

**AUDITOR'S REPORT
TO THE MEMBERS OF MARK STEELS LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of MARK STEELS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

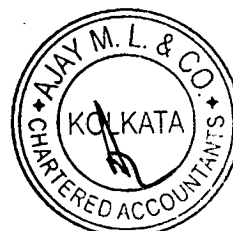
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

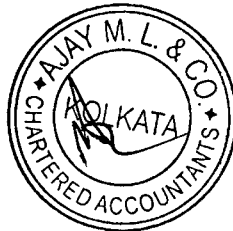


Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ("The Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure-A a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in the Annexure B.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note (ii) of 23 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. -- Refer to Note (xiv) of 23 to the financial statements;



Kolkata, the 15th May, 2017

For, Ajay M L & Co
Chartered Accountants

Ajay Agrawal
Proprietor
Membership No. 53384
FRN. 325464E

Annexure - A to the Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report On Other Legal And Regulatory Requirements" of our report of even date

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013;
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 of the Companies Act, 2013, and are of the opinion that prima-facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it, with the appropriate authorities during the year.

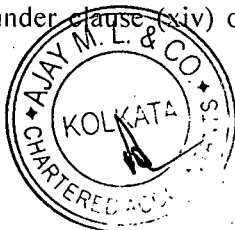
There are no undisputed statutory dues which were outstanding as at the year ended on 31st March, 2017 for a period of more than six months from the date they became payable.



b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, which have not been deposited on account of any dispute other than those disputed as indicated below.

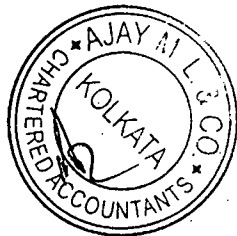
Sl. No	Name of the Statute	Nature of dues	Forum where pending	Amount (Rs. In Lacs)
1	West Bengal Entry Tax Act	Entry Tax for 2012-2013	In the High Court at Calcutta	66.84
2	West Bengal Entry Tax Act	Entry Tax for 2013-2014	In the High Court at Calcutta	57.76
3	Central Excise Act 1944	Reversal of cenvat. For 2003 -04 & 2004-05	In the the High Court at Calcutta	33.92
4	Central Excise Act 1944	Reversal of cenvat. For 2012-13	In the Commissioner Appeals - III	4.03
5	Income Tax Act,1961	Income Tax for FY 2011-12	D.C.I.T ,Circle -3(1)	10.61

- viii. According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or Government. There were no borrowings from debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or Term Loans.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. According to the information and explanations given to us, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.



xv. According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.



Kolkata, the 15th May, 2017

For, Ajay M L & Co
Chartered Accountants

A handwritten signature in black ink, appearing to read "Ajay", written over the printed name.

Ajay Agrawal
Proprietor
Membership No. 53384
FRN. 325464E

Annexure - B to the Independent Auditors' Report

Referred to in Paragraph 1(f) under the heading of "Report On Other Legal And Regulatory Requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of Mark Steels Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

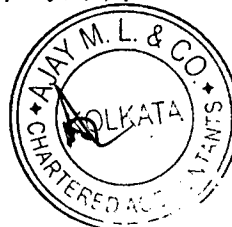
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that



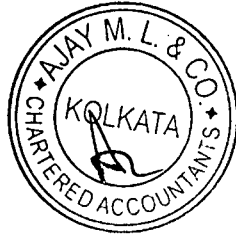
transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Kolkata, the 15th May, 2017

For, Ajay M L & Co
Chartered Accountants

Ajay Agrawal
Proprietor
Membership No. 53384
FRN. 325464E

MARK STEELS LIMITED

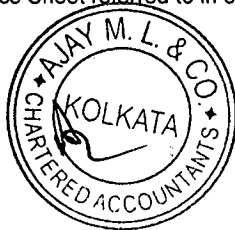
BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As At 31.03.2017 Rs.	As At 31.03.2016 Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
Capital	1	42,857,140	42,857,140
Reserve & Surplus	2	334,996,160	316,544,636
NON CURRENT LIABILITIES			
Deferred tax liabilities(Net)	3	31,786,000	34,081,000
Long Term Provision	4	4,135,929	3,314,669
CURRENT LIABILITIES			
Short-term borrowings	5	24,857,899	70,092,740
Trade Payable	6	171,006,163	192,136,797
Other Current Liabilities	7	31,577,330	28,114,079
Short Term Provision	8	11,350,000	9,700,000
TOTAL		652,566,621	696,841,061
ASSETS			
NON - CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	9		
Gross Block		385,116,783	384,303,470
Less: Depreciation		213,114,175	196,275,799
Net Block		172,002,608	188,027,671
NON -CURRENT INVESTMENT	10	425,000	425,000
CURRENT ASSETS			
Current Investments	11	45,395,437	30,798,855
Inventories	12	138,897,558	188,767,945
Trade Receivable	13	34,949,169	35,373,403
Cash & Cash Equivalents	14	14,208,384	23,254,181
Short-term Loans & Advances	15	246,688,465	230,194,006
TOTAL		652,566,621	696,841,061

ACCOUNTING POLICIES & NOTES

The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

22-23



Kolkata, the 15 th May 2017

Ajay M L & Co
Chartered Accountants

Ajay

Ajay Agrawal
Prop
Memb No 53384
FRN .325464E

Umesh Kumar Jhunjhunwala
Umesh Kumar Jhunjhunwala
Director
DIN.00448079

Vineet Agrawal
Vineet Agrawal
Director
DIN.00441223

MARK STEELS LIMITED

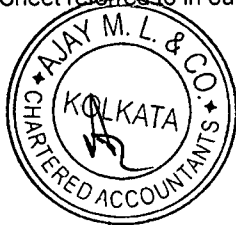
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

	Note	Year ended 31.03.2017 Rs.	Year ended 31.03.2016 Rs.
Revenue from Operation	16	1,080,835,343	1,086,504,025
Other Income	17	15,521,357	12,216,885
Total		1,096,356,700	1,098,720,910
EXPENDITURE :			
Cost of Materials Consumed	18	844,299,612	845,525,522
Employees' Remuneration & Benefits	19	24,391,903	24,681,053
Finance cost & Interest (net)	20	3,467,275	7,684,192
Depreciation	9	16,838,376	16,613,833
Other Expenses	21	179,413,051	179,070,381
Total		1,068,410,217	1,073,574,981
Profit(Loss) before Tax		27,946,483	25,145,929
Less:			
Provision for Taxation	- Current Income Tax	11,350,000	9,700,000
	- Tax Adjustment for Earlier Years	439,959	107,317
	- Deferred Income Tax	(2,295,000)	(1,267,000)
Profit(Loss) after Tax		18,451,524	16,605,612
Basic earning per share Rs.		4.31	3.87

ACCOUNTING POLICIES & NOTES

22-23

The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.



Kolkata, the 15th May 2017

Ajay M L & Co
Chartered Accountants

Ajay Agrawal
Ajay Agrawal
Prop
Memb No 53384
FRN .325464E

Umesh Kumar Jhunjunwala

Umesh Kumar Jhunjunwala
Director
DIN.00448079

Vineet Agrawal

Vineet Agrawal
Director
DIN.00441223

MARK STEELS LIMITED

31.03.2017 31.03.2016
Rs. Rs.

Note : 1

SHARE CAPITAL

AUTHORISED :

45,00,000 Equity Shares of Rs.10/- each
(Previous Year 45,00,000 Equity Shares of Rs. 10/- each)

45,000,000 45,000,000

ISSUED, SUBSCRIBED & PAID UP:

42,85,714 Equity Shares of Rs.10/- Each fully paid issued for cash
(Previous Year 42,85,714 Equity Shares of Rs. 10/- each)

42,857,140 42,857,140

42,857,140 42,857,140

The details of Shareholders holding more than 5% shares :

Name of the Shareholder

Manaksia Ferro Industries Ltd.
AGR Capital Markets Limited.

% age held		No. of shares	No. of shares
31.03.2017	31.03.2016	31.03.2017	31.03.2016
70%	70%	2,999,994	2,999,994
30%	30%	1,285,714	1,285,714

1285714 Equity Shares out of the issued, subscribed and paid up share capital were allotted on conversion of loans.

Equity Shares carry voting rights at the General Meetings of the Company, and are entitled to dividend and to participate in surplus, if any, in the event of winding up

The reconciliation of the number of shares outstanding is set out below :

Equity Shares at the beginning of the year
Add : Shares allotted during the year
Equity Shares at the end of the year

4,285,714 4,285,714

- -

4,285,714 4,285,714

Rs. Rs.

Note : 2

RESERVES & SURPLUS

Capital Reserve:

-As per last Balance Sheet
Add, For the year

25,000,000 25,000,000

- -

25,000,000 25,000,000

Share Premium

-As per last Balance Sheet
Add, For the year

122,142,830 122,142,830

- -

122,142,830 122,142,830

Profit & Loss Account

-As per last Balance Sheet
Less- Depreciation Adjustment
Add- Profit for the year

169,401,806 152,796,194

- -

18,451,524 16,605,612

187,853,330 169,401,806

334,996,160 316,544,636

Note : 3

DEFERED TAX LIABILITIES(Net)

The Provisions for Deferred Income Tax comprise of the following.

Deferred Tax Liability

Relating to Fixed Asset

32,039,769 34,257,134

Deferred Tax Asset

Relating to Accumulated Losses and Disallowances under the Income Tax Act, 1961.

253,769 176,134

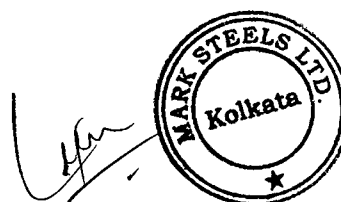
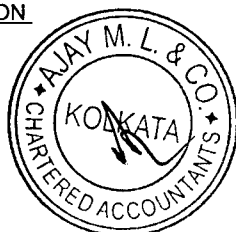
31,786,000 34,081,000

Note : 4

LONG TERM PROVISION

Provision for gratuity

4,135,929 3,314,669

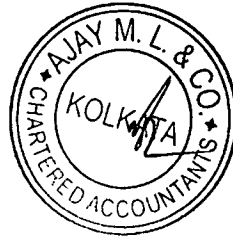


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Note 9:

DETAILS OF FIXED ASSETS AS AT 31/03/2017

Particulars	GROSS BLOCK			Cost as at 31.03.2017	DEPRECIATION			As at 31.03.2017	NET BLOCK	
	Cost as at 01.04.2016	Addition During the Year	Deletion During the Year		As at 01.04.2016	For the Year	Deletion During the Year		As at 31.03.2017	As at 31.03.2017
Land	10,261,236	-	-	10,261,236	-	-	-	10,261,236	10,261,236	
Factory Building	42,893,458	-	-	42,893,458	15,111,004	1,303,483	-	16,414,487	27,782,454	
Plant & Machinery	266,211,901	764,491	-	266,976,392	140,309,530	10,889,359	-	151,198,889	125,902,371	
Electrical Installation	31,491,023	-	-	31,491,023	18,303,787	2,537,921	-	20,841,708	13,187,236	
Elec. Generator	9,930,796	-	-	9,930,796	5,615,818	752,403	-	6,368,221	4,314,978	
Computer	1,243,056	-	-	1,243,056	1,075,477	28,432	-	1,103,909	167,579	
Office Equipment	469,011	48,822	-	517,833	296,087	23,825	-	319,912	172,924	
Furniture & Fixtures	1,131,473	-	-	1,131,473	976,567	14,858	-	991,425	154,906	
Vehicles	20,671,516	-	-	20,671,516	14,587,529	1,288,095	-	15,875,624	6,083,987	
	384,303,470	813,313	-	385,116,783	196,275,799	16,838,376	-	213,114,175	172,002,608	
TOTAL	384,303,470	813,313	-	385,116,783	196,275,799	16,838,376	-	213,114,175	172,002,608	
Previous Year	371,802,409	12,501,061	-	384,303,470	179,661,966	16,613,833	-	196,275,799	188,027,671	



Agarwal

	31.03.2017 Rs.	31.03.2016 Rs.
Note : 5		
<u>SHORT-TERM BORROWINGS</u>		
<u>Secured</u>		
Cash Credit from Bank	2,590,261	19,645,131
<u>Unsecured</u>		
From Bodies Corporate	22,267,638	50,447,609
	24,857,899	70,092,740

Short term loan from Bank is secured by first charge on current assets, both present and future, and a second charge on fixed assets, both present and future, of the Company, personal guarantee of Director

Note : 6		
<u>TRADE PAYABLES</u>		
Others	171,006,163	192,136,797
	171,006,163	192,136,797

In the absence of necessary information with the company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled & disclosed

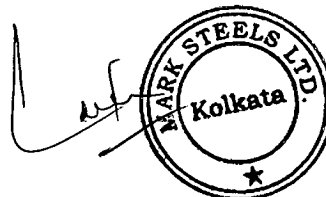
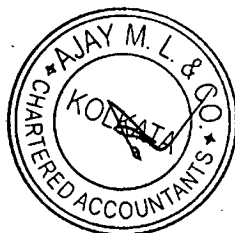
Principal Amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Note : 7		
<u>OTHER CURRENT LIABILITIES</u>		
Advance against Sales	25,570,146	22,331,973
Other Liabilities	3,844,444	4,792,083
Excise Duty Payable on Closing Stock of Finished Goods	2,162,740	990,023
	31,577,330	28,114,079

Note : 8		
<u>SHORT TERM PROVISION</u>		
Provision for Taxation	11,350,000	9,700,000
	11,350,000	9,700,000

Note : 10		
<u>NON -CURRENT INVESTMENT</u>		
Long Term(Trade)		
<u>Unquoted</u>		
42500 (42500/-) Equity share of Bengal Sponge Manuf.Mining(P)Ltd. of Rs.10/-each	425,000	425,000

Note : 11		
<u>CURRENT INVESTMENT</u>		
Investment in Category-III, Alternative Investment Funds -Unquoted, Fully Paid up		
- IIFL Cash Opportunities Fund/Class B (NIL , Prev Year 2993520Units)	-	30,798,855
- HDFC High Interest Fund -Short Term Plan (G) (768707.737 Units Prev year NIL)	25,017,408	-
- Franklin India Low Duration Fund (G) (1163853.616 Units Prev Year NIL)	20,378,029	-
	45,395,437	30,798,855



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Note :12**INVENTORIES**

(As taken, valued and certified by the Management)

	31.03.2017 Rs.	31.03.2016 Rs.
Raw material	95,427,875	134,697,379
Finished Goods	37,618,786	48,376,431
Consumables Stores	5,850,897	5,694,135
	138,897,558	188,767,945

Note : 13**TRADE RECEIVABLE**

(Unsecured, Considered Good)

Outstanding over six months	13,046,088	14,186,982
Other Debts	21,903,081	21,186,421
	34,949,169	35,373,403

Note : 14**CASH AND CASH EQUIVALENTS**

Cash in Hand (As certified by the Management)

Balances with Scheduled Banks -	525,979	266,327
In Current Accounts	332,777	300,821
In Cash Credit Accounts	82,785	16,248,777
In Fixed Deposit	13,266,843	6,438,256
(Pledged as Margin Money for Issue of Bank Gurantees)	14,208,384	23,254,181

Note : 15**SHORT TERM LOANS AND ADVANCES**

(Unsecured - Considered good)

Loans	112,050,779	87,472,726
Advance - Recoverable in cash or in kind or for value to be received	70,340,010	68,350,412
Balances with Statutory Authorities	63,748,556	73,930,768
Security Deposit	549,120	440,100
	246,688,465	230,194,006

15.1 Short Term Loan to M/s Vajra Machinerics Pvt.Ltd. Rs.94,461,420/- (maximum balance during the year Rs.94,461,420/-), Sri Shyam Fashion India Pvt.ltd.Rs.25,00,000/- (maximum balance during the year.Rs.25,00,000/-), Victory Iron Works Pvt. Ltd. Rs. 1,00,00,000/- (maximum balance during the year Rs. 1,00,00,000/-), and Ridhi Port Folio Pvt.ltd. Rs. 5000000/- (maximum balance during the year Rs. 5000000/-) has been given for business purpose

Note : 16**REVENUE FROM OPERATION**

Sale of Products	1,236,458,591	1,235,014,044
Less/(Add):		
Excise Duty	128,017,961	128,608,294
Changes in Excise Duty on Closing Stock of Finished Goods	1,172,717	(226,103)
Commercial Taxes	26,432,570	20,127,828
Net Sales	1,080,835,343	1,086,504,025

Note : 17**OTHER INCOME**

Sundry Balance Written Off (Net)	-	1,236,961
Profit on Sale Of Current Investment in Mutual Fund	5,808,811	2,612,860
Exchange Difference	1,781,465	1,091,853
Interest Income :		
From Other [TDS Rs. 793111 /-(Prev.Year Rs.727521/-]	7,931,081	7,275,211
	15,521,357	12,216,885

Note : 18**COST OF MATERIALS CONSUMED**

Raw Materials Consumed	833,541,966	750,022,307
Decrease/(Increase) in stock of Finished goods opening stock	48,376,432	143,879,646
less: closing stock	37,618,786	48,376,431
	10,757,646	95,503,215
	844,299,612	845,525,522



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Note : 19**EMPLOYEES REMUNERATION & BENEFITS**

Salary, Wages and Bonus

Contribution to Provident & Other Funds

Welfare Expenses

	31.03.2017 Rs.	31.03.2016 Rs.
Salary, Wages and Bonus	22,777,594	23,057,811
Contribution to Provident & Other Funds	1,292,780	1,232,164
Welfare Expenses	321,529	391,078
	24,391,903	24,681,053
Salary, Wages and Bonus includes :- Directors Remuneration - Salary	1,800,000	1,800,000

Note : 20**FINANCE COST & INTEREST**

Interest Charge

To Financial Institution

On Fixed loan

On others

To Others

On Fixed loan	-	-
On others	1,624,791	556,258
To Others	2,483,824	7,345,216
	4,108,615	7,901,474
Less: Interest Income		
From Bank [TDS Rs.64133 /- (Prev.Year Rs.21728-)]	641,340	217,282
	3,467,275	7,684,192

Note : 21**OTHER EXPENSES**

Stores & Consumables

Power & Fuel

Repairs to Machinery

Other Manufacturing Exp.

Rates & Taxes

Telephone & Telex

Postage & Courier

Travelling & Conv

Rent

Insurance

Bank Charges

Auditors' Remuneration

- As Auditors

- For Tax Audit

- For Other Services

Miscellaneous Exp

Security Service Charges

Freight, Forwarding & Handling Exp.

Donation

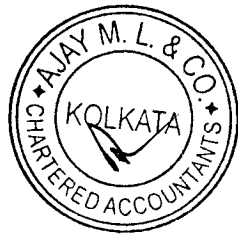
Printing & Stationery

Professional & Consultancy ch.

Commercial taxes for Earlier Year

BadDebts

Stores & Consumables	24,624,394	26,593,777
Power & Fuel	106,185,043	108,346,727
Repairs to Machinery	1,513,271	2,810,848
Other Manufacturing Exp.	14,676,179	12,909,127
Rates & Taxes	1,415,935	1,456,898
Telephone & Telex	334,425	319,139
Postage & Courier	47,580	54,930
Travelling & Conv	161,220	500,162
Rent	440,600	561,200
Insurance	284,870	282,674
Bank Charges	1,090,085	983,482
Auditors' Remuneration		
- As Auditors	50,000	50,000
- For Tax Audit	35,000	35,000
- For Other Services	81,500	28,500
Miscellaneous Exp	3,478,331	2,935,830
Security Service Charges	2,989,214	2,807,381
Freight, Forwarding & Handling Exp.	19,804,629	16,299,523
Donation	200,302	245,404
Printing & Stationery	202,431	159,728
Professional & Consultancy ch.	317,850	240,445
Commercial taxes for Earlier Year	631,308	1,449,606
BadDebts	848,884	-
	179,413,051	179,070,381







MARK STEELS LTD.

22.Accounting Policies:

1) Basis of Accounting

The accounts are prepared under Historical Cost Convention on accrual basis and going concern assumption, except as otherwise stated, in accordance with the normally accepted accounting policies in India (GAAP), including the Accounting Standards notified under the relevant provisions of Companies Act, 2013.

i) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosures of contingent liabilities on the date of the financial statements and the reported amount or revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialise.

ii) Revenue Recognition

Revenue from sale of goods and services rendered is recognized upon passage of title and rendering of services and, unless otherwise stated, is inclusive of applicable taxes & duties.

iii) Fixed assets

Fixed assets are stated at their original cost, net of Cenvat, less accumulated depreciation. Additions include purchase cost, freight, duties and other expenses wherever incurred for acquisition and installation.

iv) Depreciation

Depreciation on fixed asset is calculated under straight-line method over estimated useful life and in the manner specified in schedule II of the Companies Act, 2013. Depreciation is calculated on pro-rata basis on additions and deletions of fixed assets during the year.

v) Borrowing Cost

Borrowing Costs that are attributable to the acquisition of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

vi) Investment

Long-term investments are valued at cost, except that any permanent diminution in their value is provided for in ascertaining their carrying amount. Current investments are carried at lower of cost or fair value of each investment. Short Term investments in liquid fund schemes of Mutual Funds have been stated at their NAV on year end date or purchase price whichever is less.

vii) Inventories

Raw materials, finished goods, stock-in-trade and stores and spares are valued at lower of cost and net realizable value determined on First-in-First-out basis.

viii) Foreign currency transaction

a. Initial Recognition

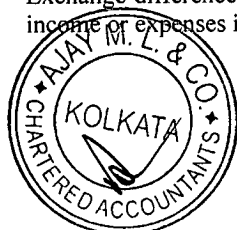
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

b. Conversion

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. Exchange Difference

Exchange differences arising on the settlement / conversion of monetary items are recognized as income or expenses in the year in which they arise.



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The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognised in the statement of Profit & Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

ix) Retirement Benefits

- i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered.
- ii) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

x) Taxation

Provision for Income Tax comprises of current tax and deferred tax charge. Deferred tax is recognized subject to the consideration of Prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent periods.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India.

xi) Segment Reporting

The company is engaged in the business of manufacture of Sponge Iron & MS Ingots. This is considered as one single primary segment.

xii) Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount

xiii) Provisions, Contingent Liabilities and Contingent Assets

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

23. Other Notes on Accounts:

- i) Previous year's figures have been regrouped or rearranged wherever necessary.

- ii) Contingent Liabilities, not provided for in respect of; (Rs. In lacs)

Nature of Liabilities	2016 -17	2015 -16
Counter guarantees given in favour of company's Bankers for Bank Guarantees issued	136.52	136.52
Sales Tax demand under appeal	-	-
Entry Tax demand under appeal / Contest	124.60	66.84
Central Excise demand under appeal	37.95	37.95
Income Tax under rectification	10.61	10.61



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- iii) Advances include advance for capital goods amounting to Rs 0.39 Lacs. (Previous year ended Rs 0.39 Lacs).
- iv) In the opinion of the Management there is no Impairment of any of the Fixed Assets of the Company in terms of Accounting Standard AS-28 on Impairment of Assets.
- v) Sundry creditors include Rs. 29.29 lacs (Pre. Year ended Rs 29.35 lacs) towards capital goods.
- vi) Deposit with Central Excise includes an amount of Rs. 10.24 Lacs, (Pre. Year ended Rs. 18.46 Lacs) being part of Cenvat paid on capital goods, credit for which will be availed next year.
- vii) As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below ::

i) Defined contribution Plan

Contributions to defined contribution plan, recognized are charged off during the year as follows:

	(2016-17)	(2015-16)
	Rs. In Lacs	Rs. In Lacs

Employees' contribution to Provident Fund	12.93	12.32
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Defined benefit plan

Gratuity is paid to employees under the Payment of Gratuity Act 1972 through unfunded scheme. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

a) Reconciliation of opening and closing balances of defined obligation:

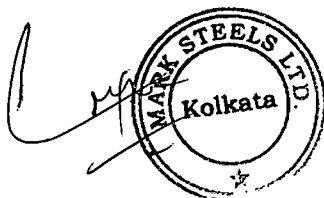
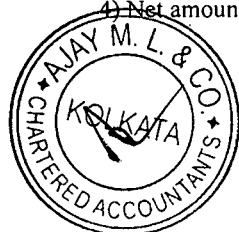
	(2016-17)	(2015-16)
	Rs. In Lacs .	Rs. In Lacs.
1) Defined benefit obligation at the beginning of the year	33.15	27.45
2) Adjustment in opening balance due to change in method of calculation as prescribed by AS-15 issued by The Institute of Chartered Accountants of India, reduced from General Reserves (Refer Schedule 'B')	0.00	0.00
3) Current service cost	4.76	4.45
4) Interest cost	2.59	2.12
5) Actuarial (gain) / loss	0.86	(0.87)
6) Benefit paid	-	-
7) Defined benefit obligation at the year end	41.36	33.15

b) Reconciliation of fair value assets and obligations:

1) Fair value of plan assets as at 31st March 2017	NIL	NIL
2) Present value of obligations as at 31st March 2017	41.36	33.15
3) Amount recognized in balance sheet	41.36	33.15

c) Expenses recognized during the year (under the head salaries, wages & Bonus schedule - P)

1) Current service cost	4.76	4.45
2) Interest cost	2.59	2.12
3) Actuarial (gain) / Loss	0.86	(.87)
4) Net amount	8.21	5.70



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d) Actuarial assumptions		
1) Mortality table	LIC	LIC
2) Discount rate (per annum)	7.32%	7.83%
3) Rate of escalation in salary (per annum)	5%	5%
4) Expected average remaining working lives of employees (years)	17.30	18.34

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors. The above information is certifiical by the actuaries.

- viii) The balances in party accounts are subject to confirmation.
- ix) Earning per share – The numerator and denominators used to calculate Basic/Diluted Earning Per Share:

	31.03.2017	31.03.2016
a) Amount used as numerators (Rs.)		
Profit After Tax (A)	184,51,524	166,05,612
b) Weighted average number of Equity Shares as the denominator (B)	42,85,714	42,85,714
c) Nominal Value of Equity Shares (Rs)	10	10
d) Basic earning per share (A/B) (Rs)	4.31	3.87

- x) The project of the Company has been approved as Mega Project under the West Bengal Incentive Scheme, 2000. The Company has become eligible to the Mega Project status on reaching the threshold Investment level of Rs. 25 Crores stipulated in this regard. The package includes an Industrial Promotion Assistance @75% of the Sales Tax paid in the previous year on sales of Finished Goods subject to a stipulated cap. Accordingly such incentive receivable for the year, amounting Rs, 3,14,41,863/- (Previous Year Rs. 3,53,76,335/-) has been recognized during the year as setoff against commercial taxes.

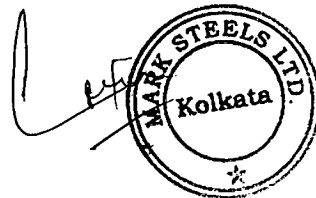
- xi) Particulars of transaction entered with related party :- (Amount in Rs.)

Relationship	Name of The Party	Nature of Transaction	31.03.17	31.03.16
Ultimate Holding Company	Manaksia Ltd	NIL	NIL	NIL
Holding Company	Manaksia Ferro Industries Ltd	NIL	NIL	NIL
Other Major shareholder	AGR Capital Markets Ltd.	NIL	NIL	NIL
Fellow Subsidiary Companies	Manaksia Overseas Ltd.	NIL	NIL	NIL
	MINL Ltd.	NIL	NIL	NIL
	Dynatech Industries Ghana Ltd.	NIL	NIL	NIL
	Jebba Paper Mills Ltd.	NIL	NIL	NIL
Key Managerial Personnel	Umesh Kumar JhunJhunwala	Remuneration	12,00,000	12,00,000
	Ashish JhunJhunwala	Remuneration	6,00,000	6,00,000
Relative of Key Managerial Personnel	Rohit JhunJhunwala	Remuneration	7,20,000	7,20,000
	Ayush JhunJhunwala		4,80,000	4,80,000
Enterprises over which Key Managerial Personnel are able to exercise significant influence	Murarilal Co.	NIL	NIL	NIL
	Anuradha Trexim Pvt. Ltd.	NIL	NIL	NIL

xii) Earnings in Foreign Currency; Rs Nil /- (Previous year Rs Nil)

xiii) Expenditure in Foreign Currency –

Value Of Imports On CIF Basis In Respect Of Raw Materials Rs. 95448012/- (Prev year Rs. 38124384/-)



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xiv) Disclosures on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held & transacted during the period from November 8, 2016 to 30 December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination Notes	Total (in Rs.)
Closing Cash in hand as on November 8, 2016	1237500/-	452296/-	1689796/-
(+) Permitted Receipts	-	1172000/-	1172000/-
(-) Permitted Payments	-	1409994/-	1409994/-
(-) Amounts Deposited in Banks	1237500/-	-	1237500/-
Closing Cash in hand as on December 30, 2016	-	214302/-	214302/-



Kolkata, the 15th May 2017

For, Ajay M L & Co
Chartered Accountants

Ajay Agrawal
Ajay Agrawal
Proprietor
Membership No. 53384
FRN 325464E

Umesh Kumar Jhunjhunwala
Umesh Kumar Jhunjhunwala
Director
DIN.00448079
Vineet Agrawal
Vineet Agrawal
Director
DIN.00441223

MARK STEELS LIMITED
CASH FLOW STATEMENT

PARTICULARS	2016-17	2015-16
	Amount (Rs.)	Amount (Rs.)
Cash flows from operating activities		
Net profit before taxation, and extraordinary item	27,946,483	25,145,929
Adjustments for:		
Depreciation	16,838,376	16,613,833
Interest income	(7,289,741)	(7,492,493)
Income on sale of current investment in Mutual Fund	(5,808,811)	(2,612,860)
Income on Exchange Diference	(1,781,465)	(1,091,853)
Preliminary Expenses Written Off	-	-
Charge on account of transitional provisions under Accounting Standard -15	-	-
Profit/ (Loss on Fixed Assets Sold)	-	-
Provision for gratuity	821,260	570,012
Interest expense	4108615	7,901,474
Operating profit before working capital changes	34,834,717	39,034,042
Change in Trade Receivable	(16,070,225)	(1,329,705)
Change in inventories	49,870,387	106,542,712
Change in Trade Payable	(17,667,383)	(23,334,150)
Cash generated from operations	50,967,495	120,912,899
Income taxes paid	(10,139,959)	(8,360,658)
Cash flow before extraordinary item	40,827,536	112,552,241
Extraordinary items		
Net cash from operating activities	40,827,536	112,552,241
Cash flows from investing activities		
Purchase of fixed assets	(813,313)	(12,501,061)
Proceeds from sale of equipment	-	-
Sale/(Purchase) of Investment	(14,596,582)	(30,798,855)
Interest received	7,289,741	7,492,493
Income on sale of current investment in Mutual Fund	5,808,811	2,612,860
Income on Exchange Diference	1,781,465	1,091,853
Dividends received	-	-
Received of capital Subsidy	-	-
Net cash from investing activities	(529,879)	(32,102,710)
Cash flows from financing activities		
Proceeds from long-term borrowings	(28,179,971)	(62,455,930)
Repayment of long-term borrowings	(17,054,870)	9,991,186
Interest paid	(4,108,615)	(7,901,474)
Dividends paid		
Net cash used in financing activities	(49,343,455)	(60,366,217)
Net increase in cash and cash equivalents	(9,045,798)	20,083,314
Cash and cash equivalents at beginning of period	23,254,181	3,170,868
(see Note 2)		
Cash and cash equivalents at end of period (see Note 2)	14,208,384	23,254,181
Notes :		
1. This statement has been prepared by using Indirect Method.		
2. Cash and Cash Equivalents		
Cash on hand	525979	266,327
Balances with banks in current account	332777	300,821
in Fixed Deposit	13266843	6,438,256
in Cash Credit	82785	16,248,777
Cash and cash equivalents	14,208,384	23,254,181
3. Figure in brackets represents Cash Outflow.		



Kolkata, the 15th May 2017

For, Ajay M L & Co
Chartered Accountants

Ajay Agrawal
Ajay Agrawal
Proprietor
Membership No. 53384
FRN. 325464E

Umesh Kumar Dhunjhuwala
Umesh Kumar Dhunjhuwala
Director
DIN-00448079

Vineet Agrawal
Vineet Agrawal
Director
DIN-00441223