

# **S K AGRAWAL AND CO**

Chartered Accountants  
Firm Registration No. 306033E

Suite Nos. – 606-608, The Chambers  
1865, Rajdanga Main Road,  
Kolkata- 700107  
Ph: 033-40089902/9903/9904  
Fax:033-40089905  
Website: www.skagrawal.co.in

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Mark Steels Limited**

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the financial statements of Mark Steels Limited ("the Company"), which comprises the Balance sheet as at 31<sup>st</sup> March 2019, and the Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit (including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial Statements.

#### **Responsibility of the Management for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes, maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.





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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matter**

The comparative Ind AS financial information of the Company for the corresponding year ended 31st March, 2018 were audited by the predecessor auditor, M/s. Ajay M L & Co., who expressed unmodified opinion vide their report dated 15th May, 2018 and reliance has been placed by us on the same for the purpose of this report.

Our opinion is not modified in respect of this matter.

## **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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash flows comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;



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- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. 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:
- The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer to Note 35 to the Ind AS financial statements;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S K AGRAWAL AND CO  
Chartered Accountants  
Firm Registration No.-306033E



Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851

Place: Kolkata  
Dated: 15<sup>th</sup> May, 2019





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## **Annexure -A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the members of **Mark Steels Limited** (the Company') on the Ind AS financial statements for the year ended on 31st March 2019. We report that:

- i. In respect of the Company's fixed Assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of Physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to Section 76 of the Companies Act, 2013 during the year. Hence, the provisions of Clause (v) of the Order are not applicable to the Company.
- 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.





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- vii. According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, Goods and Service Tax and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2019 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:

Name of the Statute	Nature of dues	Amount Rs. ( In Lacs)	Period to which the amount relates ( Financial Year)	Forum where dispute is pending
West Bengal Entry Tax Act	Entry Tax demand	272.76	2012-2013 to 2015-16	In the High Court at Calcutta
Central Excise Act 1944	Excise duty demand	33.92	2003-04 & 2004-05	In the the High Court at Calcutta
Central Excise Act 1944	Excise duty demand	2.04	2009-10	In the Assistant Registrar, Custom, Excise & Service Tax App.Tribunal
Central Excise Act 1944	Excise duty demand	6.63	16.12.04 to 01.04.06	In the Assistant Registrar, Custom, Excise & Service Tax App.Tribunal
Central Excise Act 1944	Excise duty demand	94.05	01.01.2012 to 30.09.2016	In the Commissioner Appeals
Income Tax Act,1961	Income Tax	46.52	2010-11	In the Commissioner of Income Tax (Appeals)
West Bengal Value Added Tax Act, 2003	VAT	25.43	2012-13	In the WBCT Appellate & Rev. Board

- viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 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 year.
- xi. According to the information and explanations given to us, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.





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- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Kolkata  
Dated: 15<sup>th</sup> May, 2019



For **S K AGRAWAL AND CO**  
Chartered Accountants  
Firm Registration No. -306033E

  
Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851



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## **Annexure -B to the Independent Auditors' Report**

### **Report on the Internal Financial Controls 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 31st March 2019 in conjunction with our audit of the Ind AS 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 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.





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## **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 authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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.

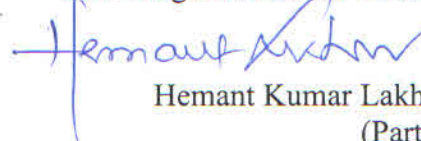
## **Opinion**

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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S K AGRAWAL AND CO**

Chartered Accountants

Firm Registration No.-306033E



Hemant Kumar Lakhotia  
(Partner)

Membership No. 068851

Place: Kolkata

Dated: 15<sup>th</sup> May, 2019





**MARK STEELS LIMITED**  
Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019 Amount in Rs.	As at March 31, 2018 Amount in Rs.
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	1595,55,713	1623,26,894
(b) Capital Working Progress	3	8,00,000	-
(c) Financial Assets			
(i) Investments	4	88,87,618	126,43,754
		<b>1692,43,331</b>	<b>1749,70,648</b>
<b>2 Current assets</b>			
(a) Inventories	5	2008,53,180	2052,96,079
(b) Financial Assets			
(i) Investment	6	166,07,580	149,72,147
(ii) Trade receivables	7	475,25,790	469,20,052
(iii) Cash and Cash equivalents	8	273,21,123	55,92,945
(iv) Bank balance other than above	9	104,47,866	106,18,866
(v) Loans	10	1375,68,015	1466,95,905
(vi) Others financial assets	11	24,06,825	18,16,450
(c) Current Tax Assets	12	30,16,043	-
(d) Other current assets	13	2322,99,586	1652,85,491
		<b>6780,46,008</b>	<b>5971,97,935</b>
<b>Total Assets</b>		<b>8472,89,339</b>	<b>7721,68,583</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>3 Shareholders' Funds</b>			
(a) Share Capital	14	428,57,140	428,57,140
(b) Other Equity	15	4402,15,486	3761,64,158
<b>Total Equity</b>		<b>4830,72,626</b>	<b>4190,21,298</b>
<b>LIABILITIES</b>			
<b>4 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	12,25,800	12,14,500
(b) Provisions	17	60,80,195	50,90,965
(c) Deferred tax liabilities (Net)	18	228,79,516	298,94,724
		<b>301,85,511</b>	<b>362,00,189</b>
<b>5 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	620,93,644	358,95,928
(ii) Trade Payables	20	2397,49,843	2168,53,909
(iii) Other financial liabilities	21	10,23,804	8,44,525
(b) Other Current Liabilities	22	311,63,911	553,87,519
(c) Current Tax Liabilities	23	-	79,65,215
		<b>3340,31,202</b>	<b>3169,47,096</b>
<b>Total Liabilities</b>		<b>3642,16,713</b>	<b>3531,47,285</b>
<b>Total equity and liabilities</b>		<b>8472,89,339</b>	<b>7721,68,583</b>
Summary of Significant Accounting Policies	1 & 2		
Notes on Financial Statements	3-46		
The accompanying notes are an integral part of the financial statements			

As per our Report attached of even date

For S K AGRAWAL AND CO

Chartered Accountants

Firm Regn. No. 306033E

Hemant Kumar Lakhota  
(Partner)

Membership No. 068851

Kolkata, 15th day of May, 2019



For and on Behalf of the Board of Directors

Umesh Kumar Jhunjhunwala

Director

DIN:00448079

Vineet Agarwal

Director

DIN:00441223



MARK STEELS LIMITED		For the year ended	For the year ended
Statement of Profit and Loss for the year ended March 31, 2019		March 31, 2019	March 31, 2018
Particulars	Notes	Amount in Rs.	Amount in Rs.
<b>I. Income</b>			
Revenue from Operations	24	16104,93,038	13738,69,335
Other Income	25	178,08,006	209,39,066
<b>Total Income</b>		<b>16283,01,044</b>	<b>13948,08,401</b>
<b>II. Expenses</b>			
Cost of raw materials consumed	26	12707,74,440	10042,62,116
Changes in inventories of finished goods	27	12,86,216	228,78,851
Excise duty		-	396,47,607
Employee benefits expense	28	445,33,088	450,35,736
Finance costs	29	62,26,940	28,54,753
Depreciation and amortization expense	3	165,96,159	175,88,865
Other expenses	30	2060,58,164	1990,65,991
<b>Total Expenses</b>		<b>15454,75,007</b>	<b>13313,33,919</b>
<b>III. Profit before tax ( I - II )</b>		<b>828,26,037</b>	<b>634,74,482</b>
<b>IV. Tax expenses</b>			
Current tax	32	254,62,000	245,00,000
Tax adjustment for earlier years	32	2,76,532	2,70,332
Deferred tax	32	(70,01,846)	(20,68,201)
<b>Total tax expenses</b>		<b>187,36,686</b>	<b>227,02,131</b>
<b>V. Profit for the year ( III - IV )</b>		<b>640,89,351</b>	<b>407,72,351</b>
<b>VI. Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	31	(51,384)	(2,42,630)
(ii) Income tax relating to items that will not be reclassified to profit or loss	31	13,360	74,973
<b>Other Comprehensive Income for the year</b>		<b>(38,024)</b>	<b>(1,67,657)</b>
<b>VII. Total Comprehensive Income for the year ( V + VI )</b>		<b>640,51,327</b>	<b>406,04,694</b>
<b>VIII. Basic and diluted Earnings per equity share of face value of Rs. 10/- each</b>	<b>34</b>	<b>14.95</b>	<b>9.51</b>
Summary of Significant Accounting Policies	1 & 2		
Notes on Financial Statements	3-46		
The accompanying notes are an integral part of the financial statements			
<p>As per our Report attached of even date  For S K AGRAWAL AND CO  Chartered Accountants  Firm Regn. No. 306033E</p> <p>For and on Behalf of the Board of Directors</p> <p>Hemant Kumar Lakhotia  (Partner)  Membership No. 068851  Kolkata, 15th day of May, 2019</p> <p>Umesh Kumar Jhunjhunwala  Director  DIN:00448079</p> <p>Vineet Agarwal  Director  DIN:00441223</p>			



**MARK STEELS LIMITED**  
Statement of Changes in Equity for the year ended 31st March 2019

(a) Equity Share Capital Particulars	Number of Shares	Amount (in Rs.)	Amount in Rs.			
			Capital Reserve	Reserves and Surplus Securities Premium Reserve	Other Comprehensive Income	Total
Equity Shares of Rs. 10/- each issued, subscribed and fully paid up						
As at 31st March 2018	42,85,714	428,57,140				
As at 31st March 2019	42,85,714	428,57,140				
<b>Note:</b> There is no change in the equity share capital						
<b>(a) Other Equity</b>						
Balance at 1st April 2017			250,00,000	1221,42,830	732	3355,59,464
Transfer/Adjustment during the year						
Profit / (Loss) for the year			-	407,72,351	-	407,72,351
Other Comprehensive Income for the year			-	-	(1,67,657)	(1,67,657)
Total Comprehensive Income for the year			-	407,72,351	(1,67,657)	406,04,694
Balance at 31st March 2018			250,00,000	1221,42,830	(1,66,925)	3761,64,158
Transfer/Adjustment during the year						
Profit / (Loss) for the year			-	640,89,351	-	640,89,351
Other Comprehensive Income for the year			-	-	(38,024)	(38,024)
Total Comprehensive Income for the year			-	640,89,351	(38,024)	640,51,327
Balance at 31st March 2019			250,00,000	1221,42,830	(2,04,949)	4402,15,486

Refer Note 15 for nature and purpose of reserves  
Summary of Significant Accounting Policies 1 & 2  
Notes on Financial Statements 3-46  
The accompanying notes are an integral part of the financial statements  
As per our Report attached of even date

For S K AGRAWAL AND CO

Chartered Accountants

Firm Regn. No. 306033E

*Hemant Kulkarni*

Hemant Kumar Lakhotia  
(Partner)

Membership No. 068851  
Kolkata, 15th day of May, 2019

For and on Behalf of the Board of Directors

*Umesh Kumar Jhunjhunwala*

Umesh Kumar Jhunjhunwala

Director

DIN:00448079

Vineet Agarwal

Director

DIN:00441223





## Summary of Significant Accounting Policies

### 1. Corporate Information

Mark Steels Limited ('MSL' or 'the Company') having domicile presence in the State of West Bengal, India, has been incorporated under the Companies Act in the year 2001. The Company is primarily engaged in the manufacture and sale of Sponge Iron & M.S. Ingots

### 2. Significant Accounting Policies

#### I. Basis of Preparation of financial statements

##### (a) Statement of compliance

These Financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act, as applicable.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 15, 2019.

##### (b) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

##### (c) Basis of measurement

These financial statements are prepared under the historical cost convention on the accrual basis except for Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

##### (d) Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### II. Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realized within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:





- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

#### Operating cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

#### III. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.
- c) Level 3: inputs for the asset or liability which are not based on observable market data.

#### IV. Property, Plant and Equipment

Property, plant and equipment (PPE) are stated at cost of acquisition or deemed cost on the date of transition less accumulated depreciation and impairment losses, if any. Cost of an asset comprises of cost of acquisition or construction and includes, where applicable, inward freight, duties and taxes, installation expenses, professional fees, borrowing costs, initial estimates of the cost of dismantling, cost of replacing parts of the property, plant and equipments and other costs directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner and purposes. Capital Spare parts which are integral part of the plant and equipment are capitalised.

When significant parts of plant and equipment are required to be replaced at intervals, the same are capitalised and old component is derecognised.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Depreciation on PPE commences when the assets are ready for their intended use.

Depreciation on all Property, Plant and Equipments is provided as per Schedule II of Companies Act, 2013 under Straight Line Method over estimated useful lives for each category of assets as under:

Asset	Useful lives (estimated by the management) (Years)
Factory building	30,60
Plants and equipments	15,25
Electrical Installation	10
Electric Generator	15
Computers	3,6
Office equipment	5
Furniture and fixtures	10
Vehicles	8

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*[Circular stamp: MARK STEEL LTD. Kolkata]*





-The residual value of assets has been considered as five percent of the original cost of the assets as per Schedule II of the Act.

- Depreciation is provided on pro-rata basis on additions and deletions of Property, Plant and Equipments during the year.

- In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

-Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

#### **V. Intangible Assets**

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes, where applicable, less accumulated amount of amortization and impairment losses. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

The Company currently does not have any intangible asset.

#### **VI. Derecognition of Tangible and Intangible Assets**

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

#### **VII. Impairment of Tangible and Intangible Assets**

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

#### **VIII. Financial Assets and Liabilities**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within operating cycle of the company or otherwise these are classified as non- current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income (FVTOCI) depends on the objective and

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contractual terms to which they relate. Classifications of financial instruments are determined on initial recognition.

**(i) Cash and cash equivalents**

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**(ii) Financial Assets and Financial Liabilities measured at amortized cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**(iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

(iv) For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

**(v) Financial Assets or Liabilities at Fair value through profit or loss**

Financial Instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

**Impairment of financial assets**

A financial asset is assessed for impairment at each reporting date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company measures the loss allowance for a financial assets at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses.

**De-recognition of financial instruments**

The Company de-recognizes a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

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On de-recognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

#### **IX. Inventories**

(i) Inventories are valued at lower of the cost or estimated net realizable value. Cost of inventories is ascertained on 'First-in-First-out' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

(ii) Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same.

Cost in respect of finished goods and those under progress represents prime cost, and includes appropriate portion of overheads and excise duty.

#### **X. Foreign Currency Transactions**

##### **Presentation Currency:**

These financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the company.

##### **Transactions and Balances:**

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. 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 transaction. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the profit and loss account.

#### **XI. Equity Share Capital**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

#### **XII. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.





### XIII. Employee Benefits

**Short term Employee benefits** are accrued in the year services are rendered by the employees.

**Provident & Family Pension Fund:** In accordance with the provisions of the Employee Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined contribution plan, in which both the company and employee contribute monthly to Provident Fund Scheme by the Central Government/Trust at a determined rate. The company contributes to the Employees' Pension Scheme, 1995 for certain categories of employees. The Company's contribution is charged off to the Statement of Profit and Loss.

**Gratuity:** Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions of the defined benefit obligation are recognised in the period in which they occur, directly in other comprehensive income.

### XIV. Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

#### Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the company believes that the control gets transferred to the customer on dispatch of the goods from the factory and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

#### Contract balances

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).





### Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income is recognized using the effective interest method. All other income are recognized on accrual basis.

### XV. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### XVI. Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

#### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

#### (ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The





measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

#### **XVII. Earnings Per Share**

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### **XVIII. Non-current assets held for sale**

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

Assets and liabilities classified as held for sale are presented separately in the balance sheet.

The Company classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

#### **XIX. Cash dividend and non-cash distribution to equity holders**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **XX. Cash and cash equivalents**

Cash and cash equivalents include cash and cash-on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### **XXI. Statement of Cash flows**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **XXII. Recent Accounting pronouncements**

On March 30, 2019 the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease rentals are charged to the statement of profit and loss. The Company is currently evaluating the implications of Ind AS 116 on the financial statements. The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatments
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes
3. Ind AS 23, Borrowing costs





4. Ind AS 28 – Investment in associates and joint ventures
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements
6. Ind AS 109 – Financial instruments
7. Ind AS 19 – Employee benefits

The Company is in the process of evaluating the impact of such amendments.



*Signature*

A circular purple ink stamp. The outer ring contains the text "MARK STEEL LTD." at the top and "Kolkata" at the bottom, separated by two small stars. In the center, there is a stylized signature or mark that appears to be "Agarwal".



**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

**3. Property, Plant and Equipment**

a) As at March 31, 2019

Particulars	Gross Carrying Value / Deemed Cost			Accumulated Depreciation / Amortisation			Net Block	
	As at 1st April 2018	Additions	Disposal/Adjustments	As at 31st Mar 2019	As at 1st April 2018	Charge for the year	Up to 31st Mar 2019	As at 31st Mar 2018
<b>Property, Plant and Equipment:</b>								
a) Land	1,02,61,236	-	-	1,02,61,236	-	-	-	1,02,61,236
b) Factory Building	2,77,82,454	92,05,351	-	3,69,87,805	26,06,966	13,44,770	39,51,736	3,30,36,069
c) Plant & Equipment	13,12,65,902	45,25,000	-	13,57,90,902	2,18,10,902	1,11,64,646	3,29,75,548	2,51,75,488
d) Electrical Installation	1,31,87,236	-	-	1,31,87,236	57,50,545	22,39,249	79,89,794	10,94,55,000
e) Electric Generator	43,14,978	-	-	43,14,978	15,04,806	7,52,403	22,57,209	74,36,691
f) Computers	2,28,641	1,06,230	-	3,34,871	59,625	40,741	1,00,366	28,10,172
g) Office Equipment	3,69,900	53,148	-	4,23,048	1,35,863	52,279	1,88,142	1,69,016
h) Furniture & Fixtures	1,57,306	2,122	-	1,59,428	29,768	17,200	46,968	2,34,906
i) Vehicles	91,86,484	-	13,37,457	78,49,027	25,28,766	9,84,870	22,43,053	1,12,460
								1,27,538
								56,05,974
								66,57,718
<b>Capital Working Progress</b>	<b>19,67,54,137</b>	<b>1,38,91,851</b>	<b>13,37,457</b>	<b>20,93,08,531</b>	<b>3,44,27,241</b>	<b>1,65,96,159</b>	<b>4,97,52,816</b>	<b>15,95,55,713</b>
		<b>8,00,000</b>		<b>8,00,000</b>				<b>16,23,26,894</b>
	<b>19,67,54,137</b>	<b>1,46,91,851</b>	<b>13,37,457</b>	<b>21,01,08,531</b>	<b>3,44,27,241</b>	<b>1,65,96,159</b>	<b>4,97,52,816</b>	<b>16,03,55,713</b>
								<b>16,23,26,894</b>

b) As at March 31, 2018

Particulars	Gross Carrying Value / Deemed Cost			Accumulated Depreciation / Amortisation			Net Block	
	As at 1st April 2017	Additions	Disposal/Adjustments	As at 31st Mar 2018	As at 1st April 2017	Charge for the year	Up to 31st Mar 2018	As at 31st Mar 2017
<b>Property, Plant and Equipment:</b>								
a) Land	1,02,61,236	-	-	1,02,61,236	-	-	-	1,02,61,236
b) Factory Building	2,77,82,454	-	-	2,77,82,454	13,03,483	13,03,483	26,06,966	2,51,75,488
c) Plant & Equipment	12,66,56,862	45,99,040	-	13,12,55,902	1,08,89,359	1,09,21,543	2,18,10,902	2,64,78,971
d) Electrical Installation	1,31,87,236	-	-	1,31,87,236	25,37,921	32,12,624	57,50,545	10,94,55,000
e) Electric Generator	43,14,978	-	-	43,14,978	7,52,403	7,52,403	15,04,806	74,36,691
f) Computers	1,67,579	61,062	-	2,28,641	28,432	31,193	59,625	28,10,172
g) Office Equipment	2,21,746	1,48,154	-	3,69,900	23,825	1,12,038	1,35,863	1,69,016
h) Furniture & Fixtures	1,54,906	2,400	-	1,57,306	14,858	14,910	29,768	2,34,906
i) Vehicles	60,83,987	31,02,497	-	91,86,484	12,88,095	12,40,671	25,28,766	1,27,538
								1,40,048
								66,57,718
								47,95,892
<b>Capital Working Progress</b>	<b>18,88,40,984</b>	<b>79,13,153</b>	-	<b>19,67,54,137</b>	<b>1,68,38,376</b>	<b>1,75,88,865</b>	<b>3,44,27,241</b>	<b>16,23,26,894</b>
								<b>17,20,02,608</b>
	<b>18,88,40,984</b>	<b>79,13,153</b>	-	<b>19,67,54,137</b>	<b>1,68,38,376</b>	<b>1,75,88,865</b>	<b>3,44,27,241</b>	<b>16,23,26,894</b>
								<b>17,20,02,608</b>



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**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

		(Amount in Rs.)	
		As at March 31, 2019	As at March 31, 2018
<b>4. Investments</b>			
<b>A Non- Current</b>			
<b>(i) Unquoted Equity Instruments</b>			
Investments carried at fair value through profit or loss (FVTPL)			
Other Body Corporate - Fully paid-up Equity Shares			
Bengal Sponge Manuf. Mining (P) Ltd.			4,250
[31st March 2019 - Nil equity share, 31st March 2018 - 42,500 equity shares, each share of Face Value Rs. 10]			
<b>(ii) Unquoted Mutual Funds</b>			
Birla Sun Life Equity Fund (31st March 2019 - 1583.979 units, 31st March 2018 - 4557.207 units )		11,57,273	31,36,589
DSP Black Rock Equity Fund (31st March 2019 - 70654.225 units, 31st March 2018 - 118943.086 units )		16,29,640	26,01,285
Kotak Emerging Equity Fund (31st March 2019 - 55448.728 units, 31st March 2018 - 69301.276 units )		21,57,122	27,01,848
HDFC Balanced Equity Oriented Fund (31st March 2019 - 72433.750 units, 31st March 2018 - 28804.299 units)		39,43,583	41,99,782
<b>Total (i+ii)</b>		<b>88,87,618</b>	<b>1,26,43,754</b>
<b>Aggregate amount of Unquoted investments</b>			
Investments carried at costs		-	4,250
Investments carried at fair value through profit or loss (FVTPL)		88,87,618	1,26,39,504
<b>5. Inventories</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Valued at Lower of Cost or Net Realisable Value			
Raw Material		14,75,26,640	15,58,55,882
Raw Material in transit		3,40,74,865	3,00,51,832
Finished Goods		1,34,53,719	1,47,39,935
Stores & Spares		57,97,956	46,48,430
<b>Total</b>		<b>20,08,53,180</b>	<b>20,52,96,079</b>
<b>6. Current Investments carried at fair value through profit or loss (FVTPL)</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Unquoted Instruments			
Investments in Mutual Fund			
HDFC Low Duration Fund - (31st March 2019 - 424455.369 units and 31st March, 2018- Nil units)		1,66,07,580	-
Franklin Short Term Income Plan (31st March 2019 - Nil units and 31st March 2018- 2055.806 units )		-	75,45,341
Kotak - Income Opportunities Fund (31st March 2019 - Nil units and 31st March 2018- 388323.662 Units)		-	74,26,806
<b>Total</b>		<b>1,66,07,580</b>	<b>1,49,72,147</b>
<b>Aggregate amount of Unquoted investments</b>			
Investments carried at costs		-	-
Investments carried at fair value through profit or loss (FVTPL)		1,66,07,580	1,49,72,147
<b>7. Trade receivables</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(Carried at amortised cost)			
Unsecured, Considered Good :			
Trade Receivables		4,75,25,790	4,69,20,052
(Refer Note 7.1 and 7.2)			
<b>Total</b>		<b>4,75,25,790</b>	<b>4,69,20,052</b>
<b>7.1</b> There are customers who represent more than 10% of the total balances of trade receivables as at the end of the reporting period			
<b>7.2</b> Trade Receivables are non- interest bearing and are generally on terms of 30 To 90 Days. The ageing of receivables are as follows:			
<b>Particulars</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Within Credit Period		-	-
1 to 90 days past due		4,10,40,496	3,35,12,058
91 to 180 days past due		4,718	8,87,525
More than 180 days past due		64,80,576	1,25,20,472
		<b>4,75,25,790</b>	<b>4,69,20,055</b>
Credit quality of a customer is assessed based on an appraisal of customer background and individual credit limits are defined in accordance with this assessment and performance of the customer. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for all the customers. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several geographical locations.			
<b>8. Cash and Cash Equivalents (As certified by the management)</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Balances with Banks</b>			
In Current Accounts		2,56,01,428	51,54,845
Cash on Hand		17,19,695	4,38,100
<b>Total</b>		<b>2,73,21,123</b>	<b>55,92,945</b>
<b>9. Bank balances other than cash and cash equi:</b>		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Other bank balances - Fixed Deposit with Bank (Pledged)		1,04,47,866	1,06,18,866
<b>Total</b>		<b>1,04,47,866</b>	<b>1,06,18,866</b>



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**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

	As at 31st March, 2019	As at 31st March, 2018
<b>10. Loans - Current</b>		
<i>(Carried at amortized cost)</i>		
(Unsecured, considered good)		
Security deposits	5,49,120	5,49,120
Loans Receivables		
from related party	11,03,83,932	10,21,12,795
from others	2,66,34,963	4,40,33,990
<b>Total</b>	<b>13,75,68,015</b>	<b>14,66,95,905</b>
<b>11. Others Financial Assets (Current)</b>		
<i>(Carried at amortized cost)</i>		
(Unsecured, considered good)		
Interest Receivable on Financial assets carried at amortised cost		
On Fixed Deposits	24,06,825	18,16,450
<b>Total</b>	<b>24,06,825</b>	<b>18,16,450</b>
<b>12. Current Tax Assets (Net)</b>		
Advance Income Tax (Net of Provision)	30,16,043	-
<b>Total</b>	<b>30,16,043</b>	<b>-</b>
<b>13. Other Current Assets</b>		
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to suppliers and others	19,73,31,587	11,61,48,089
Balances with government authorities		
Excise duty, VAT, Service tax and GST	12,05,344	4,78,425
Commercial tax and Excise Duty paid in advance	-	1,51,56,402
Sales tax incentive receivable from WBIDC	3,30,87,076	3,30,87,076
Prepaid Expenses	6,06,694	2,76,519
Others	68,885	1,38,980
<b>Total</b>	<b>23,22,99,586</b>	<b>16,52,85,491</b>
<b>14. Share Capital</b>		
a) Authorised:		
4,500,000 Equity Shares of Rs.10/- each	4,50,00,000	4,50,00,000
	<b>4,50,00,000</b>	<b>4,50,00,000</b>
b) Issued, Subscribed and fully paid-up Shares:		
4,285,714 Equity Shares of Rs. 10/- each fully paid up	4,28,57,140	4,28,57,140
	<b>4,28,57,140</b>	<b>4,28,57,140</b>
c) Details of shareholders holding more than 5% shares along with number of shares held:		
	As at March 31, 2019	As at March 31, 2018
<b>Name of Shareholders</b>	<b>No. of shares</b> <b>% holding</b>	<b>No. of shares</b> <b>% holding</b>
Manaksia Ferro Industries Limited	29,99,994      70%	29,99,994      70%
AGR Capital Markets Limited	12,85,713      30%	12,85,713      30%
d) Reconciliation of the shares outstanding is set out below:		
	2018-19 No. of shares	2017-18 No. of shares
<b>Equity Shares</b>		
At the beginning of the period	42,85,714	42,85,714
<b>Outstanding at the end of the period</b>	<b>42,85,714</b>	<b>42,85,714</b>
e) The Company is a Subsidiary Company of Manaksia Ferro Industries Limited.		
f) No Shares has been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment		
g) <b>Terms/rights attached to each class of shares</b>		
<b>Equity Shares:</b>		
The Company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of 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.		



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**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

	As at 31st March, 2019	As at 31st March, 2018
<b>15. Other equity</b>		
A. Capital Reserve	2,50,00,000	2,50,00,000
B. Securities Premium Reserve	12,21,42,830	12,21,42,830
C. Retained Earnings	29,32,77,605	22,91,88,253
D. Other Comprehensive Income	(2,04,949)	(1,66,925)
<b>Total</b>	<b>44,02,15,486</b>	<b>37,61,64,158</b>

Refer Statement of Changes in Equity for movement in balances of Reserves.

Capital Reserve represents the amount of capital investment subsidy. The project of the Company was approved as Mega Project under the West Bengal Incentive Scheme, 2000. The Company thus became eligible to the Mega Project status on reaching the threshold investment level of Rs. 25 Crores stipulated in this regard. The package included 25% of the capital investments, subject to a cap of Rs.2.50 crores made as capital investment subsidy.

Securities Premium Reserve represents the amount received in excess of par value of securities. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

Retained Earnings generally represent the undistributed profits/amount of accumulated earnings of the Company.

Other Comprehensive Income (OCI) represent the balance in equity relating to remeasurement gains/(losses) on defined benefit obligations. This will not be reclassified to Statement of Profit and Loss.

	As at 31st March, 2019	As at 31st March, 2018
<b>16. Borrowings</b>		
(Carried at amortised cost)		
<b>Secured</b>		
Term Loans from Banks	22,49,604	17,83,000
Less: Current maturity of long term debts (refer note 21)	10,23,804	5,68,500
<b>Total</b>	<b>12,25,800</b>	<b>12,14,500</b>

(i) Repayment terms and nature of securities given for term loan as follows :

Name of the Bank / Instrument	Nature of security	Repayment terms	31-Mar-19	31-Mar-18
<b>Secured</b>				
ICICI Bank Limited	Exclusive hypothecation charge over the machinery/ equipments acquired under facilities out of the said loan.	Repayable in 47 equal Monthly instalment of Rs.47,375 each commencing from April, 2018. Interest @ 9.26%p.a. is serviced on monthly basis as and when due.	13,84,088	17,83,000
ICICI Bank Limited	Exclusive Hypothecation charge over the vehicle acquired under facilities out of the said loan.	Repayable in 36 equal monthly instalment of Rs. 37,942 each commencing from May,2017. Interest @ 8.60% p.a. is serviced on monthly basis as and when due.	8,65,516	

**17. Provisions**

Provision for Employee Benefit - Gratuity (Refer Note No. 33)	60,80,195	50,90,965
<b>Total</b>	<b>60,80,195</b>	<b>50,90,965</b>

**18. Deferred Tax Assets (net)**

	As at 31st March, 2019	Current year charge/ (Credit to P&L / OCI)	As at 31st March, 2018
<b>a) Deferred Tax Assets</b>			
Expenses allowable against taxable income in future years	2,72,000	(63,000)	3,35,000
	<b>2,72,000</b>	<b>(63,000)</b>	<b>3,35,000</b>
<b>b) Deferred Tax Liabilities</b>			
Timing difference in depreciable assets	(2,29,87,000)	69,18,000	(2,99,05,000)
Timing difference on fair valuation of quoted Investment	(1,64,516)	1,60,206	(3,24,724)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(2,28,79,516)</b>	<b>70,15,206</b>	<b>(2,98,94,724)</b>
<b>Deferred tax charge / (Credit)</b>			
Deferred tax credit to P&L		(70,01,846)	
Deferred tax charge to OCI		(13,360)	
<b>Net Deferred Tax Income / (Expense)</b>		<b>(70,15,206)</b>	



**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

	As at 31st March, 2019	As at 31st March, 2018
<b>19. Borrowings</b>		
<i>(Carried at amortised cost)</i>		
Secured		
Rupee denominated Cash Credit (Refer Note No. 19.1)	3,07,15,387	1,88,06,810
Unsecured		
From Body Corporates	3,13,78,257	1,70,89,118
<b>Total</b>	<b>6,20,93,644</b>	<b>3,58,95,928</b>
<b>19.1</b> 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.		
<b>20. Trade Payables</b>	As at 31st March, 2019	As at 31st March, 2018
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	-	-
Other trade payables	23,97,49,843	21,68,53,909
<b>Total</b>	<b>23,97,49,843</b>	<b>21,68,53,909</b>
Trade payables are non-interest bearing and are normally settled on 30 to 90 day terms.		
<b>(a)</b> Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006	As at 31st March, 2019	As at 31st March, 2018
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprise	-	-
Interest due on above	-	-
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.		
<b>21. Other Financial liabilities</b>	As at 31st March, 2019	As at 31st March, 2018
<i>(Carried at amortised cost)</i>		
Current maturities of long-term borrowings (Refer note 16)	10,23,804	5,68,500
Other Payables	-	2,76,025
<b>Total</b>	<b>10,23,804</b>	<b>8,44,525</b>
<b>22. Other Current Liabilities</b>	As at 31st March, 2019	As at 31st March, 2018
Advance from customers	1,77,89,917	3,84,25,072
Statutory dues*	1,33,73,994	1,69,62,447
<b>Total</b>	<b>3,11,63,911</b>	<b>5,53,87,519</b>
* Statutory dues includes liabilities toward Gst, Provident Fund, Tax Deducted at Source etc.		
<b>23. Current Tax Liabilities</b>	As at 31st March, 2019	As at 31st March, 2018
Provision for taxation (Net of advance tax)	-	79,65,215
<b>Total</b>	<b>-</b>	<b>79,65,215</b>
<b>24. Revenue from Operations</b>	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	1,61,04,93,038	1,37,38,69,335
<b>Total</b>	<b>1,61,04,93,038</b>	<b>1,37,38,69,335</b>
	For the year ended March 31, 2019	For the year ended March 31, 2018
Metal Products	1,61,04,93,038	1,37,38,69,335
Others	-	-
<b>Total</b>	<b>1,61,04,93,038</b>	<b>1,37,38,69,335</b>



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**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

**25. Other Income**

Income from Current investment carried at FVTPL:  
 Net Gain on Fair Valuation of Mutual Fund Units  
 Net Gain on Sale/Redemption of Mutual Fund Units  
 Interest Income on financial assets carried at amortised cost  
 On Fixed deposit  
 On loan given to related party  
 On loan given to other entities  
 Profit on Sale of Property, plant and equipment (net)  
 Foreign currency fluctuation gain (net)

**Total**

For the year ended March 31, 2019	For the year ended March 31, 2018
(6,16,182)	14,71,636
38,83,660	39,81,289
8,19,026	7,47,858
91,90,152	85,01,528
44,88,053	60,98,069
43,297	-
-	1,38,686
<b>1,78,08,006</b>	<b>2,09,39,066</b>

**26. Cost of material consumed**

Inventory at the beginning of the year  
 Add: Purchases during the year  
 Less: Inventory at the end of the year

**Cost of Raw Material Consumed**

For the year ended March 31, 2019	For the year ended March 31, 2018
18,59,07,714	10,37,42,491
1,26,64,68,231	1,08,64,27,339
(18,16,01,505)	(18,59,07,714)
<b>1,27,07,74,440</b>	<b>1,00,42,62,116</b>

**27. Changes in inventories of finished goods**

Closing Stock of Finished Goods  
 Less: Opening Stock of Finished Goods  
 (Increase) / Decrease

For the year ended March 31, 2019	For the year ended March 31, 2018
1,34,53,719	1,47,39,935
1,47,39,935	3,76,18,786
<b>(12,86,216)</b>	<b>(2,28,78,851)</b>

**28. Employee benefits expense**

Salaries, Wages and Bonus  
 Contribution to Provident and other funds  
 Gratuity  
 Staff Welfare Expenses  
**Total**

For the year ended March 31, 2019	For the year ended March 31, 2018
4,15,10,335	4,24,69,250
16,69,952	16,01,089
9,93,421	7,12,406
3,59,380	2,52,991
<b>4,45,33,088</b>	<b>4,50,35,736</b>

**29. Finance costs**

Interest Expenses  
 - to related party  
 - to other entities  
 - to bank

**Total**

For the year ended March 31, 2019	For the year ended March 31, 2018
7,16,712	-
25,36,868	16,09,991
29,73,360	12,44,762
<b>62,26,940.00</b>	<b>28,54,753.00</b>

**30. Other expenses**

Stores & Consumables  
 Power & Fuel  
 Repairs  
 - Repairs to buildings  
 - Repairs to machinery  
 - Repairs to others  
 Other Manufacturing Expenses  
 Rates & Taxes  
 Telephone & Telex  
 Postage & Courier  
 Travelling & Conv  
 Rent  
 Insurance  
 Bank Charges  
 Auditors' Remuneration  
 - For Statutory Audit  
 - For Tax Audit  
 - For Other Services  
 Miscellaneous Expenses  
 Security Service Charges  
 Freight, Forwarding & Handling Expenses  
 Donation  
 Printing & Stationery  
 Professional & Consultancy charges  
 Commercial taxes for Earlier Year  
 Investment written off  
 Bad debts  
 Foreign currency fluctuation loss (net)  
**Total**

For the year ended March 31, 2019	For the year ended March 31, 2018
3,45,39,660	3,16,39,644
9,75,85,480	10,46,26,822
12,53,957	5,98,301
44,71,372	13,44,054
3,24,569	1,69,792
1,82,94,585	1,72,85,197
9,39,992	15,47,704
2,38,812	2,89,941
1,38,381	96,117
10,17,063	6,78,967
8,22,200	8,51,200
3,17,005	3,11,359
11,72,563	19,80,966
50,000	50,000
35,000	35,000
-	14,200
88,83,207	40,68,369
28,94,624	33,58,162
2,29,90,218	2,00,98,181
2,59,704	7,10,464
1,19,659	1,52,376
3,44,133	3,82,297
-	3,64,358
4,250	-
69,84,618	84,12,520
23,77,112	-
<b>20,60,58,164</b>	<b>19,90,65,991</b>



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**MARK STEELS LIMITED**
**Notes to financial statements as at and for the year ended March 31, 2019**
**31. Other Comprehensive Income**

Items that will not be reclassified to profit or loss

(i) Remeasurements of the defined benefit plans

Income tax relating to items that will not be reclassified to profit or loss

**Total**

For the year ended March 31, 2019	For the year ended March 31, 2018
(51,384)	(2,42,630)
13,360	74,973
<b>(38,024)</b>	<b>(1,67,657)</b>

**32. Tax expense**

Current tax

Deferred tax

**Total**

Income tax for earlier years

For the year ended March 31, 2019	For the year ended March 31, 2018
2,54,62,000	2,45,00,000
(70,01,846)	(20,68,201)
<b>1,84,60,154</b>	<b>2,24,31,799</b>
2,76,532	2,70,332

**32.1 Reconciliation of estimated tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive income**

Income before Income taxes

Indian Statutory Income Tax Rate

Estimated income tax expense

For the year ended March 31, 2019	For the year ended March 31, 2018
8,28,26,037	6,34,74,482
27.820%	33.063%
<b>2,30,42,203</b>	<b>2,09,86,568</b>

**Tax effect of adjustments to reconcile expected Income Tax expense to reported Income Tax expense**

Effect of tax allowance

Deferred tax

Other

Income tax expense in the Statement of Profit and Loss

24,19,797	31,87,534
(70,01,846)	(20,68,201)
2,76,532	5,96,230
<b>(43,05,517)</b>	<b>17,15,563</b>
<b>1,87,36,686</b>	<b>2,27,02,131</b>






**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

**33 Employee benefit obligations / expenses**
**(1) Post Employment Defined Contribution Plan**

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of Rs. 1,669,952 (31 March 2018 : Rs 1,601,089) has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

**(II) Post Employment Defined Benefit Plan-Gratuity (Unfunded)**

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 recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The following Table sets forth the particulars in respect of the aforesaid Gratuity fund of the Company.

	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance sheet amount:		
Present value of defined benefit obligation at beginning of period	50,90,965	41,35,929
Current Service cost	6,01,417	5,38,596
Interest cost/Income	3,92,004	3,02,750
<b>Total amount recognised in profit or loss</b>	<b>60,84,386</b>	<b>49,77,275</b>
Remeasurements (gains)/losses		
- Change in Demographic assumptions	-	-
- Change in Financial assumptions	1,11,956	(1,96,055)
- Experience Variance (i.e Actual Experience vs assumptions)	(60,572)	4,38,685
<b>Total amount recognised in Other Comprehensive Income</b>	<b>51,384</b>	<b>2,42,630</b>
Benefits paid	(55,575)	(1,28,940)
<b>Present value of defined benefit obligation at end of period</b>	<b>60,80,195</b>	<b>50,90,965</b>

	As at March 31, 2019	As at March 31, 2018
Principal Actuarial Assumption Used:		
Discount Rates	7.50%	7.70%
Expected Salary increase rates	5.00%	5.00%
Attrition rate	2.00%	2.00%
Mortality	IALM(06-08) Ultimate	IALM(06-08) Ultimate

**Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cashflow) is 11 Years

The expected maturity analysis of undiscounted gratuity benefit is as follows:

	1 Year	2 to 5 Year	6 to 10 Year	> 10 Year	Total
As at 31 March 2019					
Defined benefit obligation	5,79,532	17,56,957	29,06,746	92,76,966	145,20,201
As at 31 March 2018					
Defined benefit obligation	4,56,010	12,81,551	23,52,621	90,03,541	130,93,723

**Sensitivity Analysis**

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As at March 31, 2019		As at March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	66,93,626	55,52,111	56,33,116	46,26,386
Salary Growth Rate (-/+1%)	55,23,376	67,17,951	46,00,834	56,55,196
Attrition Rate (-/+50%)	59,50,083	61,96,677	49,61,265	52,06,606
Mortality Rate (-/+10%)	60,59,110	61,00,863	50,68,460	51,12,997

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Risk Exposure:**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above gratuity benefit, the most significant of which are as follows:

**Interest Rate risk:**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:**

This is the risk that the company is not able to meet the short term gratuity pay-outs. This may arise due to non availability of enough cash/cash equivalents to meet the liabilities.

**Salary Escalation Risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

*[Signature]*  
 MARK STEELS LTD.  
 Kolkata

*[Signature]*  
 K. K. AGRAWAL AND CO.  
 KOLKATA  
 Chartered Accountants

**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

**Demographic Risk:**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Regulatory Risk:**

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. increase in the maximum limit on gratuity of Rs. 20,00,000). An upward revision of maximum gratuity limit will result in gratuity plan obligation.

**34 Earnings / (loss) per equity share**

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>(I) Basic</b>		
a. Profit after tax	640,89,351	407,72,351
b. (i) Number of Equity Shares at the beginning of the year	42,85,714	42,85,714
(ii) Number of Equity Shares at the end of the year	42,85,714	42,85,714
(iii) Weighted average number of Equity Shares outstanding during the year	42,85,714	42,85,714
(iv) Face Value of each Equity Share (Rs.)	10	10
c. Basic Earning per Share [a / (b)(iii)] (Rs.)	14.95	9.51
<b>(II) Diluted</b>		
a. Dilutive potential Equity Shares		
b. Weighted Average number of Equity Shares for computing Dilutive earning per Share	42,85,714	42,85,714
c. Diluted Earning / (Loss) per Share [same as (I)(c) above] (Rs.)	14.95	9.51

**35 Contingent liabilities and Commitments**

	As at 31st March, 2019 Amount in Rs.	As at 31st March, 2018 Amount in Rs.
<b>A. Contingent liabilities</b>		
(a) Claims against the Company not acknowledged as debts :		
(b) Other money for which the Company is contingently liable		
(i) Entry tax demand under appeal / contest	272,75,764	201,12,493
(ii) Central excise demand under appeal	136,63,282	42,57,804
(iii) Income tax under rectification	46,51,880	10,60,960
(iv) ESI Demand under appeal	3,02,007	3,02,007
(v) Sales tax demand under appeal	25,42,559	-
(c) Guarantees		
(i) Counter guarantee given in favour of Company's Bankers for Bank Guarantee issued	187,99,200	187,99,200
<b>B. Commitments</b>		
(a) Capital Commitments		
Estimated amount of Contracts remaining to be executed on Capital Account and not provided for	39,318	39,318

**36 Operating leases**

The Company has lease agreement for few premises which are in the nature of operating lease. The tenure of lease are less than 1 year and are cancellable lease. There is no obligation for renewal of these lease agreements and are renewable by mutual consent.

	As at 31st March, 2019	As at 31st March, 2018
Lease payments recognised in the statement of Profit and Loss during the year	8,22,200	8,51,200

**37 Segment information**

The board of directors of the Company has been identified as Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

The Company has only one business segment, viz manufacture and sale of steel, hence segment information have not been presented separately.

Revenue of Rs. Nil (March 31, 2018 Rs.15,80,42,262) is derived from single external customer. The Company deals with various customers, and there was 1 single customer to whom sales of 10% or more of the Company's Revenue were made in the previous year only.

*Signature*  






## 38 Financial Instruments disclosure

## (A) CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	Ref Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>Financial Assets</b>			
<b>Measured at Amortised Cost</b>			
Trade receivables	7	4,75,25,790	4,69,20,052
Cash and Cash Equivalents	8	2,73,21,123	55,92,945
Bank balance other than above	9	1,04,47,866	1,06,18,866
Current Loans	10	13,75,68,015	14,66,95,905
Others financial assets	11	24,06,825	18,16,450
<b>Total financial assets measured at amortised cost</b>		<b>22,52,69,619</b>	<b>21,16,44,218</b>
<b>Measured at Fair Value through Profit or Loss</b>			
Current Investments	6	1,66,07,580	1,49,72,147
Non Current Investments	4	88,87,618	1,26,43,754
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		<b>2,54,95,198</b>	<b>2,76,15,901</b>
<b>Financial Liabilities</b>			
<b>Measured at Amortised Cost</b>			
Non Current borrowings	16	12,25,800	12,14,500
Current borrowings	19	6,20,93,644	3,58,95,928
Trade Payables	20	23,97,49,843	21,68,53,909
Other financial liabilities	21	10,23,804	8,44,525
<b>Total financial liabilities measured at amortised cost</b>		<b>30,40,93,091</b>	<b>25,48,08,862</b>
<b>Measured at Fair Value through Profit or Loss</b>		-	-
<b>Total financial liabilities measured at Fair Value through Profit or Loss</b>		-	-

## (B) Fair Values

Class wise fair value of the Company's financial instruments:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investments (unquoted) in mutual funds	2,54,95,198	2,76,11,651
Non Current Investments, other than investment in subsidiary and joint venture	-	4,250

## (C) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Particulars	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)

## Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2019:

## A. Financial assets:

## Assets measured at fair value:

Investments (unquoted) in mutual funds	31st March 2019	2,54,95,198	-	-
Non Current Investments, other than investment in subsidiary and joint venture	31st March 2019	-	-	-

## B. Financial liabilities:

## Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2018:

## A. Financial assets:

## Assets measured at fair value:

Investments (unquoted) in mutual funds	31st March 2018	2,76,11,651	-	-
Non Current Investments, other than investment in subsidiary and joint venture	31st March 2018	-	-	4,250

## B. Financial liabilities:




**Fair Value Technique**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- (a) The fair value of cash and cash equivalents, trade receivables, trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortised costs in the financial statements approximates their fair values.
- (b) Investments in liquid and short-term mutual funds are measured using NAV at the reporting date multiplied by the quantity held.
- (c) Fair Value for valuation of unquoted equity instruments is arrived based on management estimate.
- (d) During the year ended 31st March 2019 and 31st March 2018, there were no transfer between different levels of fair value measurement.

**39 Particulars of unhedged foreign currency exposure as at the balance sheet date**

Particulars		As at 31st March, 2019	As at 31st March, 2018
Amount payables in Foreign currency on account of	US\$	4,14,841	7,42,496
Trade payables	INR	286,86,000	482,61,073

**40 Disclosures Section 186 of the Companies Act, 2013.**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>a) Loans and advances in the nature of loan to others</b>		
i) Loan to Dhanashree Electronics Limited		
Balance at the year end	-	50,00,000
Maximum amount outstanding at any time during the year	50,00,000	50,00,000
It carries rate of interest of 13%.		
ii) Loan to Eastern Track Udyog Private Limited		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	100,00,000	-
It carries rate of interest of 15%.		
iii) Loan to Ladhuram Toshniwal & Sons		
Balance at the year end	50,00,000	-
Maximum amount outstanding at any time during the year	51,95,000	-
It carries rate of interest of 13%.		
iv) Loan to Life Make Construction Private Limited		
Balance at the year end	-	25,00,000
Maximum amount outstanding at any time during the year	25,68,424	25,00,000
It carries rate of interest of 15%.		
v) Loan to Victory Iron Works Limited		
Balance at the year end	-	100,00,000
Maximum amount outstanding at any time during the year	100,00,000	100,00,000
It carries rate of interest of 13.50%.		
vi) Loan to Riddhi Portfolio Private Limited		
Balance at the year end	12,946	50,00,000
Maximum amount outstanding at any time during the year	51,66,438	50,00,000
It carries rate of interest of 15%.		
vii) Loan to Toshniwal Enterprises Controls Private Limited		
Balance at the year end	-	25,00,000
Maximum amount outstanding at any time during the year	25,00,000	25,00,000
It carries rate of interest of 15%.		
viii) Loan to Vedic Realty Private Limited		
Balance at the year end	15,32,658	14,44,631
Maximum amount outstanding at any time during the year	15,32,658	300,00,000
It carries rate of interest of 15%.		
ix) Loan to SSS Tiles Square India Private Limited		
Balance at the year end	-	25,00,000
Maximum amount outstanding at any time during the year	25,00,000	25,00,000
It carries rate of interest of 14%.		
x) Loan to Vikram India Limited		
Balance at the year end	50,00,000	50,00,000
Maximum amount outstanding at any time during the year	50,00,000	50,00,000
It carries rate of interest of 15%.		
xi) Loan to Utkarsh India Limited		
Balance at the year end	100,00,000	100,00,000
Maximum amount outstanding at any time during the year	100,00,000	100,00,000
It carries rate of interest of 13%.		





**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

xii) Loan to Nagreeka Capital & Infrastructure Limited		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	50,00,000	-
It carries rate of interest of 13%.		
xiii) Loan to Premco Rail Engineers Limited		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	20,00,000	-
It carries rate of interest of 14%.		
xiv) Loan to Smart Works Co Working Spaces Private Limited		
Balance at the year end	50,00,000	-
Maximum amount outstanding at any time during the year	51,55,343	-
It carries rate of interest of 14%.		
xv) Loan to Vajra Mechineries Private Limited		
Balance at the year end	1103,83,932	1021,12,795
Maximum amount outstanding at any time during the year	1103,83,932	1021,12,795
It carries rate of interest of 9%.		
xvi) Loan to Sri Shyam Fashion India Pvt. Ltd.		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	-	25,00,000
It carries rate of interest of 14%.		
xvii) Loan to Turtle Ltd.		
Balance at the year end	-	-
Maximum amount outstanding at any time during the year	-	75,00,000
It carries rate of interest of 15%.		

**41 Financial Risk Management objectives and policies**

The Company's principal financial liabilities comprise borrowings in domestic currency, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents, investments at cost/fair value and deposits, that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**A Market risk**

Market risk means that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits. Market risk comprises two types of risk: 'Foreign currency risk', 'Interest rate risk', and 'Price risk on traded goods'.

**(a) Foreign currency risk**

The company undertakes transactions denominated primarily in USD and consequently exposed to exchange rate fluctuations. Exchange Rate exposures are managed within approved policy parameters.

The Company has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as on 31 March 2019 and 31 March 2018 are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
	USD	USD
<b>Financial Assets:</b>		
<b>Financial Liabilities:</b>		
Trade payables	4,14,841	7,42,496
<b>Net Forex exposure</b>	<b>(4,14,841)</b>	<b>(7,42,496)</b>

**Foreign currency sensitivity**

The company is principally exposed to foreign currency risks against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:



*V. G. Rao*



Particulars	Changes in USD rate	Foreign currency Payable (net)(INR)	Effect on profit/ (loss) before tax
	%		
<b>As at 31st March 2019</b>			
Weakening of INR	5%	297,63,159	(14,17,593)
Strengthening of INR	-5%	269,28,573	14,17,593
<b>As at 31st March 2018</b>			
Weakening of INR	5%	507,09,655	(24,14,745)
Strengthening of INR	-5%	458,80,164	24,14,745

**(b) Interest rate risk**

The Company manages the exposure to interest rate risk by adjusting of borrowing structure ratio between borrowings at fixed interest rates and variable interest

rate. The company monitors interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings at variable interest rate.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

**(i) Interest rate risk exposure**

The carrying amount of interest-bearing financial instruments as on 31 March 2019 and 31 March 2018 are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable rate financial liabilities	-	-
Variable rate financial assets	-	-

**(ii) Sensitivity analysis on the fair value of financial instruments with fixed interest rate**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

**(iii) Sensitivity analysis on the cash flows of financial instruments with variable interest rate**

As of 31 March 2019 and 31 March 2018, provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 0.5%, the changes in interest expense for the years ended 31 March 2019 and 31 March 2018 were as follows:

Particulars	Impact on profit before tax	
	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest rates - increase by 50 basis points	-	-
Interest rates - decrease by 50 basis points	-	-

**Price Risk on Traded Goods**

The company is impacted by the price volatility of goods in which the Company trades. To minimize the risk related to price of traded goods, the Company obtain order for sales from buyers prior to purchase of goods with immediate despatch to buyer.

**B Credit risks**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and others. In addition, credit risk arises from financial guarantees.

The Company implements a credit risk management policy under which the Company only transacts business with counterparties that have a certain level of credit worthiness based on internal assessment of the parties, financial condition, historical experience, and other factors. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component that are expected to occur. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. Debt securities are analyzed individually, and an expected loss shall be directly deducted from debt securities.

**(i) Credit risk exposure**

The ageing of trade accounts and notes receivable as on 31 March 2019 and 31 March 2018 as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2018
Within Credit Period	-	-
1 to 90 days past due	410,40,496	335,12,058
91 to 180 days past due	4,718	8,87,525
More than 180 days past due	64,80,576	125,20,472

No significant changes in estimation techniques or assumptions were made during the reporting period.

*[Signature]*





**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

**C Liquidity Risk**

The Company's objective is to at all times maintain optimum level of liquidity to meet its cash and collateral requirement at all times. The need of the funds of the company are being met by internal accrual and borrowings. The short and medium term requirements are met through the committed lines of credit.

The table provides undiscounted cash flow towards non-derivative financial liability and net settled derivative financial liabilities into relevant maturities based on the remaining period at balance sheet date to contractual maturity date:

Particulars	0 - 180 days	181 - 365 days	Payable in more than 1 year	Total
<b>As at 31st March 2019</b>				
Non Current borrowings	-	-	12,25,800	12,25,800
Current borrowings	620,93,644	-	-	620,93,644
Trade Payables	2397,49,843	-	-	2397,49,843
Other financial liabilities	10,23,804	-	-	10,23,804
	<b>3028,67,291</b>	<b>-</b>	<b>12,25,800</b>	<b>3040,93,091</b>
<b>As at 31st March 2018</b>				
Non Current borrowings	-	-	12,14,500	12,14,500
Current borrowings	358,95,928	-	-	358,95,928
Trade Payables	2168,53,909	-	-	2168,53,909
Other financial liabilities	8,44,525	-	-	8,44,525
	<b>2535,94,362</b>	<b>-</b>	<b>12,14,500</b>	<b>2548,08,862</b>

**42 CAPITAL MANAGEMENT****A. Risk management**

The fundamental goal of capital management are to: - safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and - maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of company's capital management, capital includes issued capital and all other equity reserves. The company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt divided by total equity. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total borrowings	643,43,248	376,78,928
Less: Cash and cash equivalents	(273,21,123)	(55,92,945)
<b>Net Debt</b>	<b>370,22,125</b>	<b>320,85,983</b>
<b>Equity</b>	<b>4830,72,626</b>	<b>4190,21,298</b>
<b>Total Capital (Equity + Net Debt)</b>	<b>5200,94,751</b>	<b>4511,07,281</b>
<b>Net Debt to Equity ratio</b>	<b>7.66%</b>	<b>7.66%</b>



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**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

**43 Related Party Disclosure pursuant to Ind AS 24**
**(a) Related Parties**
**(i) Where Control Exist**

 Holding Company  
 Ultimate Holding Company

**Name of the Related Parties**

 Manaksia Ferro Industries Ltd.  
 Manaksia Ltd.

**(i) Others**

Enterprise having significant influence

AGR Capital Markets Ltd.

Fellow Subsidiary

 Manaksia Overseas Ltd.  
 MINL Ltd.  
 Dynatech Industries Ghana Ltd.  
 Jebba Paper Mills Ltd.

Key Managerial Personnel

 Umesh Kumar Jhunjhunwala  
 Ashish Jhunjhunwala

Other directors

 Vineet Agarwal  
 Smita Khaitan  
 Kali Kumar Choudhury

Relatives of Key Managerial Personnel

 Rohit Jhunjhunwala  
 Nilesh Jhunjhunwala  
 Sajjan Jhunjhunwala

 Entities over which KMP of ultimate holding co.  
 and their relatives have significant influence

 Manaksia Steels Ltd.  
 Vajra Machineries Pvt.Ltd.  
 Manaksia Aluminium Co.Ltd.

 Entities where Key management personnel and their  
 relative have significant influence with whom  
 transaction have taken place

Industirfy Technologies Pvt.Ltd.

**(b) Details of Transactions with Related Parties**

Nature of Transactions	Name of related parties	31 March 2019	31 March 2018
Purchase	Industirfy Technologies Pvt.Ltd.	65,02,653	52,81,357
	Manaksia Steels Ltd.	12,24,380	86,378
	Manaksia Aluminium Co.Ltd.	-	5,55,367
Sitting Fees	Vineet Agarwal	7,000	5,000
	Smita Khaitan	9,000	11,000
	Kali Kumar Choudhury	9,000	11,000
Remuneration	Umesh Kumar Jhunjhunwala	60,00,000	60,00,000
	Ashish Jhunjhunwala	42,00,000	42,00,000
	Rohit Jhunjhunwala	30,00,000	30,00,000
	Nilesh Jhunjhunwala	27,60,000	27,60,000
	Sajjan Jhunjhunwala	15,00,000	15,00,000
Reimbursement of expenses	Manaksia Ltd.	8,850	8,850
Interest income	Vajra Machineries Pvt.Ltd.	91,90,152	85,01,528
Interest Expenses	Manaksia Steels Ltd.	7,16,712	-
Loan taken	Manaksia Steels Ltd.	200,00,000	-
Loan repayment	Manaksia Steels Ltd.	200,00,000	-






**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2019

**(c) Details of balances with Related Parties**

	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Receivable	NIL	NIL	NIL	NIL
Payable	NIL	NIL	NIL	NIL

	Name of related parties	As at 31st March, 2019	As at 31st March, 2018
Interest Payable	Manaksia Steels Ltd.	6,45,041	-
Loans Given	Vajra Machineries Pvt.Ltd.	1103,83,932	1021,12,795
Trade Payable	Industrify Technologies Pvt.Ltd.	74,691	1,96,418

- 44 Balances of some parties (including of Trade receivables and Trade payables) and loans and advances are subject to reconciliation/ confirmations from the respective parties. The management does not expect any material differences affecting the financial statement for the year.
- 45 These financial statements have been approved by the Board of Directors of the Company on 15th May, 2019 for issue to the shareholders for their adoption.
- 46 **Previous year figures:**  
The previous year figures are reclassified where considered necessary to confirm to this year's classification.

As per our Report attached of even date  
For S K AGRAWAL AND CO  
Chartered Accountants  
Firm Regn. No. 306033E

For and on Behalf of the Board of Directors

Hemant Kumar Lakhota  
(Partner)  
Membership No. 068851  
Kolkata, 15th day of May, 2019

Umesh Kumar Jhunjhunwala  
Director  
DIN:00448079

Vineet Agarwal  
Director  
DIN:00441223



**MARK STEELS LIMITED**
**Cash Flow Statement for the year ended March 31, 2019**

	Year ended March 31, 2019 Amount in Rs.	Year ended March 31, 2018 Amount in Rs.
<b>A. Cash Flow from Operating Activities</b>		
Profit / (Loss) before tax for the period	828,26,037	634,74,482
Adjustments for :		
Depreciation and Amortization Expense	165,96,159	175,88,865
Finance Costs	62,26,940	28,54,753
Interest Income	(144,97,231)	(153,47,455)
Allowance for Doubtful Debts	-	-
Net Gain on Fair Valuation of Mutual Fund Units	6,16,182	(14,71,636)
Net Gain on Sale/Redemption of Mutual Fund Units	(38,83,660)	(39,81,289)
Balances written-off/ written back	4,250	-
(Gain)/Loss on sale of Property, Plant and Equipment	(43,297)	-
Bad Debt	69,84,618	-
Income on exchange difference	23,77,112	(1,38,686)
<b>Operating Profit/ (Loss) before changes in operating assets and liabilities</b>	<b>972,07,110</b>	<b>629,79,034</b>
Adjustments for changes in operating assets and liabilities:		
(Increase) in trade and other receivables	(746,04,451)	(985,56,423)
(Increase) / Decrease in Inventories	44,42,899	(663,98,521)
Increase/(Decrease) in trade and other payables	(30,42,965)	704,82,500
<b>Cash (used in) Operations</b>	<b>240,02,593</b>	<b>(314,93,410)</b>
(v) Other Financial Assets		
Direct Taxes (paid)/ refund	(367,19,790)	(192,97,825)
<b>Net Cash (used in) Operating Activities</b>	<b>(127,17,197)</b>	<b>(507,91,235)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment and Capital Advance	(146,91,851)	(79,13,153)
Sale of property, plant and equipment	1,10,171	-
Interest Income	139,06,856	153,47,455
Loans (Given)/ Repaid	91,27,890	-
Decrease/(Increase) in term deposit	1,71,000	-
Sale / (Purchase) of investments in mutual fund	53,83,931	244,72,664
<b>Net Cash used from / (used in) Investing Activities</b>	<b>140,07,997</b>	<b>319,06,966</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from non-current borrowings	-	17,83,000
Repayment of non-current borrowings	-	-
Proceeds from current borrowings (net)	266,64,320	113,40,582
Finance Costs	(62,26,940)	(28,54,753)
<b>Net Cash used from / (used in) Financing Activities</b>	<b>204,37,380</b>	<b>102,68,829</b>
<b>Net increase / (decrease) in cash and cash equivalent (A + B + C)</b>	<b>217,28,180</b>	<b>(86,15,440)</b>
<b>D. Cash and cash equivalents</b>		
Net increase / (decrease) in cash and cash equivalent	217,28,177	(86,15,440)
Cash and cash equivalents at the beginning of the year	55,92,945	142,08,384
Cash and cash equivalents at the end of the year	<b>273,21,123</b>	<b>55,92,945</b>
(a) Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.		
In Current Accounts	256,01,428	51,54,845
Cash on Hand	17,19,695	4,38,100
<b>Cash and cash equivalents as at 31 March</b>	<b>273,21,123</b>	<b>55,92,945</b>

(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard on 'Statement of Cash Flows (Ind AS-7)' issued by The Institute of Chartered Accountants of India.

The accompanying Notes form an integral part of these Financial Statements.

As per our Report attached of even date

For S K AGRAWAL AND CO

Chartered Accountants

Firm Regn. No. 306033E

*Hemant Kumar*

Hemant Kumar Lakhotia  
(Partner)

Membership No. 068851

Kolkata, 15th day of May, 2019



For and on Behalf of the Board of Directors

*Umesh Kumar Jhunjhunwala*

Umesh Kumar Jhunjhunwala

Director

DIN:00448079

Vineet Agarwal

Director

DIN:00441223