

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Balance Sheet as at March 31, 2020**

Rs in Lakhs

|   | Note | As at March 31,<br>2020 | As at March 31,<br>2019 |
|---|------|-------------------------|-------------------------|
| <b>(I) ASSETS</b>   |      |                         |                         |
| <b>(1) Non-current assets</b>   |      |                         |                         |
| (a) Property, plant and equipment   | 04   | 4,435.37                | 4,640.06                |
| (b) Capital work-in-progress  | 04   | 1,559.13                | 282.42                  |
| (c) Intangible assets   | 04   | 105.77                  | 117.05                  |
| (d) Investment properties   | 05   | 157.59                  | 160.97                  |
|   |      | <b>6,257.86</b>         | <b>5,200.50</b>         |
| (e) Financial assets  |      |                         |                         |
| (i) Investments   | 06   | -                       | -                       |
| (f) Other non current assets  | 07   | 111.92                  | 322.88                  |
| (g) Non current tax asset   |      | 880.76                  | 1,077.49                |
| (h) Deferred tax assets   | 19   | 203.00                  | 235.00                  |
| <b>TOTAL NON-CURRENT ASSETS</b>   |      | <b>7,453.54</b>         | <b>6,835.87</b>         |
| <b>(2) Current assets</b>   |      |                         |                         |
| (a) Inventories   | 08   | 4,873.95                | 3,579.21                |
| (b) Financial assets  |      |                         |                         |
| (i) Trade receivables   | 09   | 1,533.12                | 1,987.86                |
| (ii) Cash and bank balances   | 10   | 3,317.97                | 1,044.04                |
| (iii) Bank balances other than (ii) above                                   | 10   | 46.87                   | 50.32                   |
| (iv) Other financial assets   | 11   | 813.40                  | 792.80                  |
| (c) Other current assets  | 07   | 663.11                  | 694.55                  |
| (d) Assets classified as held for sale                                      | 34   | 93.42                   | 281.11                  |
| <b>TOTAL CURRENT ASSETS</b>   |      | <b>11,341.84</b>        | <b>8,429.89</b>         |
| <b>TOTAL ASSETS</b>   |      | <b>18,795.38</b>        | <b>15,265.76</b>        |
| <b>(II) EQUITY AND LIABILITIES</b>  |      |                         |                         |
| <b>(1) Equity</b>   |      |                         |                         |
| (a) Equity Share capital  | 12   | 599.19                  | 599.19                  |
| (b) Other equity  |      |                         |                         |
| (i) Retained earnings   | 13   | 10,137.38               | 7,463.97                |
| (ii) Other components of equity   | 13   | 544.71                  | 544.71                  |
|   |      | <b>11,281.28</b>        | <b>8,607.87</b>         |
| <b>(2) Non-current liabilities</b>  |      |                         |                         |
| (a) Financial liabilities   |      |                         |                         |
| (i) Other financial liabilities   | 14   | 1,400.00                | 1,400.00                |
| (b) Provisions  | 15   | 910.65                  | 820.80                  |
| (c) Employee benefit obligations  | 16   | 557.28                  | 511.82                  |
| <b>TOTAL NON-CURRENT LIABILITIES</b>  |      | <b>2,867.93</b>         | <b>2,732.62</b>         |
| <b>(3) Current liabilities</b>  |      |                         |                         |
| (a) Financial liabilities   |      |                         |                         |
| (i) Trade payables  |      | 3,751.23                | 3,296.22                |
| a) Total outstanding dues of Micro & Small enterprises                      | 17   | 23.52                   | 47.32                   |
| b) Total outstanding dues other than (ii)(a)                                | 17   | 3,727.71                | 3,248.90                |
| (ii) Other financial liabilities  | 14   | 500.52                  | 68.57                   |
| (b) Provisions  | 15   | 102.49                  | 119.95                  |
| (c) Employee benefit obligations  | 16   | 23.12                   | 23.01                   |
| (d) Other current liabilities   | 18   | 263.51                  | 293.25                  |
| (e) Current tax liabilities   |      | -                       | 116.39                  |
| (f) Liabilities directly associated with assets classified as held for sale | 34   | 5.30                    | 7.88                    |
| <b>TOTAL CURRENT LIABILITIES</b>  |      | <b>4,646.17</b>         | <b>3,925.27</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>18,795.38</b>        | <b>15,265.76</b>        |

See accompanying notes forming part of the financial statements

In terms of our report of even date

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm Registration No- 304026E/E300009

**Sougata Mukherjee**

Partner

Membership Number: 057084

Kolkata, June 29, 2020

**For and on behalf of the Board of Directors**
**Peeyush Gupta**

Chairman

DIN- 02840511

**Neeraj Kant**

Managing Director

DIN-06598469

**U. Mishra**

Chief Financial Officer

**Rabi Narayan Kar**

Company Secretary

Jamshedpur, June 29, 2020

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Statement of Profit & Loss For the year ended March 31, 2020**

Rs in Lakhs

|   | Notes   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|---------|--------------------------------------|--------------------------------------|
| <b>Continuing operations</b>  |         |                                      |                                      |
| (1) Revenue   | 20      | 27,888.84                            | 28,721.37                            |
| (2) Other Income  | 21      | 405.32                               | 508.44                               |
| <b>(3) Total Income (1 + 2)</b>   |         | <b>28,294.16</b>                     | <b>29,229.81</b>                     |
| <b>(4) EXPENSES</b>   |         |                                      |                                      |
| (a) Cost of materials consumed  | 22 (A)  | 3,174.12                             | 2,639.02                             |
| (b) Changes in inventories of finished goods and work-in-progress               | 22 (B)  | (866.68)                             | 154.39                               |
| (c) Employee benefit expense  | 23      | 4,561.89                             | 4,676.61                             |
| (d) Finance costs   | 25      | 12.62                                | 56.19                                |
| (e) Depreciation and amortisation expense                                       | 24      | 606.96                               | 611.35                               |
| (f) Other expenses  | 26      | 18,676.44                            | 18,935.11                            |
| <b>Total Expenses</b>   |         | <b>26,165.35</b>                     | <b>27,072.67</b>                     |
| <b>Profit before exceptional items and tax</b>                                  |         | <b>2,128.81</b>                      | <b>2,157.14</b>                      |
| Exceptional items   | 33.1(a) | 1,843.18                             | -                                    |
| <b>(5) Profit before tax from continuing operations (3 - 4)</b>                 |         | <b>3,971.99</b>                      | <b>2,157.14</b>                      |
| <b>VI Profit before tax (V - VI)</b>  |         | <b>3,971.99</b>                      | <b>2,157.14</b>                      |
| <b>(6) Tax Expense</b>  |         |                                      |                                      |
| (1) Current tax   | 27(i)   | 1,042.34                             | 790.31                               |
| (2) Income tax relating to earlier years  |         | 29.33                                | -                                    |
| (3) Deferred tax  | 27(i)   | 32.00                                | (47.94)                              |
| <b>Total tax expense</b>  |         | <b>1,103.67</b>                      | <b>742.37</b>                        |
| <b>(7) Profit after tax from continuing operations (5-6)</b>                    |         | <b>2,868.32</b>                      | <b>1,414.77</b>                      |
| (1) Profit/(Loss) before tax from discontinuing operations                      |         | (104.16)                             | (162.50)                             |
| (2) Tax expense   |         | 26.21                                | 56.78                                |
| <b>(8) Profit/(Loss) after tax from discontinuing operations</b>                |         | <b>(77.95)</b>                       | <b>(105.72)</b>                      |
| <b>(9) Profit for the period (7+8)</b>  |         | <b>2,790.37</b>                      | <b>1,309.05</b>                      |
| <b>(10) Other comprehensive income</b>  |         |                                      |                                      |
| (a) Items that will not be reclassified to statement of profit or loss          |         |                                      |                                      |
| (i) Remeasurement of the employees defined benefit plans                        |         | (156.30)                             | (81.41)                              |
| (ii) Tax impact   | 27(ii)  | 39.34                                | 28.45                                |
| <b>Total Other comprehensive income</b>   |         | <b>(116.96)</b>                      | <b>(52.96)</b>                       |
| <b>(11) Total comprehensive income for the year (9+10)</b>                      |         | <b>2,673.41</b>                      | <b>1,256.09</b>                      |
| <b>(12) Earnings per equity share (Continuing operation):</b>                   |         |                                      |                                      |
| (1) Basic   |         | 47.87                                | 23.61                                |
| (2) Diluted   |         | 47.87                                | 23.61                                |
| <b>(13) Earnings per equity share (Discontinuing operation):</b>                |         |                                      |                                      |
| (1) Basic   |         | (1.30)                               | (1.76)                               |
| (2) Diluted   |         | (1.30)                               | (1.76)                               |
| <b>(14) Earnings per equity share (Continuing and discontinuing operation):</b> |         |                                      |                                      |
| (1) Basic   |         | 46.57                                | 21.85                                |
| (2) Diluted   |         | 46.57                                | 21.85                                |

See accompanying notes forming part of the financial statements

**In terms of our report of even date**
**For and on behalf of the Board of Directors**
**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm Registration No- 304026E/E300009

**Peeyush Gupta**

Chairman

DIN- 02840511

**Neeraj Kant**

Managing Director

DIN-06598469

**Sougata Mukherjee**

Partner

Membership Number: 057084

Kolkata, June 29, 2020

**U. Mishra**

Chief Financial Officer

**Rabi Narayan Kar**

Company Secretary

Jamshedpur, June 29, 2020

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Cash Flow Statement for the period ended March 31, 2020**

Rs in Lakhs

|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>A. Cash Flow from Operating activities:</b>                                  |                                      |                                      |
| <b>Profit before taxes including discontinued operations</b>                    | <b>3,867.83</b>                      | 1,994.64                             |
| From continuing operations  | 3,971.99                             | 2,157.14                             |
| From discontinued operations  | (104.16)                             | (162.50)                             |
| <i>Adjustments for:</i>   |                                      |                                      |
| Depreciation and amortisation expense   | 606.96                               | 611.35                               |
| Provision for bad & doubtful debts & Advances (net)                             | 22.11                                | 99.89                                |
| Bad debts written off   | 2.10                                 | -                                    |
| Interest Income   | (82.30)                              | (168.40)                             |
| Finance Cost  | 12.62                                | 56.22                                |
| Net loss/(gain) on sale of capital assets (net of discarded assets written off) | 1.50                                 | 11.25                                |
| Provision for warranty claims   | 8.66                                 | 9.91                                 |
| Employee separation compensation (amortised, net of payments)                   | 2.20                                 | 6.22                                 |
| <b>Operating profit before working capital changes</b>                          | <b>4,441.68</b>                      | 2,621.08                             |
| <b>Adjustments for (increase)/decrease in operating assets</b>                  |                                      |                                      |
| Movements in inventories  | (1,294.74)                           | 265.75                               |
| Movements in trade receivables  | 465.50                               | (260.86)                             |
| Movements in other financials assets  | (21.76)                              | (476.76)                             |
| Movements in other non financials assets  | 185.33                               | 122.77                               |
| Movements in trade and other payables   | 690.54                               | 332.45                               |
| Movements in retirement benefit assets/obligations                              | (110.73)                             | 56.49                                |
| <b>Cash generated from operations</b>   | <b>4,355.82</b>                      | 2,660.92                             |
| Income taxes paid   | (925.78)                             | (588.69)                             |
| <b>Net cash from operating activities</b>                                       | <b>3,430.04</b>                      | 2,072.23                             |
| <b>B. Cash Flow from Investing activities:</b>                                  |                                      |                                      |
| Purchase of property, plant and equipment                                       | (1,201.19)                           | (970.40)                             |
| Sale of property, plant and equipment   | 4.03                                 | 27.79                                |
| Fixed Deposits (made)/matured (net)   | 3.45                                 | -                                    |
| Interest received   | 82.30                                | 7.84                                 |
| <b>Net cash used in investing activities</b>                                    | <b>(1,111.41)</b>                    | (934.77)                             |
| <b>C. Cash Flow from Financing activities:</b>                                  |                                      |                                      |
| Proceeds from/ (Repayment against ) working capital borrowings (net)            | -                                    | (78.48)                              |
| Repayment of principle portion of lease liabilities                             | (35.98)                              | -                                    |
| Finance Cost  | (5.69)                               | (56.22)                              |
| Interest paid on lease liabilities  | (3.03)                               | -                                    |
| <b>Net cash used in financing activities</b>                                    | <b>(44.70)</b>                       | (134.70)                             |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                   | <b>2,273.93</b>                      | 1,002.76                             |
| <b>Cash &amp; cash equivalents as at April 1</b>                                | <b>1,044.04</b>                      | 41.28                                |
| <b>Cash &amp; cash equivalents as at close of period</b>                        | <b>3,317.97</b>                      | 1,044.04                             |

Notes:

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

(2) Figures in brackets represent outflows.

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

**In terms of our report of even date**
**For and on behalf of the Board of Directors**

For Price Waterhouse &amp; Co Chartered Accountants LLP

Chartered Accountants

Firm Registration No- 304026E/E300009

**Peeyush Gupta**

Chairman

DIN- 02840511

**Neeraj Kant**

Managing Director

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**Sougata Mukherjee**

Partner

Membership Number: 057084

Kolkata, June 29, 2020

**U. Mishra**

Chief Financial Officer

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Company Secretary

Jamshedpur, June 29, 2020

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Statement of Changes in Equity****A. Equity Share Capital**

| Particulars  | Rs in Lakhs   |
|--|---------------|
| <b>Balance as at April 1, 2018</b>                                   | 599.19        |
| Changes in equity share capital during the year ended March 31, 2019 | -             |
| Balance as at March 31, 2019   | 599.19        |
| Changes in equity share capital during the year ended March 31, 2020 | -             |
| <b>Balance as at March 31, 2020</b>                                  | <b>599.19</b> |

**B. Other Equity**

| Statement of changes in Equity                               | Reserves and surplus |   |                 |                 |                   | Total Equity     |
|--|----------------------|---|-----------------|-----------------|-------------------|------------------|
|  | Amalgamation Reserve | Investment Allowance (Utilised) Reserve | Special Reserve | Capital Reserve | Retained Earnings |                  |
| Balance as at April 1, 2018                                  | 276.60               | 267.30                                  | 0.73            | 0.08            | 6,207.88          | 6,752.59         |
| Recognised in the statement of Profit & loss during the year | -                    | -                                       | -               | -               | 1,309.05          | 1,309.05         |
| Other Comprehensive Income                                   | -                    | -                                       | -               | -               | (52.96)           | (52.96)          |
| <b>Balance as at March 31, 2019</b>                          | <b>276.60</b>        | <b>267.30</b>                           | <b>0.73</b>     | <b>0.08</b>     | <b>7,463.97</b>   | <b>8,008.68</b>  |
| Recognised in the statement of Profit & loss during the year | -                    | -                                       | -               | -               | 2,790.37          | 2,790.37         |
| Other Comprehensive Income                                   | -                    | -                                       | -               | -               | (116.96)          | (116.96)         |
| <b>Balance as at March 31, 2020</b>                          | <b>276.60</b>        | <b>267.30</b>                           | <b>0.73</b>     | <b>0.08</b>     | <b>10,137.38</b>  | <b>10,682.09</b> |

See accompanying notes forming part of the financial statements

In terms of our report of even date

For and on behalf of the Board of Directors

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm Registration No- 304026E/E300009

**Peeyush Gupta**  
Chairman  
DIN- 02840511

**Neeraj Kant**  
Managing Director  
DIN-06598469

**Sougata Mukherjee**

Partner

Membership Number: 057084

**U. Mishra**  
Chief Financial Officer

**Rabi Narayan Kar**  
Company Secretary

Kolkata, June 29, 2020

Jamshedpur, June 29, 2020

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

**(A Subsidiary of Tata Steel Ltd.)**

### **Notes forming part of the Financial Statements**

#### **01 - Accounting Policies**

##### **(1) GENERAL CORPORATE INFORMATION**

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

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

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

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

##### **(2) Summary of significant accounting policies**

###### **2.01 Statement of compliance**

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

###### **2.02 Basis of preparation and presentation**

These financial statements have been prepared on a historical cost basis except for the following:

- (a) certain financial assets and liabilities are measured at fair value
- (b) assets held for sale are measured at fair values less cost to sell.

###### **2.03 Use of Estimates**

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

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

**(A Subsidiary of Tata Steel Ltd.)**

### **Notes forming part of the Financial Statements**

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

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

- Useful lives of Property, plant and equipment (Refer Note 2.07 and 2.08)
- Provisions and Contingencies (Refer Note 33.1 and 33.2)
- Valuation and measurement of income taxes and deferred taxes (Refer Note 27.01 and 27.02)
- Assets and liabilities relating to employee benefits (Refer Note 30)

#### **2.04 REVENUE RECOGNITION**

##### **(i) Sale of goods**

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

- The Company has transferred the significant control over the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and

##### **(ii) Sale of services**

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

##### **(iii) Dividend and Interest income**

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

##### **(iv) Rental income**

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

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements**

**2.05 Employee Benefits**

**i). Short-term benefits**

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

**ii). Defined contribution retirement benefits**

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes. Contributions are paid in return for services rendered by the employees during the year. The company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits.

**iii). Defined benefit retirement benefits**

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

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

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements**

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

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

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

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

The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-s-vis interest rate declared by the Employees' Provident Fund Organisation.

**iv). Other Long-term benefits**

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

**2.06 Taxation**

**i). Current tax**

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



**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements**

**ii). Deferred tax**

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

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

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

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

**iii). Minimum alternate tax**

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

**2.07 Property, Plant and equipment**

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

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**(A Subsidiary of Tata Steel Ltd.)**

**Notes forming part of the Financial Statements**

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

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

Estimated useful lives of the assets are as follows:

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

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

**b) Capital work-in-progress**

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

**2.08 Intangible assets**

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

Estimated useful lives of the intangible assets are as follows:

|          |                 |
|----------|-----------------|
| Software | : 5 to 10 Years |
|----------|-----------------|

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

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

**(A Subsidiary of Tata Steel Ltd.)**

**Notes forming part of the Financial Statements**

**2.09 Impairment of assets**

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

**2.10 Inventories**

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

Scrap are valued at net realisable value.

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

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

**2.11 Provisions, Contingent liabilities and Contingent assets**

**2.11.01 Provisions**

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

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

**2.11.02 Warranties**

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

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED****(A Subsidiary of Tata Steel Ltd.)****Notes forming part of the Financial Statements****2.11.03 Contingent liabilities and assets**

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

**2.12 Foreign exchange gain and losses**

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

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

**2.13 Financial instruments**

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

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

**2.14 Financial assets**

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

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

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**Notes forming part of the Financial Statements**

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

Investments in equity instruments are classified as at FVTPL.

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

**2.14.02 Impairment of financial assets**

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

**2.14.03 Derecognition of financial assets**

A financial asset is derecognised only when

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

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

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

**2.14.04 Cash and cash equivalents**

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

**2.15 Financial liabilities and equity instruments**

**2.15.01 Financial liabilities**

Financial liabilities are measured at amortised cost or at FVTPL

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

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**Notes forming part of the Financial Statements**

**Trade and other payables**

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

**2.16 Segment Reporting**

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

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

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

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

**2.17 Leases**

**Till March 31, 2019:**

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

**With effect from April 1, 2019:**

Pursuant to the notification issued by Ministry of Corporate Affairs (MCA) on March 30, 2019, the Company has adopted Ind AS 116 "Leases" retrospectively with the cumulative effect at the date of initial application. Leases are recognized as a right-of-use Assets and corresponding liability at the date at which the leased assets are available for use by the Company. Assets and liabilities arising from lease are initially measured on a present value basis. Lease liability include the net present value of the following lease payments;

- Fixed payments (including in-substance fixed payments), less lease incentives receivable if any
- Variable lease payments, if any.
- Amount expected to be payable by the Company under residual value guarantees, if any.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used.

Lease payments are allocated between principle and finance cost. The finance cost is charged to profit or loss over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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**Notes forming part of the Financial Statements**

Right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability
- Any lease payment made at or before the commencement date less any lease incentive
- Any initial direct cost and
- Restoration cost if any

Right-of-use assets are depreciated over the lease term on a straight-line basis.

**2.18 Borrowing costs**

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

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

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

**2.19 Assets held for sale and discontinued operations**

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

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

**2.20 Earnings per share**

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

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements**
**04 - Property, plant and equipment**

Rs in Lakhs

|  | Buildings<br>(Own use) | Plant and<br>Equipment<br>(Owned) | Plant and<br>Equipment<br>(Right of use) | Furniture<br>and fixtures<br>(Owned) | Office<br>Equipments<br>(Owned) | Vehicles<br>(Owned) | Total<br>Tangible<br>Assets | Computer<br>Software | Total<br>Intangible<br>assets | Capital work<br>in progress |
|--|------------------------|-----------------------------------|--|--------------------------------------|---------------------------------|---------------------|-----------------------------|----------------------|-------------------------------|-----------------------------|
| Balance as at March 31, 2018                   | 1,386.57               | 5,066.61                          | -  | 141.71                               | 146.38                          | 89.09               | 6,830.36                    | 223.20               | 223.20                        | 27.25                       |
| Additions                                      | 31.50                  | 209.79                            | -  | 15.57                                | 27.33                           | 30.37               | 314.56                      | 8.92                 | 8.92                          | 578.66                      |
| Disposals                                      | (0.20)                 | (43.63)                           | -  | -                                    | (1.05)                          | (6.69)              | (51.57)                     | -                    | -                             | (323.49)                    |
| <b>Balance as at March 31, 2019</b>            | <b>1,417.87</b>        | <b>5,232.77</b>                   | <b>-</b>                                 | <b>157.28</b>                        | <b>172.66</b>                   | <b>112.77</b>       | <b>7,093.35</b>             | <b>232.12</b>        | <b>232.12</b>                 | <b>282.42</b>               |
| Additions                                      | 88.55                  | 200.18                            | 48.81                                    | 11.95                                | 9.58                            | 18.85               | 377.92                      | 15.22                | 15.22                         | 1,621.04                    |
| Disposals                                      | -                      | (0.49)                            | -  | -                                    | (25.29)                         | (7.22)              | (33.00)                     | -                    | -                             | (344.33)                    |
| <b>Balance as at March 31, 2020</b>            | <b>1,506.42</b>        | <b>5,432.46</b>                   | <b>48.81</b>                             | <b>169.23</b>                        | <b>156.95</b>                   | <b>124.40</b>       | <b>7,438.27</b>             | <b>247.34</b>        | <b>247.34</b>                 | <b>1,559.13</b>             |
| <b>Accumulated depreciation / amortisation</b> |                        |                                   |  |                                      |                                 |                     |                             |                      |                               |                             |
| Balance as at March 31, 2018                   | 233.00                 | 1,481.04                          | -  | 46.14                                | 93.08                           | 32.43               | 1,885.69                    | 87.23                | 87.23                         | -                           |
| Depreciation/amortisation expense              | 83.82                  | 440.20                            | -  | 12.61                                | 38.67                           | 4.83                | 580.13                      | 27.84                | 27.84                         | -                           |
| Disposals                                      | -                      | (8.37)                            | -  | -                                    | (0.89)                          | (3.27)              | (12.53)                     | -                    | -                             | -                           |
| <b>Balance as at March 31, 2019</b>            | <b>316.82</b>          | <b>1,912.87</b>                   | <b>-</b>                                 | <b>58.75</b>                         | <b>130.86</b>                   | <b>33.99</b>        | <b>2,453.29</b>             | <b>115.07</b>        | <b>115.07</b>                 | <b>-</b>                    |
| Depreciation /amortisation expense             | 84.55                  | 390.18                            | 36.61                                    | 13.76                                | 39.20                           | 12.78               | 577.08                      | 26.50                | 26.50                         | -                           |
| Disposals                                      | -                      | (0.22)                            | -  | -                                    | (23.55)                         | (3.70)              | (27.47)                     | -                    | -                             | -                           |
| <b>Balance as at March 31, 2020</b>            | <b>401.37</b>          | <b>2,302.83</b>                   | <b>36.61</b>                             | <b>72.51</b>                         | <b>146.51</b>                   | <b>43.07</b>        | <b>3,002.90</b>             | <b>141.57</b>        | <b>141.57</b>                 | <b>-</b>                    |
| Net Carrying amount                            |                        |                                   |  |                                      |                                 |                     |                             |                      |                               |                             |
| <b>Balance as at March 31, 2019</b>            | <b>1,101.05</b>        | <b>3,319.90</b>                   | <b>-</b>                                 | <b>98.53</b>                         | <b>41.80</b>                    | <b>78.78</b>        | <b>4,640.06</b>             | <b>117.05</b>        | <b>117.05</b>                 | <b>282.42</b>               |
| <b>Balance as at March 31, 2020</b>            | <b>1,105.05</b>        | <b>3,129.63</b>                   | <b>12.20</b>                             | <b>96.72</b>                         | <b>10.44</b>                    | <b>81.33</b>        | <b>4,435.37</b>             | <b>105.77</b>        | <b>105.77</b>                 | <b>1,559.13</b>             |

## Notes:

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



**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements**

**05 - Investment properties**

Rs in Lakhs

|                                  | Freehold Buildings |
|----------------------------------|--------------------|
| <b>Cost or deemed cost</b>       |                    |
| Balance at 31 March, 2018        | 174.48             |
| Additions                        | -                  |
| Disposals                        | -                  |
| <b>Balance at 31 March, 2019</b> | <b>174.48</b>      |
| Additions                        | -                  |
| Disposals                        | -                  |
| <b>Balance at March 31, 2020</b> | <b>174.48</b>      |
| <b>Accumulated depreciation</b>  |                    |
| Balance at 31 March, 2018        | 10.13              |
| Depreciation expense             | 3.38               |
| Disposals                        | -                  |
| <b>Balance at 31 March, 2019</b> | <b>13.51</b>       |
| Depreciation expense             | 3.38               |
| Disposals                        | -                  |
| <b>Balance at March 31, 2020</b> | <b>16.89</b>       |
| <b>Net Carrying amount</b>       |                    |
| Balance at 31 March, 2019        | 160.97             |
| <b>Balance at March 31, 2020</b> | <b>157.59</b>      |

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

|  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| Rental income (refer note 14)  | 59.69                | 59.69                |
| Direct operating expenses (including repairs and maintenance) generating rental income |                      |                      |
| Direct operating expenses (including repairs and maintenance)                          | (3.66)               | (3.59)               |
| Profit arising from investment properties before depreciation                          | 56.03                | 56.10                |
| Less – Depreciation  | (3.38)               | (3.38)               |
| <b>Profit arising from investment properties</b>                                       | <b>52.65</b>         | <b>52.72</b>         |

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

**Description of valuation techniques used and**

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

**Information about the fair value hierarchy are as follows:**

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
|  | Level 3              | Level 3              |
| Investment property in India- at Kolkata city- Rs in Lakhs | 5959                 | 6301                 |

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

|   | Rs in Lakhs             |                         |
|---|-------------------------|-------------------------|
|   | As at March 31,<br>2020 | As at March 31,<br>2019 |
| <b>Other Investments</b>  |                         |                         |
| (1) Quoted  |                         |                         |
| (2) Unquoted  |                         |                         |
| <b>(a) In fully paid Equity Shares</b>  |                         |                         |
| 1,40,280 shares (1,40,280 shares) of Rs. 10 each of INCAB Industries Ltd. (pledged with Punjab National Bank) (*)                 | 0.00                    | 0.00                    |
| 250 shares (250 shares) of Rs. 100 each in Bihar State Financial Corporation (*)  | 0.00                    | 0.00                    |
| Nil equity shares (4,01,200 equity shares) of Rs. 10 each in Brahma Steyr Tractors Ltd. (*) #                                     | -                       | 0.00                    |
| Nil equity shares (1,20,166 equity shares) of Rs. 10 each in Metal Corporation of India Ltd. (*) #                                | -                       | 0.00                    |
| <b>(b) In fully paid debentures</b>   |                         |                         |
| 1,400 4% debentures (1,400 debentures ) of Rs. 500 each in Assam Bengal Cement Co. Ltd. (in liquidation) (*) #                    | -                       | 0.00                    |
| <b>(c) In fully paid preference shares</b>  |                         |                         |
| Nil - 5% tax free cumulative preference shares (2,852 preference shares) of Rs. 100 each in Metal Corporation of India Ltd. (*) # | -                       | 0.00                    |
| <b>Total Investments</b>  | -                       | -                       |

\* Amount below rounding off norm adopted by the company.

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

# The Company, along with Tata Steel Limited has entered into a full and final settlement agreement with Ms. Indra Singh & Sons Private Limited (earstwhile promoters) to settle all the pending disputes and claims. The terms and conditions of the agreement satisfy the conditions of de-recognition of financial assets as per Ind AS 109 and accordingly are de-recognised in the current year. There is no implication of such derecognition in the financial statements.

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**Notes forming part of the Financial Statements**
**07- Other current and non current assets**

Rs in Lakhs

| Particulars  | As at March 31, 2020 |               |                 | As at March 31, 2019 |               |                 |
|--|----------------------|---------------|-----------------|----------------------|---------------|-----------------|
|  | Non current          | Current       | Total           | Non current          | Current       | Total           |
| (a) Capital advances   | 221.02               | -             | 221.02          | 431.98               |               | 431.98          |
| (b) Advance with public bodies                                     | 81.94                | 200.40        | 282.34          | 81.94                | 94.02         | 175.96          |
| i) Service tax   | -                    | -             | -               | -                    | 18.92         | 18.92           |
| ii) Excise   | -                    | -             | -               | -                    | 15.05         | 15.05           |
| iii) Sales tax/Value added tax/Others                              | 81.94                | 15.35         | 97.29           | 81.94                | 14.98         | 96.92           |
| iv) GST  | -                    | 185.05        | 185.05          | -                    | 45.07         | 45.07           |
| (c) Loans and advances to related parties                          | -                    | 66.81         | 66.81           | -                    | 82.29         | 82.29           |
| (d) Other loans and advances                                       |                      | 674.43        | 674.43          |                      | 762.97        | 762.97          |
| i) Prepayments   | -                    | 19.22         | 19.22           | -                    | 8.80          | 8.80            |
| ii) Advance to suppliers   | -                    | 571.79        | 571.79          | -                    | 561.80        | 561.80          |
| iii) Others  | -                    | 83.42         | 83.42           | -                    | 192.37        | 192.37          |
| <b>Gross Loans and advances</b>                                    | <b>302.96</b>        | <b>941.64</b> | <b>1,244.60</b> | <b>513.92</b>        | <b>939.28</b> | <b>1,453.20</b> |
| <b>Less: Provision for bad &amp; doubtful loans &amp; advances</b> |                      |               |                 |                      |               |                 |
| (a) Capital advances   | 191.04               | -             | 191.04          | 191.04               | -             | 191.04          |
| (b) Other loans and advances                                       | -                    | 278.53        | 278.53          | -                    | 244.73        | 244.73          |
| <b>Total provision for bad &amp; doubtful loans &amp; advances</b> | <b>191.04</b>        | <b>278.53</b> | <b>469.57</b>   | <b>191.04</b>        | <b>244.73</b> | <b>435.77</b>   |
| <b>Total Loans and advances</b>                                    | <b>111.92</b>        | <b>663.11</b> | <b>775.03</b>   | <b>322.88</b>        | <b>694.55</b> | <b>1,017.43</b> |
| <b>Classification of loans and advances</b>                        |                      |               |                 |                      |               |                 |
| Secured, considered good   | -                    | -             | -               | -                    | -             | -               |
| Unsecured, considered good   | 111.92               | 663.11        | 775.03          | 322.88               | 694.55        | 1,017.43        |
| Doubtful   | 191.04               | 278.53        | 469.57          | 191.04               | 244.73        | 435.77          |
| <b>Gross Loans and advances</b>                                    | <b>302.96</b>        | <b>941.64</b> | <b>1,244.60</b> | <b>513.92</b>        | <b>939.28</b> | <b>1,453.20</b> |

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**Notes forming part of the Financial Statements****08 - Inventories**

Rs in Lakhs

| Particulars  | As at March 31,<br>2020 | As at March 31,<br>2019 |
|--|-------------------------|-------------------------|
| (a) Raw materials (At lower of Cost and Net Realisable Value(NRV)) | <b>903.25</b>           | 855.31                  |
| (b) Work-in-progress (At lower of Cost and NRV)                    | <b>790.99</b>           | 639.02                  |
| (c) Finished goods (At lower of Cost and NRV )                     | <b>804.66</b>           | 384.94                  |
| (d) Scraps and Defectives (At Net Realisable Value)                | <b>432.29</b>           | 137.30                  |
| (e) Stores and spares (at cost less write off for obsolescence)    | <b>1,942.76</b>         | 1,562.64                |
| <b>Total Inventories</b>   | <b>4,873.95</b>         | 3,579.21                |

**WIP comprises :**

Rs in Lakhs

| Particulars       | As at March 31,<br>2020 | As at March 31,<br>2019 |
|-------------------|-------------------------|-------------------------|
| Rolls and casting | <b>785.01</b>           | 634.09                  |
| Welding product   | <b>5.98</b>             | 4.93                    |
| <b>Total</b>      | <b>790.99</b>           | 639.02                  |

**FG comprises :**

Rs in Lakhs

| Particulars       | As at March 31,<br>2020 | As at March 31,<br>2019 |
|-------------------|-------------------------|-------------------------|
| Rolls and casting | <b>148.66</b>           | 15.68                   |
| Welding product   | <b>656.00</b>           | 369.26                  |
| <b>Total</b>      | <b>804.66</b>           | 384.94                  |

- i) The cost of inventories recognised as an expense during the year was Rs 3174.12 lakhs/- (March 31, 2019: Rs 2,639.02 lakhs)
- ii) The cost of inventories recognised as an expense during the year in respect of written down of inventory to its net realisable value was Rs 92.94 lakhs (March 31, 2019: Rs 75.12 lakhs).
- iii) The mode of valuation of inventories has been stated in note 2.10.
- iv) Inventories are pledged on pari passu first charge against working capital demand loans from HDFC (Refer note-17 )
- v) The Company discontinued its Fastener business, accordingly inventories pertaining to Fastener business have been reclassified under the head "Assets classified as held for Sale".
- vi) The Company discontinued its Fastener business, accordingly inventories pertaining to Fastener business

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**Notes forming part of the Financial Statements****09 - Trade receivables**

Rs in Lakhs

| Particulars   | As at March 31,<br>2020 | As at March 31,<br>2019 |
|---|-------------------------|-------------------------|
| <b>Trade receivables (unsecured)</b>                  |                         |                         |
| (1) Trade Receivables                                 | 363.66                  | 177.96                  |
| (2) Receivables from Related Parties (Refer Note- 32) | 1,237.21                | 1,890.50                |
| <b>Total Trade Receivables</b>                        | <b>1,600.87</b>         | <b>2,068.46</b>         |
| Less: Loss allowances                                 | 67.75                   | 80.60                   |
| <b>Net total Receivables</b>                          | <b>1,533.12</b>         | <b>1,987.86</b>         |
| <b>Current Position</b>                               | <b>1,533.12</b>         | <b>1,987.86</b>         |

| Break-up of Security details  | As at March 31,<br>2020 | As at March 31,<br>2019 |
|---|-------------------------|-------------------------|
| (a) Trade receivable considered good - Secured                      | -                       | -                       |
| (b) Trade receivable considered good - Unsecured                    | 1,533.12                | 1,987.86                |
| (c) Trade receivable which have significant increase in credit risk | -                       | -                       |
| (d) Trade receivables - credit impaired                             | 67.75                   | 80.60                   |
|   | <b>1,600.87</b>         | <b>2,068.46</b>         |
| Less : Loss allowance   | 67.75                   | 80.60                   |
|   | <b>1,533.12</b>         | <b>1,987.86</b>         |

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

(b) Ageing of receivables:

|                                     | As at March 31,<br>2020 | As at March 31,<br>2019 |
|-------------------------------------|-------------------------|-------------------------|
| Amounts not yet due                 | 614.18                  | 1,602.41                |
| One month overdue                   | 606.02                  | 237.54                  |
| Two months overdue                  | 149.21                  | -                       |
| Three months overdue                | 41.48                   | 70.06                   |
| Between three to six months overdue | 37.38                   | 33.92                   |
| Greater than six months overdue     | 152.60                  | 124.53                  |
|                                     | <b>1,600.87</b>         | <b>2,068.46</b>         |

(c) Movement in loss allowances are as under:

|                                   | As at March 31,<br>2020 | As at March 31,<br>2019 |
|-----------------------------------|-------------------------|-------------------------|
| Balance at the beging of the year | 80.60                   | 32.88                   |
| Allowances during the year        | 23.83                   | 47.72                   |
| Written back during the year      | 36.68                   | -                       |
| Balance at the end of the year    | <b>67.75</b>            | <b>80.60</b>            |

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

(e) Of the trade receivable balance as at March 31,2020 Rs. 1,373.59 lakhs ( as at March 31, 2019 of Rs. 1,865.08 lakhs ) is due from company's two major customers i. e. having more than 5% of total outstanding trade receivables.

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

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

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**Notes forming part of the Financial Statements****10 - Cash and cash balances**

| Particulars                                   | As at March 31,<br>2020 | Rs in Lakhs             |
|---|-------------------------|-------------------------|
|   |                         | As at March 31,<br>2019 |
| (a) Cash on hand                              | 1.12                    | 0.67                    |
| (b) Unrestricted Balance with scheduled banks |                         |                         |
| (i) In Current Account                        | 73.75                   | 3.37                    |
| (ii) In Deposit Account                       | 2,551.84                | 700.00                  |
| (iii) In Cash Credit Account                  | 691.26                  | 340.00                  |
| <b>Total cash and cash equivalents</b>        | <b>3,317.97</b>         | <b>1,044.04</b>         |
| (c) Earmarked Balance with scheduled banks    |                         |                         |
| (i) In Deposit Account                        | 46.87                   | 50.32                   |
| <b>Total cash and cash equivalents</b>        | <b>46.87</b>            | <b>50.32</b>            |
| <b>Total cash and cash balances</b>           | <b>3,364.84</b>         | <b>1,094.36</b>         |

**Notes:**

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

**11 - Other financial assets****(Secured and considered good)**

| Particulars                   | As at March 31,<br>2020 | Rs in Lakhs             |
|-------------------------------|-------------------------|-------------------------|
|                               |                         | As at March 31,<br>2019 |
| (a) Security deposits         | 87.52                   | 46.33                   |
| (b) Other financial assets    | 727.04                  | 746.47                  |
| Less: Loss allowances         | 1.16                    | -                       |
| <b>Other financial assets</b> | <b>813.40</b>           | <b>792.80</b>           |

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

| Particulars   | Rs in Lakhs          |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2020 | As at March 31, 2019 |
| <b>Authorised:</b>  |                      |                      |
| 70,00,000 (March 31, 2019: 70,00,000) equity Shares of Rs.10 each | 700.00               | 700.00               |
| <b>Total Share Capital Authorised</b>                             | <b>700.00</b>        | <b>700.00</b>        |
| <b>Issued:</b>  |                      |                      |
| 59,91,896 (March 31, 2019: 59,91,896) equity Shares of Rs.10 each | 599.19               | 599.19               |
| <b>Total Share Capital Issued</b>                                 | <b>599.19</b>        | <b>599.19</b>        |
| <b>Subscribed and Paid up:</b>                                    |                      |                      |
| 59,91,896 (March 31, 2019: 59,91,896) equity Shares of Rs.10 each | 599.19               | 599.19               |
| <b>Total Share Capital Subscribed and Paid up</b>                 | <b>599.19</b>        | <b>599.19</b>        |

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

| Rs in Lakhs  | As at March 31, 2020 |        | As at March 31, 2019 |        |
|--|----------------------|--------|----------------------|--------|
|  | No. of shares        | Amount | No. of shares        | Amount |
| <b>Equity shares:</b>  |                      |        |                      |        |
| Issued, subscribed & fully paid up: At beginning and end of the year | 59,91,896            | 599.19 | 59,91,896            | 599.19 |

**Terms / rights attached to equity shares**

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

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

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

| Shareholders holding more than 5% share capital: | As at March 31, 2020 |        | As at March 31, 2019 |        |
|--|----------------------|--------|----------------------|--------|
|  | No. of shares        | %      | No. of shares        | %      |
| Tata Steel Limited (Holding company)             | 56,92,651            | 95.01% | 56,92,651            | 95.01% |

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

Rs in Lakhs

| Particulars   | As at March 31,<br>2020 | As at March 31,<br>2019 |
|---|-------------------------|-------------------------|
| <b>1 Retained Earnings</b>  | <b>10,137.38</b>        | 7,463.97                |
| a) Reconciliation of retained earnings:   |                         |                         |
| Opening balance   | <b>7,463.97</b>         | 6,207.88                |
| Profits for the year  | <b>2,790.37</b>         | 1,309.05                |
| Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax | <b>(116.96)</b>         | (52.96)                 |
| <b>Balance at the end of the year</b>   | <b>10,137.38</b>        | 7,463.97                |
| <b>2 Other components of equity</b>   |                         |                         |
| a) Capital reserve  |                         |                         |
| Opening and closing balance   | <b>0.08</b>             | 0.08                    |
| b) Amalgamation reserve   |                         |                         |
| Opening and closing balance   | <b>276.60</b>           | 276.60                  |
| c) Investment Allowance (Utilised) Reserve  |                         |                         |
| Opening and closing balance   | <b>267.30</b>           | 267.30                  |
| d) Special Reserve (Machinery Replacement Reserve)  |                         |                         |
| Opening and closing balance   | <b>0.73</b>             | 0.73                    |
| <b>Total Other components of equity</b>   | <b>544.71</b>           | <b>544.71</b>           |



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**Notes forming part of the Financial Statements****14 - Other financial liabilities**

Rs in Lakhs

| Particulars                                 | As at March 31, 2020 |               |                 | As at March 31, 2019 |              |                 |
|---|----------------------|---------------|-----------------|----------------------|--------------|-----------------|
|   | Non Current          | Current       | Total           | Non Current          | Current      | Total           |
| Creditors for other liabilities             |                      |               |                 |                      |              |                 |
| (i) Creditors for capital supplies/services | -                    | 303.22        | 303.22          | -                    | 45.52        | 45.52           |
| (ii) Other credit balances *                | 1,400.00             | 184.47        | 1,584.47        | 1,400.00             | 23.05        | 1,423.05        |
| (iii) Lease liability                       | -                    | 12.83         | 12.83           | -                    | -            | -               |
| <b>Total Other financial liabilities</b>    | <b>1,400.00</b>      | <b>500.52</b> | <b>1,900.52</b> | <b>1,400.00</b>      | <b>68.57</b> | <b>1,468.57</b> |

\* Long Term liabilities include deposits of Rs. 1,400 lakhs received from Tata Steel Limited (As at March 31, 2019 Rs.1,400 lakhs) towards security deposit against Alipore flats given on lease as per the terms of the agreement which is renewable on its expiry. The economic value amounting to Rs. 126 lakhs is adjusted while arriving at the rental income Rs. 59.69 lakhs in respect of such properties (refer Note 5 & note 22).

| Measurement of lease liabilities   | Rs in Lakhs  |
|--|--------------|
| Operating lease commitments disclosed as at March 31, 2019                                   | -            |
| Discounted using the lessee's incremental borrowings rate at the date of initial application | -            |
| Add: finance lease liabilities recognised as at March 31, 2019                               | -            |
| Add: Contracts reassessed as lease contracts   | 48.81        |
| <b>Lease liabilities recognised as at April 1, 2019</b>                                      | <b>48.81</b> |

**Of which are:**

|                               |       |
|-------------------------------|-------|
| Current lease liabilities     | 35.98 |
| Non-current lease liabilities | 12.83 |

As indicated in note no 2.17, the Company has adopted Ind AS 116 retrospectively from 01.04.2019, but has not restated comparative for the year ended 31.03.2019. As permitted under the specific transition provision in the standard. The reclassification and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 01.04.2019.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to lease which had previously classified as "operating lease" under the principal of Ind AS 17, Leases. The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 10.73%.

In applying the Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard.

- applying single discount rate to a portfolio of leases with reasonably similar character
- accounted for operating leases with remaining lease term of less than 12 months as at 01.04.2019 as short term lease
- excluding initial direct cost for the measurement of the right-of-use assets at the date of initial application and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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**Notes forming part of the Financial Statements****15 - Provisions**

Rs in Lakhs

| Particulars   | As at March 31, 2020 |               |                 | As at March 31, 2019 |               |               |
|---|----------------------|---------------|-----------------|----------------------|---------------|---------------|
|   | Non Current          | Current       | Total           | Non Current          | Current       | Total         |
| (a) Provision for employee benefits                 |                      |               |                 |                      |               |               |
| (1) Long-term Employee Benefits                     |                      |               |                 |                      |               |               |
| (i) Compensated absence                             | 897.14               | 70.87         | 968.01          | 794.34               | 80.22         | 874.56        |
| (ii) Provision for employee separation compensation | 13.51                | 12.94         | 26.45           | 26.46                | 5.57          | 32.03         |
| (b) Provision For Warranty Claims                   | -                    | 18.68         | 18.68           | -                    | 34.16         | 34.16         |
| <b>Total Provisions</b>                             | <b>910.65</b>        | <b>102.49</b> | <b>1,013.14</b> | <b>820.80</b>        | <b>119.95</b> | <b>940.75</b> |

## Notes

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

| Particulars                               | As at March 31,<br>2020 | Rs in Lakhs             |
|---|-------------------------|-------------------------|
|   |                         | As at March 31,<br>2019 |
| Balance at the beginning of the year      | 34.16                   | 38.81                   |
| Provision made during the period          | 32.23                   | 9.91                    |
| Claims accepted                           | (24.14)                 | (14.56)                 |
| Provision no longer required written back | (23.57)                 | -                       |
| <b>Balance at the end of the year</b>     | <b>18.68</b>            | <b>34.16</b>            |

**16 - Employee benefit obligations**

Rs in Lakhs

| Particulars                               | As at March 31, 2020 |              |               | As at March 31, 2019 |              |               |
|---|----------------------|--------------|---------------|----------------------|--------------|---------------|
|   | Non current          | Current      | Total         | Non current          | Current      | Total         |
| <b>Employee benefits liabilities</b>      |                      |              |               |                      |              |               |
| (i) Pension Obligations                   | 85.16                | 7.32         | 92.48         | 71.27                | 6.64         | 77.91         |
| (ii) Retiring Gratuity (net)              | 195.58               | -            | 195.58        | 197.34               | -            | 197.34        |
| (iii) Post retirement medical benefits    | 276.54               | 15.80        | 292.34        | 243.21               | 16.37        | 259.58        |
| <b>Total Employee benefit liabilities</b> | <b>557.28</b>        | <b>23.12</b> | <b>580.40</b> | <b>511.82</b>        | <b>23.01</b> | <b>534.83</b> |

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**Notes forming part of the Financial Statements****17 - Trade payables**

| Particulars                                   | Rs in Lakhs             |                         |
|---|-------------------------|-------------------------|
|   | As at March 31,<br>2020 | As at March 31,<br>2019 |
| <b>Trade payables</b>                         |                         |                         |
| (a) Total outstanding dues of creditors       |                         |                         |
| (i) Trade payables: Micro & Small enterprises | <b>23.52</b>            | 47.32                   |
| (ii) Trade payables: Others                   | <b>3,727.71</b>         | 3,248.90                |
| (a) Creditors for supplies and services       | <b>2,813.78</b>         | 2,283.42                |
| (b) Creditors for accrued wages and salaries  | <b>913.93</b>           | 965.48                  |
| <b>Total Trade Payables</b>                   | <b>3,751.23</b>         | 3,296.22                |

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**Notes forming part of the Financial Statements****18 - Other current liabilities**

| Particulars                            | Rs in Lakhs             |                         |
|--|-------------------------|-------------------------|
|  | As at March 31,<br>2020 | As at March 31,<br>2019 |
| <b>Other current liabilities</b>       |                         |                         |
| (a) Advances received from customers   | <b>223.32</b>           | 148.10                  |
| (b) Creditors for other liabilities    |                         |                         |
| (i) Statutory Dues                     | <b>40.19</b>            | 141.88                  |
| (ii) Other credit balances             | -                       | 3.27                    |
| <b>Total Other Current Liabilities</b> | <b>263.51</b>           | 293.25                  |

**19- Deferred Tax (Liability ) / Assets****Composition of Deferred Tax Assets and Liabilities is as follows:**

| Particulars                                  | Rs in Lakhs             |                         |
|--|-------------------------|-------------------------|
|  | As at March 31,<br>2020 | As at March 31,<br>2019 |
| (a) Deferred Tax Assets                      |                         |                         |
| (i) ESS Compensation                         | <b>10.00</b>            | 18.00                   |
| (ii) Provision for Doubtful Debts & Advances | <b>90.00</b>            | 75.00                   |
| (iii) Provision for Leave Salary             | <b>244.00</b>           | 304.00                  |
| (iv) Provision for Warranty                  | <b>5.00</b>             | 12.00                   |
| (b) Deferred Tax Liabilities                 |                         |                         |
| Difference between book and tax depreciation | <b>146.00</b>           | 174.00                  |
| <b>Deferred Tax Assets (Net)</b>             | <b>203.00</b>           | 235.00                  |

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**Notes forming part of the Financial Statements****20 - Revenue from operations**

Rs in Lakhs

| Particulars                               | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| (a) Sale of products                      | 6,079.93                             | 5,826.39                             |
| (b) Sale of Services                      | 19,823.67                            | 19,887.92                            |
| (c) Other operating revenues (Scrap sale) | 1,985.24                             | 3,007.06                             |
| <b>Revenue from Operations</b>            | <b>27,888.84</b>                     | <b>28,721.37</b>                     |

**Notes-****Revenue from major products and services**

Rs in Lakhs

| Particulars                    | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------------------|--------------------------------------|--------------------------------------|
| MIG, Electrodes & Nails        | 4,103.14                             | 3,973.96                             |
| Rolls and casting              | 1,976.79                             | 1,852.43                             |
| Gross Sale of Products         | 6,079.93                             | 5,826.39                             |
| Conversion Income              | 19,823.67                            | 19,887.92                            |
| Scrap Sales                    | 1,985.24                             | 3,007.06                             |
| <b>Revenue from Operations</b> | <b>27,888.84</b>                     | <b>28,721.37</b>                     |

## 20 (a) Disaggregation of revenue from contracts with customers.

Rs in Lakhs

| Particulars                    | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Segment Revenue                | 29,385.39                            | 30,440.24                            |
| Inter Segment revenue          | 1,091.23                             | 1,210.43                             |
| Revenue from external customer | 28,294.16                            | 29,229.81                            |
| Timing of Revenue Recognition  |                                      |                                      |
| At a point in time             | 28,294.16                            | 29,229.81                            |
| Over time                      |                                      | -                                    |
|                                | <b>28,294.16</b>                     | <b>29,229.81</b>                     |

## 20 (b) Assets and liabilities related to contracts with customers

Rs in Lakhs

| Particulars                     | Note<br>No | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---------------------------------|------------|--------------------------------------|--------------------------------------|
| Trade receivables (net)         | 09         | 1,533.12                             | 1,987.86                             |
| Work in progress                | 08         | 790.99                               | 639.02                               |
| Finished goods Inventory        | 08         | 804.66                               | 384.94                               |
| Unbilled Revenue                | 11         | 727.04                               | 746.47                               |
| Total Contract assets           |            | <b>3,855.81</b>                      | <b>3,758.29</b>                      |
| Advance received from customers | 19         | 223.32                               | 148.10                               |
| Total Contract Liabilities      |            | <b>223.32</b>                        | <b>148.10</b>                        |

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**Notes forming part of the Financial Statements****21 - Other Income**

Rs in Lakhs

| Particulars                                   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| (a) Interest Income                           |                                      |                                      |
| Interest received on deposits                 | 82.30                                | 7.84                                 |
| Interest on Income Tax Refund                 | -                                    | 160.56                               |
| (b) Net Gain on sale of fixed assets          | -                                    | 6.86                                 |
| (c) Provision for doubtful debts written back | 36.68                                | -                                    |
| (d) Rental income (refer Note 14)             | 59.69                                | 59.69                                |
| (e) Miscellaneous income                      | 179.04                               | 173.05                               |
| (f) Insurance Claim Received                  | 47.61                                | 100.44                               |
| <b>Total Other Income</b>                     | <b>405.32</b>                        | <b>508.44</b>                        |

**22 (A) - Cost of material consumed**

Rs in Lakhs

| Particulars                        | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|------------------------------------|--------------------------------------|--------------------------------------|
| Raw material consumed              |                                      |                                      |
| (a) Opening stock                  | 855.31                               | 816.23                               |
| (b) Add: Purchases                 | 3,222.06                             | 2,678.10                             |
| (c) Less: Closing stock            | 903.25                               | 855.31                               |
| <b>Total raw material consumed</b> | <b>3,174.12</b>                      | <b>2,639.02</b>                      |

**22 (B) - Changes in inventories of finished products and work in**

Rs in Lakhs

| Particulars                                | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the period |                                      |                                      |
| (a) Finished products & Scraps             | 522.24                               | 183.94                               |
| (b) Work-in-progress                       | 639.02                               | 1,131.71                             |
|  | <b>1,161.26</b>                      | <b>1,315.65</b>                      |
| Inventories at the end of the period       |                                      |                                      |
| (a) Finished products & Scraps             | 1,236.95                             | 522.24                               |
| (b) Work-in-progress                       | 790.99                               | 639.02                               |
|  | <b>2,027.94</b>                      | <b>1,161.26</b>                      |
| <b>Net (increase)/decrease</b>             | <b>(866.68)</b>                      | <b>154.39</b>                        |

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**Notes forming part of the Financial Statements****23 - Employee benefit expense**

Rs in Lakhs

| Particular  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| (a) Salaries,wages and bonus                            |                                      |                                      |
| - Salaries and wages including bonus                    | <b>3,903.04</b>                      | 4,023.14                             |
| - Employee separation compensation                      | <b>2.20</b>                          | 6.22                                 |
| (b) Company's Contribution to provident and other funds | <b>364.69</b>                        | 350.62                               |
| (c) Workmen and Staff welfare expenses                  | <b>291.96</b>                        | 296.63                               |
| <b>Total Employee benefit expense</b>                   | <b>4,561.89</b>                      | 4,676.61                             |

**24 - Depreciation and amortisation expense**

Rs in Lakhs

| Particular  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| (a) Depreciation of property, plant and Equipment | <b>540.47</b>                        | 580.13                               |
| (b) Depreciation of right-of-use of assets        | <b>36.61</b>                         | -                                    |
| (c) Depreciation of investment properties         | <b>3.38</b>                          | 3.38                                 |
| (d) Amortisation of intangible assets             | <b>26.50</b>                         | 27.84                                |
| <b>Total Depreciation and amortisation</b>        | <b>606.96</b>                        | 611.35                               |

**25 - Finance costs**

Rs in Lakhs

| Particular                 | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|----------------------------|--------------------------------------|--------------------------------------|
| (a) Interest expense on    |                                      |                                      |
| Bank borrowings            | <b>1.36</b>                          | 47.58                                |
| Others                     | <b>6.93</b>                          | 4.42                                 |
| (b) Bank Charges           | <b>4.33</b>                          | 4.22                                 |
| <b>Total Finance costs</b> | <b>12.62</b>                         | 56.22                                |

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements****26 - Other expenses**

Rs in Lakhs

| Particulars  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| (a) Consumption of stores, spare parts and loose tools | <b>5,190.33</b>                      | 5,672.05                             |
| (b) Consumption of Packing Material                    | <b>231.01</b>                        | 212.39                               |
| (c) Repairs to buildings                               | <b>634.61</b>                        | 820.01                               |
| (d) Repairs to plant and machinery                     | <b>993.09</b>                        | 891.23                               |
| (e) Repairs to others                                  | <b>35.20</b>                         | 33.45                                |
| (f) Power and fuel                                     | <b>7,276.08</b>                      | 7,449.58                             |
| (g) Water  | <b>263.77</b>                        | 313.57                               |
| (h) Rent   | <b>24.58</b>                         | 25.45                                |
| (i) Rates and taxes                                    | <b>445.10</b>                        | 406.36                               |
| (j) Insurance charges                                  | <b>93.58</b>                         | 85.18                                |
| (k) Freight and handling charges                       | <b>304.46</b>                        | 157.53                               |
| (l) Travelling, conveyance and car running expenses    | <b>66.21</b>                         | 58.69                                |
| (m) Legal and other professional costs                 | <b>45.73</b>                         | 47.49                                |
| (n) Conversion charges                                 | <b>1,831.39</b>                      | 1,718.27                             |
| (o) Sales Commission & Discount                        | <b>32.25</b>                         | 43.05                                |
| (p) Business promotion                                 | <b>15.62</b>                         | 14.17                                |
| (q) Provision for doubtful debts and advances          | <b>58.79</b>                         | 99.89                                |
| (r) Bad debts written off                              | <b>2.10</b>                          | -                                    |
| (s) Net loss on sale of fixed assets                   | <b>1.50</b>                          | -                                    |
| (t) Provision for warranty expenses                    | <b>8.66</b>                          | 9.91                                 |
| (u) Expenses towards Corporate Social Responsibility   | <b>31.14</b>                         | 23.17                                |
| (v) Other expenses                                     | <b>1,091.24</b>                      | 853.67                               |
| (w) (1) Director's fee                                 | <b>4.40</b>                          | 6.05                                 |
| (2) Telephone expenses                                 | <b>27.22</b>                         | 27.56                                |
| (3) Payment to Auditors                                | <b>9.90</b>                          | 10.22                                |
| (i) As Auditors - statutory audit                      | <b>7.30</b>                          | 7.30                                 |
| (ii) As Auditors - Tax audit                           | <b>1.50</b>                          | 1.50                                 |
| (iii) Auditors out-of-pocket expenses                  | <b>1.10</b>                          | 1.42                                 |
| (iv) As Auditors - for other services                  | <b>1.00</b>                          | -                                    |
| (4) Cost auditor's remuneration                        | <b>1.60</b>                          | 1.47                                 |
| (5) Other General Expenses                             | <b>1,047.12</b>                      | 808.37                               |
|  | -                                    | -                                    |
| <b>Total Other Expenses</b>                            | <b>18,676.44</b>                     | <b>18,935.11</b>                     |



**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements****27 (i) Income tax recognised in profit or loss-**

Rs in Lakhs

|  | <b>For the year ended<br/>March 31, 2020</b> | For the year ended<br>March 31, 2019 |
|--|--|--------------------------------------|
| Current Tax  |  |                                      |
| - In respect of current year                           | 1,042.34                                     | 790.31                               |
| Deferred Tax in respect of current year                | 32.00  | (47.94)                              |
| <b>Total Income tax recognised in the current year</b> | <b>1,074.34</b>                              | <b>742.37</b>                        |

(i) In respect of prior year 29.33 -

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

|  | <b>For the year ended<br/>March 31, 2020</b> | For the year ended<br>March 31, 2019 |
|--|--|--------------------------------------|
| Profit before tax from continuing operations                     | 3,971.99                                     | 2,157.14                             |
| Income tax expense calculated at 25.17% (31 March, 2019 34.944%) | 999.75                                       | 753.79                               |
| Impact of decrease in tax rate for deferred tax                  | 30.72  | -                                    |
| Effect of expenses allowed / (not allowed) in income tax         | 43.87  | (11.42)                              |
| <b>Income tax expenses recognised in profit or loss account</b>  | <b>1,074.34</b>                              | <b>742.37</b>                        |

The tax rate used for reconciliation above is the corporate tax rate of 25.17% (31 March, 2019 34.944%) payable by corporate entities in India on taxable profits under the Indian tax laws.

During the year ended March 31, 2020, the Company has recognised additional tax benefit of Rs 30.72 lakhs on account of change in tax rate.

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

Arising on income and expenses recognised in other comprehensive income:

|   | <b>For the year ended<br/>March 31, 2020</b> | For the year ended<br>March 31, 2019 |
|---|--|--------------------------------------|
| Remeasurement of defined benefit obligations              | (156.30)                                     | (81.41)                              |
| Total income tax recognised in other comprehensive income | 39.34  | 28.45                                |

28- Segment Disclosures

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

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

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

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

Information about Reportable segments:

Rs in Lakhs

| Particulars   | Business Segments        |                 |                        |                    | Total            |
|---|--------------------------|-----------------|------------------------|--------------------|------------------|
|   | Wire                     | Rolls           | Direct Business        | Unallocable        |                  |
| <b>Revenue:</b>   |                          |                 |                        |                    |                  |
| External Sales  | <b>21,701.81</b>         | <b>1,976.79</b> | <b>4,453.92</b>        | <b>161.64</b>      | <b>28,294.16</b> |
|   | 22,624.05                | 2,322.66        | 4,114.61               | 168.49             | 29,229.81        |
| Add : Inter Segment Sales   | <b>1,091.23</b>          | -               | -                      | <b>(1,091.23)</b>  | -                |
|   | 1,210.43                 | -               | -                      | (1,210.43)         | -                |
| <b>Total Revenue</b>  | <b>22,793.04</b>         | <b>1,976.79</b> | <b>4,453.92</b>        | <b>(929.59)</b>    | <b>28,294.16</b> |
|   | 23,834.48                | 2,322.66        | 4,114.61               | (1,041.94)         | 29,229.81        |
| <b>Segment result before Interest, exceptional/ extraordinary items, prior period items and tax</b>   | <b>1,533.81</b>          | <b>(216.67)</b> | <b>878.51</b>          |                    | <b>2,195.65</b>  |
|   | 2,862.93                 | (853.04)        | 149.35                 |                    | 2,159.24         |
| Less/Add: Unallocable expenditure/income (net)  |                          |                 |                        |                    | <b>(54.22)</b>   |
|   |                          |                 |                        |                    | 54.08            |
| Less : Interest   |                          |                 |                        |                    | <b>(12.62)</b>   |
|   |                          |                 |                        |                    | (56.19)          |
| <b>Profit/(Loss) Before Taxes, Exceptional Items and Prior Period Items</b>   |                          |                 |                        |                    | <b>2,128.81</b>  |
|   |                          |                 |                        |                    | 2,157.14         |
| Exceptional items   |                          |                 |                        |                    | <b>1,843.18</b>  |
|   |                          |                 |                        |                    | -                |
| <b>Profit/(Loss) before Tax</b>   |                          |                 |                        |                    | <b>3,971.99</b>  |
|   |                          |                 |                        |                    | 2,157.14         |
| Current Tax   |                          |                 |                        |                    | <b>1,042.34</b>  |
|   |                          |                 |                        |                    | 790.31           |
| Income tax relating to earlier years  |                          |                 |                        |                    | <b>29.33</b>     |
|   |                          |                 |                        |                    | -                |
| Deferred Tax  |                          |                 |                        |                    | <b>32.00</b>     |
|   |                          |                 |                        |                    | (47.94)          |
| <b>Profit/(loss) after tax from continuing operations</b>   |                          |                 |                        |                    | <b>2,868.32</b>  |
|   |                          |                 |                        |                    | 1,414.77         |
| <b>Particulars</b>  | <b>Business Segments</b> |                 |                        |                    | <b>Total</b>     |
|   | <b>Wire</b>              | <b>Rolls</b>    | <b>Direct Business</b> | <b>Unallocable</b> |                  |
| Segment Assets  | <b>10,212.21</b>         | <b>3,222.97</b> | <b>4,010.83</b>        | <b>1,349.37</b>    | <b>18,795.38</b> |
|   | 8,237.50                 | 3,147.36        | 2,120.55               | 1,760.35           | 15,265.76        |
| Segment Liabilities   | <b>4,555.73</b>          | <b>1,202.86</b> | <b>150.16</b>          | <b>1,605.35</b>    | <b>7,514.10</b>  |
|   | 3,590.78                 | 1,418.59        | 124.29                 | 1,524.23           | 6,657.89         |
| Total Cost Incurred during the period to acquire segment assets   | <b>1,540.73</b>          | <b>80.31</b>    | -                      | -                  | <b>1,621.04</b>  |
|   | 541.91                   | 36.75           | -                      | -                  | 578.66           |
| Segment Depreciation  | <b>494.80</b>            | <b>103.96</b>   | <b>2.73</b>            | <b>5.47</b>        | <b>606.96</b>    |
|   | 452.27                   | 153.77          | 1.20                   | 4.11               | 611.35           |
| Non-Cash Expenses other than depreciation   | <b>0.58</b>              | <b>49.04</b>    | <b>18.00</b>           | -                  | <b>67.62</b>     |
|   | 14.17                    | 36.56           | 6.09                   | -                  | 56.82            |
| 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.  |                          |                 |                        |                    |                  |

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements****29 Earnings Per Share (EPS)**

| Description   | For the year<br>ended March 31,<br>2020 | Rs in Lakhs                             |
|---|---|---|
|   |   | For the year<br>ended March<br>31, 2019 |
| The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows: |   |   |
| Profit for the year attributable to owners of the Company from continuing operations  | <b>2,868.32</b>                         | 1,414.77                                |
| Profit for the year attributable to owners of the Company from discontinuing operations                                       | <b>(77.95)</b>                          | (105.72)                                |
| Total Profit for the year attributable to owners of the Company from continuing and discontinuing operations                  | <b>2,790.37</b>                         | 1,309.05                                |

| Description  | No of Shares     | No of Shares |
|--|------------------|--------------|
| Weighted average number of equity shares of Rs.10 each for basic and diluted EPS                   | <b>59,91,896</b> | 59,91,896    |
| Basic/diluted Earnings per equity Share. (Rs./ Share) from continuing operations                   | <b>47.87</b>     | 23.61        |
| Basic/diluted Earnings per equity Share. (Rs./ Share) from discontinuing operations                | <b>(1.30)</b>    | (1.76)       |
| Basic/diluted Earnings per equity Share. (Rs./ Share) from continuing and discontinuing operations | <b>46.57</b>     | 21.85        |

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

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements**

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

**30.1 Defined contribution plans**

The Company has a superannuation plan for the benefit of certain employees. This benefit is defined contribution scheme as the Company does not carry any further obligations apart from the contributions made which are recognised as expense under 'Contribution to Provident and Other Funds' in Note 23.

The company has recognized, in the profit and loss account for the current year, an amount of Rs. 94.40 lakhs (2018-19 : Rs 96.16 lakhs) as expenses under the following defined contribution plans.

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

**a.** Funded

Post Retirement Gratuity

**b.** Unfunded:

Post Retirement Medical benefits

Post Retirement pension for retired whole-time directors

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

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

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

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

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

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

|                 |  |
|-----------------|--|
| Investment Risk | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has relatively balanced mix of investments in government securities and other debt instruments. |
|-----------------|--|

|               |  |
|---------------|--|
| Interest risk | A decrease in the bond interest rate will increase the plan liability. |
|---------------|--|

|                |   |
|----------------|---|
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
|----------------|---|

|             |   |
|-------------|---|
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |
|-------------|---|

The most recent actuarial valuation of the plan assets and the present value of defined benefit obligation were carried out as at March 31, 2020 by independent actuary, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

During the year ended March 31, 2020 and March 31,2019 there was no amendment, curtailments and settlements in the gratuity plan and post retirement pension plans.

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements**
**30.03 (a) Details of the Post Retirement Gratuity plan are as follows:**

| Description  | Rs in Lakhs                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| <b>1. Reconciliation of opening and closing balances of obligation</b> |                                      |                                      |
| a. Obligation as at the beginning of the year                          | 2,155.11                             | 2,051.72                             |
| b. Current Service Cost  | 123.73                               | 113.46                               |
| c. Interest Cost   | 151.99                               | 147.23                               |
| d. Actuarial (gain)/loss   | 133.46                               | 20.16                                |
| e. Benefits paid   | (257.04)                             | (177.46)                             |
| f. Obligation as at the end of the year                                | 2,307.25                             | 2,155.11                             |
| <b>2. Change in Plan Assets</b>  |                                      |                                      |
| a. Fair Value of plan assets as at the beginning of the year           | 1,957.75                             | 2,012.67                             |
| b. Interest income on plan assets                                      | 144.59                               | 145.75                               |
| c. Return on plan assets   | 69.03                                | (62.26)                              |
| d. Contributions   | 197.34                               | 39.05                                |
| e. Acquisitions  | -                                    | -                                    |
| f. Benefits paid   | (257.04)                             | (177.46)                             |
| g. Fair Value of plan assets as at the end of the year                 | 2,111.67                             | 1,957.75                             |

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

| Description  | Rs in Lakhs                          |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| <b>3. Reconciliation of fair value of assets and obligations</b>                       |                                      |                                      |
| a. Fair value of plan assets as at the end of the year                                 | 2,111.67                             | 1,957.75                             |
| b. Present value of obligation as at the end of the year                               | 2,307.25                             | 2,155.11                             |
| c. Amount recognized in the balance sheet  | 195.58                               | 197.36                               |
| <b>4. Components of defined</b>  |                                      |                                      |
| a. Current service cost  | 123.73                               | 113.46                               |
| b. Net Interest cost   | 7.40                                 | 1.48                                 |
| <b>Defined benefit costs recorded in profit and loss</b>                               | 131.13                               | 114.94                               |
| <b>5. Components of defined benefit costs recognised in other comprehensive income</b> |                                      |                                      |
| a. The return on plan assets (excluding amounts included in net interest expense)      | (69.03)                              | 62.26                                |
| b. Actuarial (gains)/loss arising from changes in financial assumptions                | 156.03                               | -                                    |
| c. Actuarial (gains)/loss arising from experience adjustments                          | (22.55)                              | 20.14                                |
| <b>Defined benefit costs</b>   | 64.45                                | 82.40                                |
| <b>6. Total defined benefit</b>  | 195.58                               | 197.34                               |

**7. Investment Details**

| Description                                     | %age invested                        |                                      |
|---|--------------------------------------|--------------------------------------|
|   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| a. GOI Securities                               | 9.00%                                | 20.55%                               |
| b. High quality corporate bonds                 | 2.00%                                | 11.98%                               |
| c. Equity shares of listed companies            | 0.00%                                | 0.00%                                |
| d. Cash (including Special Deposits)            | 29.00%                               | 3.76%                                |
| e. Schemes of insurance - conventional products | 60.00%                               | 63.70%                               |
|   | 100%                                 | 100%                                 |

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements****8. Principal assumption used for the purpose of the actuarial valuation**

| Description  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| a. Discount rate (per annum)                           | 6.50%                                | 7.50%                                |
| b. Estimated rate of return on plan assets (per annum) | 6.50%                                | 7.50%                                |
| c. Rate of escalation in salary (per annum)            | 7% to 10%                            | 7% to 10%                            |

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

The actual return on plan assets was Rs. 69.03 lakhs (for the year ended March 31, 2019: Rs. -62.26 lakhs)

**30 - Disclosure relating to Indian Accounting Standard IND AS- 19 (Contd.)****9. Maturity profile of defined benefit obligation**

| Particulars        | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|--------------------|--------------------------------------|--------------------------------------|
| Within 1 year      | 234.25                               | 248.9                                |
| Within 1 - 2 years | 181.18                               | 212.2                                |
| Within 2 - 3 years | 217.50                               | 228.3                                |
| Within 3 - 4 years | 285.15                               | 221.1                                |
| Within 4 - 5 years | 241.42                               | 303.2                                |
| Over 5 years       | 1,608.35                             | 1,668.8                              |

| Description   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
|   | No of years                          | No of years                          |
| Weighted average duration of the defined benefit obligation | 7                                    | 8                                    |

**10. Expected contribution by the company in the next financial year** 195.58 197.34

**11. Sensitivity analysis**

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

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 156.02 lakhs (increase by Rs. 178.79 lakhs) [as at March 31, 2019: decrease by Rs 134.04 lakhs (increase by Rs 152.34 lakhs)]

ii) If the expected salary increase growth (decreases)/increase by 1%, the defined benefit obligation would increase by Rs 173.61 lakhs (decrease by Rs 154.70 lakhs) [as at March 31, 2019: increase by Rs 149.30 lakhs (decrease by Rs 133.96 lakhs)]

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

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

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**Notes forming part of the Financial Statements**

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

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

Rs in Lakhs

| Description  | For the year ended<br>March 31, 2020 |        | For the year ended<br>March 31, 2019 |        |
|--|--------------------------------------|--------|--------------------------------------|--------|
|  | Medical                              | Others | Medical                              | Others |
| <b>1. Reconciliation of opening and closing balances of obligation</b> |                                      |        |                                      |        |
| a. Obligation as at the beginning of the year                          | 259.58                               | 77.91  | 276.92                               | 80.96  |
| b. Current/Employer Service Cost                                       | 3.54                                 | -      | 12.85                                | -      |
| c. Interest Cost   | 17.10                                | 5.55   | 20.12                                | 5.82   |
| d. Actuarial (gain)/loss   | 75.14                                | 16.73  | (32.86)                              | (2.11) |
| e. Benefits paid   | (63.02)                              | (7.71) | (17.45)                              | (6.76) |
| f. Obligation as at the end of the year                                | 292.34                               | 92.48  | 259.58                               | 77.91  |
| <b>2. Expense recognized in the period</b>                             |                                      |        |                                      |        |
| a. Current /Employer service cost                                      | 3.54                                 | -      | 12.85                                | -      |
| b. Interest cost   | 17.10                                | 5.55   | 20.12                                | 5.82   |
| c. Actuarial (gain)/loss   | 75.14                                | 16.73  | (32.86)                              | (2.11) |
| d. Expense recognized in the period                                    | 95.78                                | 22.28  | 0.11                                 | 3.71   |
| <b>3. Assumptions</b>  |                                      |        |                                      |        |
| a. Discount rate (per annum) as at the beginning of the year           | 7.50%                                | 7.50%  | 7.50%                                | 7.50%  |
| b. Discount rate (per annum) as at the end of the year                 | 6.50%                                | 6.50%  | 7.50%                                | 7.50%  |
| c. Medical costs inflation rate  | 6.00%                                |        | 6.00%                                |        |
| d. Average medical cost (Rs/person) as at the beginning of the year    | 2500                                 |        | 2500                                 |        |
| e. Average medical cost (Rs/person) as at the end of the year          | 2500                                 |        | 2500                                 |        |

**30.03 (c)** Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit and loss under employee benefits expense. In accordance with an actuarial valuation of provident fund liabilities based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

The company has recognized, in the profit and loss account for the current year, an amount of Rs. 139.13 lakhs (2018-19 : Rs 139.52 lakhs) as expenses under the following defined contribution plans.

**Details of Provident fund benefit plans are as follow:**

Summary of the key results for the year ended 31 March 2020

Rs in Lakhs

| Particulars                          | As at March 31, 2020 |
|--------------------------------------|----------------------|
| <u>Projected benefit obligation:</u> |                      |
| a) EPFO Interest Guarantee           | 138.42               |
| b) Total PF obligation               | 4,719.53             |
| c) Total Market Value of Investment  | 5,185.55             |
| Net Liability                        | -                    |

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements****Key assumptions used for actuarial valuation are as below:**

|                                       | <b>As at March 31, 2020</b> |
|---------------------------------------|-----------------------------|
| Discount rate                         | <b>6.50%</b>                |
| Guaranteed rate of return             | <b>8.50%</b>                |
| Expected rate of return on investment | <b>8.60%</b>                |

**4. Sensitivity analysis****a) Employees PRMB Sensitivity analysis**

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs 33.85 lakhs (increase by Rs 42.28 lakhs) [as at March 31, 2019: decrease by Rs 28.12 lakhs (increase by Rs 34.67 lakhs)]

ii) If the Medical cost inflation rate (decreases)/increases by 1%, the defined benefit obligation would increase by Rs 40.77 lakhs (decrease by Rs 33.29 lakhs) [as at March 31, 2019: increase by Rs 33.72 lakhs (decrease by Rs 27.84 lakhs)]

**b) Ex- MD PRMB Sensitivity analysis**

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs. 0.80 lakh (increase by Rs.0.91 lakh) [as at March 31, 2019: decrease by Rs 0.74 lakh (increase by Rs 0.85 lakh)]

**c) Pension Sensitivity analysis**

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by Rs 6.98 lakhs (increase by Rs 8.03 lakhs) [as at March 31, 2019: decrease by Rs 5.74 lakhs (increase by Rs 6.58 lakhs)]

ii) If the Inflation rate (decreases)/ increases by 1%, the defined benefit obligation would increase by Rs 8.15 lakhs (decrease by Rs 7.20 lakhs) [as at March 31, 2019: increase by Rs 6.75 lakhs (decrease by Rs 5.97 lakhs)]

**5. Maturity profile**

Rs in Lakhs

| Particulars        | For the year ended<br>March 31, 2020 |              | For the year ended<br>March 31, 2019 |        |
|--------------------|--------------------------------------|--------------|--------------------------------------|--------|
|                    | Medical                              | Others       | Medical                              | Others |
| Within 1 year      | <b>16.31</b>                         | <b>7.55</b>  | 15.24                                | 6.64   |
| Within 1 - 2 years | <b>13.96</b>                         | <b>7.67</b>  | 15.27                                | 6.76   |
| Within 2 - 3 years | <b>14.76</b>                         | <b>7.77</b>  | 16.17                                | 6.87   |
| Within 3 - 4 years | <b>15.56</b>                         | <b>7.84</b>  | 17.04                                | 6.96   |
| Within 4 - 5 years | <b>16.32</b>                         | <b>7.89</b>  | 17.96                                | 7.02   |
| Over 5 years       | <b>95.20</b>                         | <b>38.89</b> | 103.6                                | 67.04  |



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**Notes forming part of the Financial Statements**

**31 Financial Instruments and Cash Management**

**31.01 Capital Management**

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

Borrowing of the Company as at March 31, 2020 in nil (March 31, 2019 : nil), hence the capital structure of the Company comprise of share capital and other equity.

**31.02 Financial risk management objectives**

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

**31.03 Market Risk**

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

Interest rate sensitivity analysis:

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

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements****31 Financial Instruments (Contd.)**Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets at the end of the reporting period is nil (March 31, 2019 : nil)

Commodity price risk

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

**31.04 Credit risk management**

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

The concentration of credit risk is limited to the fact that the major customer is Tata Steel Limited which is the parent company. The remaining customer base are widely spread hence Company's credit risk is considered to be low.

**31.05 Liquidity risk management**

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

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

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

|   |                 | Rs in Lakhs      |                     |
|---|-----------------|------------------|---------------------|
|   | Carrying amount | less than 1 year | between 1 - 5 years |
| <b>Non-derivative financial liabilities</b> |                 |                  |                     |
| <b>As at March 31, 2020</b>                 |                 |                  |                     |
| Trade payables                              | 3,751.23        | 3,751.23         | -                   |
| Other financial liabilities                 | 1,900.52        | 500.52           | 1,400.00            |
|   | <b>5,651.75</b> | <b>4,251.75</b>  | <b>1,400.00</b>     |

As at March 31, 2019

|                             |                 | Rs in Lakhs     |                 |
|-----------------------------|-----------------|-----------------|-----------------|
| Trade payables              | 3,296.22        | 3,296.22        | -               |
| Other financial liabilities | 1,468.57        | 68.57           | 1,400.00        |
|                             | <b>4,764.79</b> | <b>3,364.79</b> | <b>1,400.00</b> |

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements****31 Financial Instruments (Contd.)**

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

**As at March 31, 2020**

Rs in Lakhs

|                             | <b>Amortised Cost</b> | <b>Total Carrying Value</b> | <b>Total Fair Value</b> |
|-----------------------------|-----------------------|-----------------------------|-------------------------|
| <b>Financial Assets:</b>    |                       |                             |                         |
| Trade Receivables           | 1,533.12              | 1,533.12                    | 1,533.12                |
| Cash and bank balances      | 3,364.84              | 3,364.84                    | 3,364.84                |
| Other financial assets      | 813.40                | 813.40                      | 813.40                  |
| <b>Total</b>                | <b>5,711.36</b>       | <b>5,711.36</b>             | <b>5,711.36</b>         |
| Trade payable               | 3,751.23              | 3,751.23                    | 3,751.23                |
| Other financial liabilities | 1,900.52              | 1,900.52                    | 1,900.52                |
| <b>Total</b>                | <b>5,651.75</b>       | <b>5,651.75</b>             | <b>5,651.75</b>         |

**As at March 31, 2019**

Rs in Lakhs

|                             | <b>Amortised Cost</b> | <b>Total Carrying Value</b> | <b>Total Fair Value</b> |
|-----------------------------|-----------------------|-----------------------------|-------------------------|
| <b>Financial Assets:</b>    |                       |                             |                         |
| Trade Receivables           | 1,987.86              | 1,987.86                    | 1,987.86                |
| Cash and bank balances      | 1,094.36              | 1,094.36                    | 1,094.36                |
| Other financial assets      | 792.80                | 792.80                      | 792.80                  |
| <b>Total</b>                | <b>3,875.02</b>       | <b>3,875.02</b>             | <b>3,875.02</b>         |
| Trade payable               | 3,296.22              | 3,296.22                    | 3,296.22                |
| Other financial liabilities | 1,468.57              | 1,468.57                    | 1,468.57                |
| <b>Total</b>                | <b>4,764.79</b>       | <b>4,764.79</b>             | <b>4,764.79</b>         |

The entity has access to financial facilities of Rs. 3,000 lakhs, the entire amount out of which was unused at the end of the reporting period (as at March 31, 2019 : Rs. 3,000 lakhs was unused). The entity expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. Details of financial facilities is tabled below:

**Financing facilities:**

Rs in Lakhs

| Particulars                                   | <b>As at March 31, 2020</b> | <b>As at March 31, 2019</b> |
|---|-----------------------------|-----------------------------|
| Secured working capital demand loan facility, |                             |                             |
| - Amount used                                 | -                           | -                           |
| - Amount unused                               | 3,000.00                    | 3,000.00                    |
|   | <b>3,000.00</b>             | <b>3,000.00</b>             |

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

Notes forming part of the Financial Statements

**32 Related Party Disclosures**

**(a) List of Related Parties and Relationships :**

| <b>A. Party</b>                                    | <b>Relationship</b>              |
|--|----------------------------------|
| Tata Steel Limited                                 | Holding Company                  |
| Jamshedpur Utilities and Services Company Limited  | Fellow Subsidiary                |
| Tayo Rolls Limited                                 | Fellow Subsidiary                |
| Tata Metaliks Limited.                             | Fellow Subsidiary                |
| Tata Pigments Limited                              | Fellow Subsidiary                |
| Tata Steel Long Products Limited                   | Fellow Subsidiary                |
| The Tinplate Company of India Limited              | Fellow Subsidiary                |
| TRF Limited  | Associate of Holding company     |
| M Junction Services Limited                        | Joint venture of Holding company |
| TM International Logistics Limited                 | Joint venture of Holding company |
| Jamshedpur continuous annealing processing company | Joint venture of Holding company |
| Tata BlueScope Steel Limited                       | Joint venture of Holding company |
| TKM Global Logistics Limited                       | Joint venture of Holding company |

**B. Key Management Personnel**

|                 |                   |
|-----------------|-------------------|
| Mr. Neeraj Kant | Managing Director |
|-----------------|-------------------|

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

Rs in Lakhs

| <b>Sl. No.</b> | <b>Transaction</b>                                | <b>Holding Company</b> | <b>Fellow subsidiary</b> | <b>Associates</b> | <b>Joint Venture</b> |
|----------------|---|------------------------|--------------------------|-------------------|----------------------|
| <b>1</b>       | <b>Purchase of Goods:</b>                         |                        |                          |                   |                      |
| (i)            | Tata Steel Limited                                | 2,542.23               | -                        | -                 | -                    |
|                |   | 1,906.68               | -                        | -                 | -                    |
| (ii)           | Tata Steel Long Products Limited                  | -                      | 160.28                   | -                 | -                    |
|                |   | -                      | -                        | -                 | -                    |
| (iii)          | Tata BlueScope Steel Limited                      | -                      | -                        | -                 | 7.33                 |
|                |   | -                      | -                        | -                 | 14.92                |
|                | <b>Total</b>                                      | <b>2,542.23</b>        | <b>160.28</b>            | -                 | <b>7.33</b>          |
|                |   | 1,906.68               | -                        | -                 | 14.92                |
| <b>2</b>       | <b>Sale of Goods:</b>                             |                        |                          |                   |                      |
| (i)            | Tata Steel Limited                                | 1,431.16               | -                        | -                 | -                    |
|                |   | 2,424.24               | -                        | -                 | -                    |
| (ii)           | Jamshedpur Utilities and Services Company Limited | -                      | 1.99                     | -                 | -                    |
|                |   | -                      | -                        | -                 | -                    |
| (iii)          | Tata Steel Long Products Limited                  | -                      | 124.24                   | -                 | -                    |
|                |   | -                      | 2.46                     | -                 | -                    |
| (iv)           | M Junction Services Limited                       | -                      | -                        | -                 | 52.25                |
|                |   | -                      | -                        | -                 | 19.61                |
| (v)            | Tata Metaliks Ltd                                 | -                      | 13.09                    | -                 | -                    |
|                |   | -                      | 16.60                    | -                 | -                    |
| (vi)           | TRF Limited                                       | -                      | -                        | 47.39             | -                    |
|                |   | -                      | -                        | 47.38             | -                    |
| (vii)          | The Tinplate Company Of India Limited             | -                      | -                        | -                 | -                    |
|                |   | -                      | -                        | 0.16              | -                    |
|                | <b>Total</b>                                      | <b>1,431.16</b>        | <b>139.32</b>            | <b>47.39</b>      | <b>52.25</b>         |
|                |   | 2,424.24               | 19.06                    | 47.54             | 19.61                |
| <b>3</b>       | <b>Lease rent for flats at Alipore</b>            |                        |                          |                   |                      |
|                | Tata Steel Limited                                | 59.69                  | -                        | -                 | -                    |
|                |   | 53.32                  | -                        | -                 | -                    |
| <b>4</b>       | <b>Rendering of services:</b>                     |                        |                          |                   |                      |
| (i)            | Tata Steel Limited                                | 20,526.24              | -                        | -                 | -                    |
|                |   | 20,593.40              | -                        | -                 | -                    |
| (ii)           | Jamshedpur Utilities and Services Company Limited | -                      | -                        | -                 | -                    |
|                |   | -                      | 0.53                     | -                 | -                    |
| (iii)          | Tata Pigments Limited                             | -                      | 0.36                     | -                 | -                    |
|                |   | -                      | 0.39                     | -                 | -                    |
|                | <b>Total</b>                                      | <b>20,526.24</b>       | <b>0.36</b>              | -                 | -                    |
|                |   | 20,593.40              | 0.92                     | -                 | -                    |

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

**32 Related Party Disclosures (Contd.)**

Rs in Lakhs

| Sl. No.  | Transaction                                       | Holding Company | Fellow subsidiary | Associates   | Joint Venture |
|----------|---|-----------------|-------------------|--------------|---------------|
| <b>5</b> | <b>Receiving of services:</b>                     |                 |                   |              |               |
| (i)      | Tata Steel Limited                                | 4,240.81        | -                 | -            | -             |
|          |   | 4,834.49        | -                 | -            | -             |
| (ii)     | TM International Logistics Limited                | -               | -                 | -            | 46.81         |
|          |   | -               | -                 | -            | 58.52         |
| (iii)    | Jamshedpur Utilities and Services Company Limited | -               | 167.13            | -            | -             |
|          |   | -               | 232.92            | -            | -             |
| (iv)     | M Junction Services Limited                       | -               | -                 | -            | 28.76         |
|          |   | -               | -                 | -            | 29.74         |
| (v)      | Tata Pigments Limited                             | -               | -                 | -            | -             |
|          |   | -               | 12.46             | -            | -             |
| (vi)     | TKM Global Logistics Limited                      | -               | -                 | -            | 1.29          |
|          |   | -               | -                 | -            | 4.34          |
|          | <b>Total</b>                                      | <b>4,240.81</b> | <b>167.13</b>     | -            | <b>76.86</b>  |
|          |   | 4,834.49        | 245.38            | -            | 92.60         |
| <b>6</b> | <b>Outstanding receivables as on 31.03.2020:</b>  |                 |                   |              |               |
| (i)      | Tata Steel Limited                                | 1,203.46        | -                 | -            | -             |
|          |   | 1,865.08        | -                 | -            | -             |
| (ii)     | Jamshedpur Utilities and Services Company Limited | -               | 0.46              | -            | -             |
|          |   | -               | 1.04              | -            | -             |
| (iii)    | Tata Pigments Limited                             | -               | -                 | -            | -             |
|          |   | -               | -                 | -            | -             |
| (iv)     | M Junction Services Limited                       | -               | -                 | -            | 14.48         |
|          |   | -               | -                 | -            | 19.61         |
| (v)      | Tata Steel Long Products Limited                  | -               | 3.10              | -            | -             |
|          |   | -               | 0.51              | -            | -             |
| (vi)     | TRF Limited                                       | -               | -                 | 14.80        | -             |
|          |   | -               | -                 | 2.09         | -             |
| (vii)    | Tata Metaliks Limited.                            | -               | 0.91              | -            | -             |
|          |   | -               | 2.01              | -            | -             |
| (viii)   | The Tinplate Company Of India Limited             | -               | -                 | -            | -             |
|          |   | -               | 0.16              | -            | -             |
|          | <b>Total</b>                                      | <b>1,203.46</b> | <b>4.47</b>       | <b>14.80</b> | <b>14.48</b>  |
|          |   | 1,865.08        | 3.72              | 2.09         | 19.61         |
| <b>7</b> | <b>Advance paid</b>                               |                 |                   |              |               |
| (i)      | Tata Steel Limited                                | 28.89           | -                 | -            | -             |
|          |   | 55.01           | -                 | -            | -             |
| (ii)     | Tayo Rolls Ltd                                    | -               | 24.35             | -            | -             |
|          |   | -               | 24.35             | -            | -             |
| (iii)    | TM International Logistics Limited                | -               | -                 | -            | 12.33         |
|          |   | -               | -                 | -            | -             |
| (iv)     | The Tinplate Company Of India Limited             | -               | 0.98              | -            | -             |
|          |   | -               | 0.98              | -            | -             |
| (v)      | TKM Global Logistics Limited                      | -               | -                 | -            | -             |
|          |   | -               | -                 | -            | 1.29          |
| (vi)     | Tata Metaliks Ltd                                 | -               | 0.17              | -            | -             |
|          |   | -               | 0.17              | -            | -             |
| (vii)    | Tata BlueScope Steel Limited                      | -               | -                 | -            | 0.09          |
|          |   | -               | -                 | -            | 0.09          |
|          | <b>Total</b>                                      | <b>28.89</b>    | <b>25.50</b>      | -            | <b>12.42</b>  |
|          |   | 55.01           | 25.50             | -            | 1.38          |

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

**32 Related Party Disclosures (Contd.)**

Rs in Lakhs

| Sl. No.   | Transaction                                       | Holding Company | Fellow subsidiary | Associates | Joint Venture |
|-----------|---|-----------------|-------------------|------------|---------------|
| <b>8</b>  | <b>Payables outstanding as on 31.03.2020:</b>     |                 |                   |            |               |
| <b>a.</b> | <b>Materials &amp; Services</b>                   |                 |                   |            |               |
| (i)       | Tata Steel  | <b>592.36</b>   | -                 | -          | -             |
|           |   | 452.76          | -                 | -          | -             |
| (ii)      | Jamshedpur Utilities and Services Company Limited | -               | <b>26.73</b>      | -          | -             |
|           |   | -               | 18.52             | -          | -             |
| (iii)     | Tata Steel Long Products Limited                  | -               | <b>14.92</b>      | -          | -             |
|           |   | -               | -                 | -          | -             |
|           | <b>Total</b>                                      | <b>592.36</b>   | <b>41.65</b>      | -          | -             |
|           |   | 452.76          | 18.52             | -          | -             |
| <b>b.</b> | <b>Against Finance</b>                            |                 |                   |            |               |
| <b>c.</b> | <b>Against</b>                                    |                 |                   |            |               |
| (i)       | Tata Steel Limited                                | <b>1,400.00</b> | -                 | -          | -             |
|           |   | 1,400.00        | -                 | -          | -             |

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

- 9** During the year, the Company recognised an amount of Rs 137.86 lakhs (March 31, 2019: 188.34 lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below:

Rs in Lakhs

| Sl.No. | Particulars                       | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--------|-----------------------------------|-----------------------------------|-----------------------------------|
| (a)    | Short term employee benefits      | <b>125.58</b>                     | 179.14                            |
| (b)    | Post employment benefits          | <b>5.03</b>                       | 3.51                              |
| (c)    | Other long term employee benefits | <b>7.25</b>                       | 5.69                              |
|        |                                   | <b>137.86</b>                     | 188.34                            |

**10 (i) Transactions with the post employment benefit plans**

| Particulars  | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|-----------------------------------|-----------------------------------|
| The provident fund of the Indian Steel and Wire Products Limited                 | <b>334.81</b>                     | 330.35                            |
| Trustees of Jemco Employees Provident Fund                                       | <b>37.88</b>                      | 44.86                             |
| The Indian Steel and Wire Products Limited Employees Gratuity Fund               | <b>151.19</b>                     | 16.54                             |
| Jamshedpur Engineering and Machine Manufacturing Company Employees Gratuity Fund | <b>46.15</b>                      | 22.51                             |

**(ii) Outstanding Payables**

| Particulars  | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|--|-----------------------------------|-----------------------------------|
| The provident fund of the Indian Steel and Wire Products Limited                 | -                                 | -                                 |
| The Indian Steel and Wire Products Limited Employees Gratuity Fund               | <b>176.02</b>                     | 151.19                            |
| Jamshedpur Engineering and Machine Manufacturing Company Employees Gratuity Fund | <b>19.56</b>                      | 46.15                             |

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

(A Subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements****33.1 Contingent liabilities and commitments****33.1(a) Claims against the Company not acknowledged as debt**

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

Rs in Lakhs

| Particulars   | As at March 31,<br>2020 | As at March 31,<br>2019 |
|---|-------------------------|-------------------------|
| Leave liability for ex-employees  | 32.93                   | 32.93                   |
| Labour court cases  | 1.44                    | 1.44                    |
| Railways dues   | 4.19                    | 4.19                    |
| Power dues  | -                       | 620.97                  |
| Liability for loan for Learjet Aircraft purchase                              | 148.78                  | 148.78                  |
| Wealth Tax  | 390.35                  | 390.35                  |
| Show Cause Notices/Demand raised by Central Excise Authorities (Under Appeal) | 29.62                   | 29.62                   |
| Employee State Insurance demand (Under Appeal) (Refer Note below)             | 149.07                  | 149.07                  |

Notes:

a) The Company along with Tata Steel Limited has entered into one time full and final settlement agreement with Indra Singh & Sons Private Limited (Erstwhile Promoters) on Aug 22, 2019 in order to settle all the claims as well as any other matters involving erstwhile promoters. The Company has received Rs. 2,000 lakhs as a consideration for settlement of the pending disputes and other claims. The Company has derecognized Rs. 1,843.18 lakhs out of the total receipt as "Exceptional Items" in the statement of profit and loss statement and and balance amounting to Rs. 156.82 lakhs is disclosed as "Other Current Liabilities" under Note No 14 (ii) in the Balance Sheet on the basis of existing claims against the amount received.

The Company is in the process of examining the records, details and evidences to eassess the status of contingent liability.

b) The power dues was not a part of settlement agreement and is no longer considered as contingent liability based on confirmation from Tata Steel Limited in this respect.

**(ii) Contingent Liabilities:**

Rs in Lakhs

| Particulars  | As at March 31,<br>2020 | As at March 31,<br>2019 |
|--|-------------------------|-------------------------|
| Sales tax matters in dispute relating to issues of applicability   | 1,720.88                | 1,699.13                |
| Excise duty matters in dispute relating to issues of applicability | -                       | 134.20                  |
| Employee State Insurance demand (Under Appeal)                     | 173.06                  | 173.06                  |
| Labour court cases   | 34.00                   | 34.00                   |
| Direct Taxes   | 405.52                  | 405.52                  |

**33.1(b) Commitments**

Estimated amounts of contracts to be executed on capital account and not provided for as on March 31, 2020: Rs 505.70 lakhs (March 31, 2019: Rs 862.90 lakhs).

**THE INDIAN STEEL & WIRE PRODUCTS LIMITED**

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**Notes forming part of the Financial Statements****34- Assets and liabilities classified as held for sale**

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

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

Rs in Lakhs

|   | As at March 31,<br>2020 | As at March 31,<br>2019 |
|---|-------------------------|-------------------------|
| <b>(I) ASSETS</b>                                   |                         |                         |
| <b>(1) Non-current assets</b>                       |                         |                         |
| (a) Fixed assets                                    |                         |                         |
| (i) Tangible assets                                 | 5.84                    | 5.84                    |
| <b>(2) Current assets</b>                           |                         |                         |
| (a) Inventories                                     | 66.76                   | 191.52                  |
| (b) Financial assets                                |                         |                         |
| (i) Trade receivables                               | 18.59                   | 79.38                   |
| Trade receivables                                   | 41.69                   | -                       |
| Less: Loss allowances                               | 23.10                   | -                       |
| (c) Other non-financial assets                      | 2.23                    | 4.37                    |
| Other loans and advances                            | 15.86                   | 15.86                   |
| Less: Provision for bad & doubtful loans & advances | 13.63                   | 11.49                   |
| <b>Total Current assets</b>                         | <b>87.58</b>            | <b>275.27</b>           |
| <b>TOTAL ASSETS</b>                                 | <b>93.42</b>            | <b>281.11</b>           |

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| <b>(II) EQUITY AND LIABILITIES</b>  |             |             |
| <b>(1) Equity</b>                   |             |             |
| (a) Equity share capital            | -           | -           |
| (b) Other equity                    |             |             |
| (i) Retained earnings               | -           | -           |
| (ii) Other components of equity     | -           | -           |
| <b>(2) Non-current liabilities</b>  | -           | -           |
| <b>(3) Current liabilities</b>      |             |             |
| (a) Financial liabilities           | -           | -           |
| (i) Trade payables                  | 5.30        | 7.88        |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>5.30</b> | <b>7.88</b> |

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

|  | As at March 31,<br>2020 | As at March 31,<br>2019 |
|--|-------------------------|-------------------------|
| Cash generated from Operating activities | 80.95                   | 103.87                  |
| Cash generated from Investing activities | -                       | -                       |
| Cash generated from Financing activities | -                       | (11.43)                 |
| Net cash inflows/(outflows)              | <b>80.95</b>            | <b>92.44</b>            |



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**Notes forming part of the Financial Statements**

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

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

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

|   | As at March<br>31, 2020 | As at March<br>31, 2019 |
|---|-------------------------|-------------------------|
| a) Principal amount remaining unpaid to the suppliers as at the end of the accounting year  | 23.52                   | 38.48                   |
| b) Interest due thereon remaining unpaid to suppliers as at the end of the accounting year  | 0.48                    | 0.09                    |
| c) interest paid in terms of Section 16 along with the amount of payments made to suppliers beyond the appointment day during the year  | -                       | -                       |
| d) Interest due and payable for the period of delays in making payment (which have been paid beyond the appointment date during the year but without adding interest specified under the act) | 3.42                    | 4.33                    |
| e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year  | 3.90                    | 4.42                    |

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

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

36.03 **Details of CSR expenditure:**

|  | As at March 31, 2020 | As at March 31, 2019 |       |
|--|----------------------|----------------------|-------|
|  | In Cash              | Yet to be paid       | Total |
| a) Gross amount required to be spent by the company during the year    | 31.14                | 22.33                |       |
| b) Amount spent during the year ending on<br><b>31st March, 2020 -</b> |                      |                      |       |
| i) Construction/acquisition of any asset                               | -                    | -                    | -     |
| ii) On purposes other than (i) above                                   | 29.96                | 1.18                 | 31.14 |
| <b>31st March, 2019 -</b>  |                      |                      |       |
| i) Construction/acquisition of any asset                               | -                    | -                    | -     |
| ii) On purposes other than (i) above                                   | 23.17                | -                    | 23.17 |

37 The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in the standalone financial statements.

38 Covid-19: Consequent to the nationwide lockdown announced on 24th March 2020 the Company suspended its operations from the said date and has resumed limited operations after obtaining necessary permissions from authorities. The Company has assessed the impact of COVID 19 on the financial statements liquidity position, future business and cash flow and has concluded that no material adjustments are required in the financial statements. The company will continue to monitor the impact of Covid 19 and any material changes to future economic conditions.

39 Pursuant to the issuance of The Taxation Laws (Amendment) Ordinance, 2019 on September 20,2019 which is applicable for AY 2020-21, Company has opted to pay tax at concessional rate of 22% and has computed current tax and deferred tax applying this rate.

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(A Subsidiary of Tata Steel Ltd.)

**Notes forming part of the Financial Statements**

- 40 The cost audit for the years ended March 31, 2016 to 2019 has been completed and audit reports for these years have been approved by the Board of Directors on June 25, 2020. The Company has filed the relevant return along with the said reports under Companies Fresh Start Scheme, 2020 issued by the Ministry of Corporate Affairs on March 30, 2020, on June 25, 2020, i.e. within the prescribed timeline of September 30, 2020. As required under the scheme the Company will be applying for immunity after the end of the scheme i.e. after September 30, 2020. The aforesaid matter is not likely to have any material impact on the operation and financial statement of the Company.

Further the filing for appointment of cost auditor for these financial years in Form CRA 2 were made during the financial year 2019-20.

- 41 Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/

See accompanying notes forming part of the financial statements

**In terms of our report of even date**

**For and on behalf of the Board of Directors**

**For Price Waterhouse & Co Chartered Accountants LLP**

Chartered Accountants

Firm Registration No- 304026E/E300009

**Peeyush Gupta**

Chairman

DIN- 02840511

Neeraj Kant

Managing Director

DIN-06598469

**Sougata Mukherjee**

Partner

Membership Number: 057084

Kolkata, June 29, 2020

**U. Mishra**

Chief Financial Officer

Rabi Narayan Kar

Company Secretary

**Jamshedpur, June 29, 2020**