	Gross Block	Accumulated depreciation	Depreciation during the year
	(Rupees)	(Rupees)	(Rupees)
Residential premises	3,62,440	3,09,302	2,797
	3,62,440	3,06,505	2,944

Long Term liabilities include deposits of **Rs. 14,00,00,000** received from Tata Steel (Previous year Rs. 14,00,00,000)

Lease rental of **Rs. 13,20,000** (Previous year Rs. 13,20,000) received from Tata Steel has been included in other operating revenue.

- 21 The advance of Rs. 6,50,00,000/- received from the developer against building development project has not been adjusted, although the matter concerning the said project has been duly settled with the title deeds of the property transferred to the Company. Further, the recording of the assets in the books of accounts would also need to be examined and modified, if required. We are obtaining legal opinion and necessary accounting action would be taken accordingly.
22. Out of the total investments of Rs. 2,95,59,012 the following share certificates are not physically available.
- |     |  |             |
|-----|--|-------------|
| (a) | 9,46,680 shares of Metal Corporation of India Ltd. | 94,66,800   |
| (b) | 14,94,900 shares of Brahma Steyr Tractors Ltd.     | 1,49,49,000 |

The value of all such investments has been written down to Re. 1/- each.

23. As the Company has no management control over M/s. Metal Corporation of India Ltd., an associate of the Company, the Consolidated Financial Statements are not prepared for the year ended 31st March, 2014.

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## Notes forming part of the financial statements

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

- 1 The company has recognized, in the profit and loss account for the current year, an amount of **Rs. 2,20,12,310/-** (2012-13 : Rs 1,59,87,913/-) as expenses under the following defined contribution plans.

<b>Benefit (Contribution to)</b>	<b>2013-14 (Amount)</b>	<i>2012-13 (Amount)</i>
Provident Fund	<b>1,54,74,303</b>	96,41,976
Superannuation Fund	<b>17,64,672</b>	15,16,770
Employees Pension Scheme	<b>47,73,335</b>	48,29,167
<b>Total</b>	<b><u>2,20,12,310</u></b>	<u>1,59,87,913</u>

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

- a. Funded  
Post Retirement Gratuity
- b. Unfunded :  
Post Retirement Medical Benefits  
Director's Pension & Medical Benefits

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

<b>Description</b>	<b>2013-14 Amount</b>	<i>2012-13 Amount</i>
<b>1 Reconciliation of opening &amp; closing balances of obligation</b>		
a. Obligation as at the beginning of the year	<b>13,99,79,920</b>	12,46,46,650
b. Current Service Cost	<b>74,60,920</b>	67,30,710
c. Interest Cost	<b>1,03,14,070</b>	1,03,17,380
d. Actuarial (gain)/loss	<b>1,63,14,640</b>	76,39,440
e. Amortization of Past Service Cost	-	-
f. Acquisitions	-	-
g. Benefits paid	<b>(2,21,07,980)</b>	(93,54,260)
h. Obligation as at the end of the year	<b>15,19,61,570</b>	13,99,79,920

The defined benefit obligation as at 31.03.2014 is Partly funded

#### 2 Change in Plan Assets

##### (Reconciliation of Opening & Closing balances)

a. Fair Value of plan assets as at the beginning of the year	<b>12,51,16,540</b>	10,51,90,760
b. Expected return on plan assets	<b>1,10,01,980</b>	99,89,240
c. Actuarial gain/(loss)	<b>29,11,820</b>	(16,65,090)
d. Contributions	<b>1,63,63,380</b>	2,09,55,890
e. Acquisitions	--	--
f. Benefits paid	<b>(2,21,07,980)</b>	(93,54,260)
g. Fair Value of plan assets as at the end of the year	<b>13,32,85,740</b>	12,51,16,540

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

	<u>2013-14</u> <u>Amount</u>	<u>2012-13</u> <u>Amount</u>
<b>3 Reconciliation of fair value of assets and obligations</b>		
a. Fair value of plan assets as at the end of the year	<b>13,32,85,740</b>	12,51,16,540
b. Present value of obligation as at the end of the year	<b>15,19,61,570</b>	13,99,79,920
c. Amount recognized in the balance sheet	<b>1,86,75,830</b>	1,48,63,380
Provisions	<b>1,86,75,830</b>	1,48,63,380
<b>4 Expense recognized in the period</b>		
a. Current service cost	<b>74,60,920</b>	67,30,710
b. Interest cost	<b>1,03,14,070</b>	1,03,17,380
c. Expected return on plan assets	<b>(1,10,01,980)</b>	(99,89,240)
d. Actuarial (gain)/loss	<b>1,34,02,820</b>	93,04,530
e. Amortization of Past Service Cost	-	-
f. Expense recognized in the period	<b>2,01,75,830</b>	1,63,63,380

The expense is disclosed in the line item – Employee Cost.

	<u>%age</u> <u>invested</u> <u>31.03.2014</u>	<u>%age</u> <u>invested</u> <u>31.03.2013</u>
<b>5 Investment details</b>		
a. GOI Securities	<b>8.20%</b>	8.74%
b. Public Sector unit Bonds	<b>29.12%</b>	36.00%
c. State / Central Government Guaranteed Securities	<b>16.85%</b>	18.00%
d. Special Deposit Schemes	<b>6.28%</b>	7.00%
e. Private Sector unit Bonds	<b>8.60%</b>	9.00%
f. Others (including bank balances)	<b>30.94%</b>	21.00%
	<u><b>100%</b></u>	<u>100%</u>
	<u><b>31.3.2014</b></u>	<u>31.3.2013</u>
<b>6. Assumptions</b>		
a. Discount rate (per annum)	<b>9.25%</b>	8.00%
b. Estimated rate of return on plan assets (per annum)	<b>9.00%</b>	9.00%
c. Rate of escalation in salary (per annum)	<b>6.5% to 10%</b>	7.5% to 10%

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

#### 7. Information for current Financial Year and Previous 4 (Four) Financial Years

	<b>2013-14</b>	2012-13	2011-12	2010-11	2009-10
	<b>(Amount)</b>	(Amount)	(Amount)	(Amount)	(Amount)
I. a) Present value of defined benefit obligation	<b>(15,19,61,570)</b>	(13,99,79,920)	(12,46,46,650)	(10,91,68,260)	(9,89,51,460)
b) Fair value of Plan Assets	<b>13,32,85,740</b>	12,51,16,540	10,51,90,760	9,77,30,630	9,29,36,300
c) Surplus/(Deficit) in Plan Assets	<b>(1,86,75,830)</b>	(1,48,63,380)	(1,94,55,890)	(1,14,37,630)	(60,15,160)
II a) Experience Adjustment on plan liabilities	<b>(3,75,69,850)</b>	(21,65,740)	(58,43,950)	(46,17,170)	(39,82,620)
b) Experience Adjustment on plan assets	<b>29,11,820</b>	(16,65,090)	(23,86,220)	(9,19,970)	4,91,040
III. a) Actual gain/(losses) on change in assumption	<b>2,12,55,210</b>	(54,73,700)	(59,30,600)	(10,86,890)	14,80,550
IV. Expected contribution (best estimate) to funded plans in subsequent fin. Year	<b>(1,86,75,830)</b>	(1,48,63,380)	(1,94,55,890)	(1,14,37,630)	(60,15,160)

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

- (i) The major portions of the assets are invested in PSU bonds, Private Sector unit Bond and State / Central Govt. guaranteed securities. Based on the asset allocation and prevailing yield rates on these asset classes, the long term estimate of the expected rate of return on the fund assets have been arrived at. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.
- (ii) The estimates of future salary increases take into account inflation, seniority, promotion and other relevant factor.



# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## Notes forming part of the financial statements

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

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

Description	2013-14	2013-14	2012-13	2012-13
	(Amount) Medical	(Amount) Others	(Amount) Medical	(Amount) Others
<b>1 Reconciliation of opening and closing balances of obligation</b>				
a. Obligation as at the beginning of the year	2,14,42,500	-	1,86,01,760	-
b. Current/Employer Service Cost	5,34,560	-	4,52,450	-
c. Interest Cost	16,77,040	-	15,58,720	-
d. Actuarial (gain)/loss	(67,60,777)	-	8,29,570	-
e. Benefits paid	-	-	-	-
f. Obligation as at the end of the year	1,68,93,323		2,14,42,500	-
<b>2. Expense recognized in the period</b>				
a. Current /Employer service cost	5,34,560		4,52,450	-
b. Interest cost	16,77,040		15,58,720	-
c. Actuarial (gain)/loss	(67,60,777)		8,29,570	-
d. Expense recognized in the period	(45,49,177)		28,40,740	-
The net charge is disclosed under the line item – Misc. Expenses.				
<b>3. Assumptions</b>				
a. Discount rate (per annum) as at the beginning of the year	8.60%		8.60%	
b. Discount rate (per annum) as at the end of the year	9.25%		8.00%	
c. Medical costs inflation rate	6.00%		6.00%	
d. Average medical cost (Rs/person) as at the beginning of the year	2,319		2,288	
e. Average medical cost (Rs/person) as at the end of the year	3,148		2,319	
f. Effect of a 1% change in (health care cost)				
- aggregate current service and interest cost	26,17,850	18,88,840	23,70,200	17,21,110
- closing balance of obligation	1,78,59,750	1,39,45,900	2,48,51,380	1,86,77,490

	2013-14 Medical	2012-13 Medical	2011-12 Medical	2010-11 Medical	2009-10 Medical
<b>4. Information for current Financial Year and Previous 4 Financial years</b>					
I. a. Present value of defined benefit obligation	(1,57,18,290)	(2,14,42,500)	(1,86,01,760)	(1,62,10,190)	(1,14,28,180)
b. Fair value of Plan Assets	-	-	-	-	-
c. Surplus/(Deficit) in plan assets	(1,57,18,290)	(2,14,42,500)	(1,86,01,760)	(1,62,10,190)	(1,14,28,180)
II. a. Experience Adjustment on plan liabilities	(11,70,040)	(2,69,670)	(57,07,540)	(40,32,430)	(7,65,360)
b. Experience adjustment on plan assets	-	-	-	-	-
III. a. Actuarial gains / (losses) on change in assumptions	83,94,840	(15,14,220)	42,18,000	-	9,22,470
IV. Expected contribution (best estimate) to funded plans in subsequent financial year	-	-	-	-	-

# THE INDIAN STEEL & WIRE PRODUCTS LIMITED

## Notes forming part of the financial statements

### 25. Segment Disclosures

#### Information about Primary Business Segments:

Particulars	Business Segments		Unallocable	Total
	Wire	Rolls		
<b>Revenue :</b>				
External Sales	<b>1,88,40,64,763</b>	<b>43,97,24,237</b>	-	<b>2,32,37,89,000</b>
	153,04,77,508	47,21,46,672	-	2,00,26,24,180
<b>Total External Sales</b>	<b>1,88,40,64,763</b>	<b>43,97,24,237</b>	-	<b>2,32,37,89,000</b>
	1,53,04,77,508	47,21,46,672	-	2,00,26,24,180
Add : Inter Segment Sales	<b>3,18,19,868</b>	<b>53,77,766</b>	-	<b>3,71,97,634</b>
	2,58,59,276	33,38,920	-	2,91,98,196
<b>Total Revenue</b>	<b>1,91,58,84,631</b>	<b>44,51,02,003</b>	-	<b>2,36,09,86,634</b>
	1,55,63,36,784	47,54,85,592	-	2,03,18,22,376
Less : Inter Segment Sales	<b>3,18,19,868</b>	<b>53,77,766</b>	-	<b>3,71,97,634</b>
	2,58,59,276	33,38,920	-	2,91,98,196
Total Sales	<b>1,88,40,64,763</b>	<b>43,97,24,237</b>	-	<b>2,32,37,89,000</b>
	1,53,04,77,508	47,21,46,672	-	2,00,26,24,180
<b>Segment result before Interest, exceptional/extraordinary items, prior period items and tax</b>	<b>18,90,56,603</b>	<b>1,60,15,460</b>	<b>(1,20,62,225)</b>	<b>19,30,09,838</b>
	21,10,26,860	5,83,21,467	(1,50,96,365)	25,42,51,962
Less : Interest				<b>24,23,181</b>
				26,45,029
<b>Profit Before Taxes, Exceptional Items and Prior Period Items</b>				<b>19,05,86,657</b>
				25,16,06,933
Extraordinary items				-
				-
<b>Profit /(Loss) Before Tax</b>				<b>19,05,86,657</b>
				25,16,06,933
Current Tax				<b>6,53,79,499</b>
				8,50,64,979
Deferred Tax				<b>(5,99,094)</b>
				(32,40,700)
<b>Profit / (Loss) After Tax</b>				<b>12,58,06,252</b>
				16,97,82,654
Segment Assets	<b>1,22,23,23,346</b>	<b>43,50,99,925</b>	<b>13,03,45,925</b>	<b>1,78,77,69,196</b>
	1,17,66,74,770	47,43,26,529	9,55,89,096	1,74,65,90,395
Segment Liabilities	<b>41,82,70,785</b>	<b>12,18,77,989</b>	<b>54,26,656</b>	<b>54,55,75,430</b>
	50,05,02,424	11,36,32,053	76,01,716	62,17,36,193
Total Cost incurred during the period to acquire Segment Assets	<b>4,05,27,222</b>	<b>50,20,868</b>		<b>4,55,48,090</b>
	4,48,27,972	1,86,79,693	-	6,35,07,665
Segment Depreciation	<b>3,91,76,824</b>	<b>99,85,297</b>	<b>90,782</b>	<b>4,92,52,903</b>
	4,12,75,034	97,96,921	49,135	5,11,21,090
Non-Cash Expenses other than depreciation	<b>4,19,791</b>	<b>58,88,540</b>	-	<b>63,08,331</b>
	5,82,830	76,65,261	-	82,48,091

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

#### Notes :

- (i) Segment Revenue, Segment Results, Segment Capital employed includes the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The expenses, which are not directly relatable to the business segment, are shown as unallocated corporate cost. Assets and liabilities that can not be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.
- (ii) There is no significant difference in the business conditions prevailing in various states of India, where the company has its operations. Revenue from sales to external customers outside India is less than 10% of the company's total revenue. Hence, geographical segment disclosures are not considered necessary.
- (iii) Transactions between segments are primarily for materials which are transferred at market determined prices and common costs are apportioned on a reasonable basis.
- (iv) Figures not in bold pertain to the previous year.

#### 26. Related Party Disclosure :

a. List of Related Parties and Relationship	
<b>A. Party</b>	<b>Relationship</b>
Tata Steel Limited	Holding Company
Metal Corporation Of India Ltd.	Associate
TM International Logistics Ltd.	Fellow Subsidiary
Jamshedpur Utilities and Services Company Ltd.	Fellow Subsidiary
Tayo Rolls Limited	Fellow Subsidiary
TKM Global Logistics Limited	Fellow Subsidiary
Tata Pigments Limited	Fellow Subsidiary
Centennial Steel Company Limited	Fellow Subsidiary
Tinplate Company of India Limited	Fellow Subsidiary

<b>B. Key Management Personnel</b>	
Mr. Neeraj Kant	Managing Director w.e.f 1st April, 2013

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**Notes forming part of the financial statements**

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

<b>Sl. No.</b>	<b>Transaction</b>	<b>Key Management Personnel</b>	<b>Holding Company</b>	<b>Fellow Subsidiary</b>
1	Purchase of Goods	-	<b>10,75,69,018</b>	<b>70,92,927</b>
		-	18,49,53,299	7,21,69,502
2	Purchase of Fixed Assets	-	-	-
		-	-	-
3	Sale of Goods	-	<b>9,41,42,592</b>	<b>7,98,509</b>
		-	6,26,60,584	8,72,857
4	Sale of assets	-	-	-
		-	-	-
5	Lease rent for flats at Alipore	-	<b>13,20,000</b>	-
		-	13,74,384	-
6	Rendering of services	-	<b>1,30,10,75,213</b>	-
		-	1,12,57,16,632	-
7	Rental Income (Guest House)	-	-	-
		-	-	-
8	Receiving of services	-	<b>24,97,80,314</b>	<b>1,51,28,345</b>
		-	21,99,18,274	1,09,48,195
9	Interest paid during the year	-	-	-
		-	22,35,367	-
10	Outstanding receivables	-	<b>18,01,13,320</b>	<b>11,88,531</b>
		-	14,01,04,016	52,513
11	Advance receivable	-	<b>87,45,705</b>	-
		-	3,19,609	-
12	Credit balances outstanding as on 31.03.2014			
a.	Materials & Services	-	<b>4,38,99,206</b>	<b>31,16,463</b>
		-	14,99,21,617	5,09,626
b.	Against Finance	-	-	-
		-	-	-
c.	Against lease (flat)		<b>14,00,00,000</b>	-
			14,00,00,000	-
d.	Against bills (Conversion) charges	-	-	-
		-	-	-
13	Remuneration paid	<b>72,52,125</b>	-	-
		86,84,276	-	-

Figures not in bold pertains to the previous year

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

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

	Year ended 31.03.2014 Rupees	Year ended 31.03.2013 Rupees
(i) Profit after tax attributable to ordinary shareholders	12,58,06,252	16,97,82,654
	Numbers	Numbers
(ii) Weighted average number of Ordinary shares of Rs. 10 each for basic and diluted EPS	59,91,896	59,91,896
(iii) Basic/diluted Earnings per Ordinary Share (Rs./Share)	21.00	28.34

#### 28. Deferred Tax

Net deferred tax assets arising mainly out of unabsorbed depreciation and business losses were not recognised by the company as a measure of prudence. During the year the company has absorbed its brought forward unabsorbed depreciation and business losses and accordingly commenced recognising deferred tax assets/liability as per Accounting Standard 22- Accounting for Taxes on Income.

Composition of Deferred Tax Assets and Liabilities is as follows:

	As at 31st March 2014 Rupees	As at 31st March 2013 Rupees
<b>A. Deferred Tax Assets</b>		
i. ESS Compensation	37,41,734	45,29,318
ii. Provision for Doubtful Debts & Advances	61,25,695	60,35,723
iii. Provision for Leave Salary	1,46,05,923	1,36,01,273
iv. Difference between book and tax depreciation	5,10,093	2,18,037
<b>B. Deferred Tax Liabilities</b>		
NA	-	-
<b>Deferred Tax Assets (Net)</b>	<b>2,49,83,445</b>	<b>2,43,84,351</b>

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### Notes forming part of the financial statements

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

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

	<b>As at 31st March 2014 Rupees</b>	<i>As at 31st March 2013 Rupees</i>
Opening Balance	<b>1,95,19,848</b>	<b>1,83,54,922</b>
Add : Provision made during the period	<b>53,53,391</b>	<b>50,09,434</b>
Less: Claims accepted	<b>78,21,716</b>	<b>38,44,507</b>
Closing Balance	<b>1,70,51,523</b>	<b>1,95,19,848</b>

#### 30.

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

Signature to Note 1 to 30

**For and on behalf of the Board**

**Rabi Narayan Kar**  
*Company Secretary*

**Sunil Bhaskaran**  
*Chairman*

**Neeraj Kant**  
*Managing Director*

Jamshedpur, April 30<sup>th</sup>, 2014

## THE INDIAN STEEL & WIRE PRODUCTS LIMITED

### ABSTRACT OF THE BALANCE SHEET AS AT 31-03-2014 AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF SCHEDULE VI (AMENDED) TO THE COMPANIES ACT, 1956.

1.	Registration Details			
	Registration No	8447	State Code	21
	Balance Sheet Date	31-03-2014		
2.	Capital Raised during the year (Amount in Rs. Thousand)			
	Public Issue	NIL	Right Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
3.	Position of Mobilization and Deployment of Fund (Amount in Rs. Thousand)			
	<b>Total Liabilities</b>	<b>17,87,769</b>	<b>Total Assets</b>	<b>17,87,769</b>
	<b>Sources of Fund</b>			
	Paid up Capital	59,919	Reserves & Surplus	9,44,877
	Secured Loans	64,138	Unsecured Loans	7,797
	<b>Application of Funds</b>			
	Net Fixed Assets	8,85,383	Investment	-
	Net Current Assets	3,08,883	Misc. Expenses	-
	Accumulated Profits/(Losses)	3,21,992		
4.	Performance of Company (Amount in Rs. Thousand)			
	Turnover	23,25,750	Total Expenditure	21,35,164
	Extra Ordinary Items	Nil	Profit/(Loss) After Tax	1,25,806
	Profit/(Loss) Before Tax	1,90,587	Dividend Rate %	NIL
5.	Generic Names of Principal Products of the Company (as per monetary terms)			
	Item Code No.	84553000		
	(ITC Code)			
	Product	R O L L S		
	Description			
	Item Code No.	72171220		
	(ITC Code)			
	Product	W I R E S		
	Description			
	Item Code No.	73259920		
	(ITC Code)			
	Product	STEEL CASTINGS		
	Description			
	Item Code No.	73259910		
	(ITC Code)			
	Product	IRON CASTINGS		
	Description			







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