



# S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP

(FORMERLY S K AGRAWAL AND CO)  
CHARTERED ACCOUNTANTS  
LLPIN – AAV-2926  
FRN- 306033E/E300272

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## 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 2021, 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, 2021, 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.

#### Emphasis of Matter

We draw attention to Note 46 to the Ind AS financial statements, as regards to management evaluation on the potential impact of the Covid-19 pandemic on the Company's operations and financial statements. Our opinion is not modified in respect of this matter.

#### 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.

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.





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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.

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.

## 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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 37 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 LLP**

Chartered Accountants

Firm Registration No.-306033E/E300272

Hemant Kumar Lakhotia  
(Partner)

Membership No. 068851

UDIN: 20068851AAAAGC1621



Place: Kolkata  
Dated: 15 June, 2021



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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 2021. 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 explanations given to us and the records examined by us including registered title deeds, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date.
- ii. According to the information and explanations given to us, the inventories has been physically verified by the management during the year. The physical verification of inventory as on 31st March 2021 could not be conducted due to COVID-19 outbreak, however, alternate audit procedures were applied for reviewing the existence of the inventory. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- 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.
- 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, 2021 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 the dues	Amount Rs. (in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	46.52	2010-2011	In the Commissioner of Income Tax (Appeals)





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- 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.
- 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.

For **S K AGRAWAL AND CO CHARTERED ACCOUNTANTS LLP**  
Chartered Accountants  
Firm Registration No.-306033E/E300272

  
Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851  
UDIN: 20068851AAAAGC1621



Place: Kolkata  
Dated: 15 June, 2021



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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 2021 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.

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

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

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





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**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 2021, 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 LLP**

Chartered Accountants

Firm Registration No.-306033E/E300272

Hemant Kumar Lakhota

(Partner)

Membership No. 068851

UDIN: 20068851AAAAGC1621



Place: Kolkata  
Dated: 15 June, 2021

**MARK STEELS LIMITED**  
Balance Sheet as at March 31, 2021

Particulars	Notes	As at	As at
		March 31, 2021	March 31, 2020
		Amount in Rs.	Amount in Rs.
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	13,73,10,471	14,88,48,706
(b) Capital Work in Progress	3	19,55,760	15,20,000
(c) Financial Assets			
(i) Investments	4	96,77,138	54,10,230
(ii) Other financial assets	5	10,42,014	9,26,573
		<b>14,99,85,383</b>	<b>15,67,05,509</b>
<b>2 Current assets</b>			
(a) Inventories	6	22,04,16,312	31,53,59,880
(b) Financial Assets			
(i) Investments	7	29,76,75,401	4,19,15,836
(ii) Trade receivables	8	3,60,53,502	2,64,69,530
(iii) Cash and Cash equivalents	9	6,09,16,682	2,25,52,279
(iv) Bank balance other than above	10	64,50,678	1,99,98,204
(v) Loans	11	11,61,25,306	21,05,32,380
(vi) Other financial assets	12	3,47,229	9,39,578
(c) Current Tax Assets	13	-	-
(d) Other current assets	14	3,55,16,621	3,50,65,773
		<b>77,35,01,731</b>	<b>67,28,33,460</b>
<b>Total Assets</b>		<b>92,34,87,114</b>	<b>82,95,38,969</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>3 Shareholders' Funds</b>			
(a) Share Capital	15	4,28,57,140	4,28,57,140
(b) Other Equity	16	68,69,85,162	52,12,33,297
<b>Total Equity</b>		<b>72,98,42,302</b>	<b>56,40,90,437</b>
<b>LIABILITIES</b>			
<b>4 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	6,53,491	14,59,580
(b) Provisions	18	91,22,175	77,66,182
(c) Deferred tax liabilities (Net)	19	1,80,44,391	1,93,63,516
		<b>2,78,20,057</b>	<b>2,85,89,278</b>
<b>5 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	1,01,45,946	1,26,14,575
(ii) Trade Payables	21		
A) total outstanding dues of micro enterprises and small enterprises; and			
B) total outstanding dues of creditors other than micro enterprises and small		9,82,82,879	18,74,12,582
(iii) Other financial liabilities	22	45,85,109	48,74,585
(b) Other Current Liabilities	23	4,75,22,389	1,86,59,918
(c) Current Tax Liabilities	24	52,88,432	1,32,97,594
		<b>16,58,24,755</b>	<b>23,68,59,254</b>
<b>Total Liabilities</b>		<b>19,36,44,812</b>	<b>26,54,48,532</b>
<b>Total equity and liabilities</b>		<b>92,34,87,114</b>	<b>82,95,38,969</b>
Summary of Significant Accounting Policies	1 & 2		
Notes on Financial Statements	3-48		
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 LLP  
(Formerly S K AGRAWAL & CO)  
Chartered Accountants  
Firm Regn. No. 306033E/E300272

*Hemant Kumar*  
Hemant Kumar Lakhota  
(Partner)  
Membership No. 068851  
Kolkata, 15th day of June, 2021

For and on Behalf of the Board of Directors

*Vineet Agarwal*  
Umesh Kumar Jhunjhunwala  
Director  
DIN:00448079  
Vineet Agarwal  
Director  
DIN:00441223






MARK STEELS LIMITED


Statement of Profit and Loss for the year ended March 31, 2021

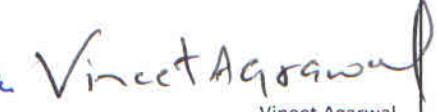
Particulars	Notes	For the year ended March 31, 2021 Amount in Rs.	For the year ended March 31, 2020 Amount in Rs.
<b>I. Income</b>			
Revenue from Operations	25	1,58,76,62,952	1,37,82,68,063
Other Income	26	1,08,64,583	1,28,84,067
<b>Total Income</b>		<b>1,59,85,27,535</b>	<b>1,39,11,52,130</b>
<b>II. Expenses</b>			
Cost of raw materials consumed	27	1,17,21,07,509	1,03,05,91,158
Changes in inventories of finished goods	28	(45,63,308)	(1,26,93,798)
Employee benefits expense	29	4,63,44,450	4,62,06,617
Finance costs	30	12,89,401	47,74,194
Depreciation and amortization expense	3	1,27,36,155	1,68,29,138
Other expenses	31	15,10,77,697	19,54,68,456
<b>Total Expenses</b>		<b>1,37,89,91,904</b>	<b>1,28,11,75,765</b>
<b>III. Profit before tax ( I - II )</b>		<b>21,95,35,631</b>	<b>10,99,76,365</b>
<b>IV. Tax expenses</b>			
Current tax	33	5,50,00,000	3,15,00,000
Tax adjustment for earlier years	33	(73,554.30)	4,31,900
Deferred tax	33	(12,74,714)	(33,80,000)
<b>Total tax expenses</b>		<b>5,36,51,732</b>	<b>2,85,51,900</b>
<b>V. Profit for the year ( III - IV )</b>		<b>16,58,83,899</b>	<b>8,14,24,465</b>
<b>VI. Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	32	(1,76,445)	(5,42,653)
(ii) Income tax relating to items that will not be reclassified to profit or loss	32	44,411	1,36,000
<b>Other Comprehensive Income for the year</b>		<b>(1,32,034)</b>	<b>(4,06,653)</b>
<b>VII. Total Comprehensive Income for the year (V + VI)</b>		<b>16,57,51,865</b>	<b>8,10,17,812</b>
<b>VIII. Basic and diluted Earnings per equity share of face value of Rs. 10/- each</b>	36	<b>38.71</b>	<b>19.00</b>
Summary of Significant Accounting Policies	1 & 2		
Notes on Financial Statements	3-48		
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 LLP  
(Formerly S K AGRAWAL & CO)  
Chartered Accountants  
Firm Regn. No. 306033E/E300272

For and on Behalf of the Board of Directors

  
Hemant Kumar Lakhota  
(Partner)  
Membership No. 068851  
Kolkata, 15th day of June , 2021

  
Umesh Kumar Jhunjhunwala  
Director  
DIN:00448079

  
Vineet Agarwal  
Director  
DIN:00441223



MARK STEELS LIMITED  
Statement of Changes in Equity for the year ended 31st March 2021

(a) Equity Share Capital Particulars	Number of Shares	Amount (in Rs.)
Equity Shares of Rs. 10/- each issued, subscribed and fully paid up		
As at 31st March 2020	42,85,714	4,28,57,140
As at 31st March 2021	42,85,714	4,28,57,140

Note: There is no change in the equity share capital

(a) Other Equity Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings		
<b>Balance at 1st April 2019</b>	2,50,00,000	12,21,42,830	29,32,77,604	(2,04,949)	44,02,15,486
Transfer/Adjustment during the year					
Profit / (Loss) for the year			8,14,24,465	(4,06,653)	8,14,24,465
Other Comprehensive Income for the year				(4,06,653)	(4,06,653)
<b>Total Comprehensive Income for the year</b>			<b>8,14,24,465</b>	<b>(4,06,653)</b>	<b>8,10,17,812</b>
<b>Balance at 31st March 2020</b>	<b>2,50,00,000</b>	<b>12,21,42,830</b>	<b>37,47,02,069</b>	<b>(6,11,602)</b>	<b>52,12,33,297</b>
Transfer/Adjustment during the year					
Profit / (Loss) for the year			16,58,83,899	6,11,602	16,58,83,899
Transfer within equity			(6,11,602)		
Other Comprehensive Income for the year			(1,32,034)	(1,32,034)	(1,32,034)
Total Comprehensive Income for the year			16,51,40,263	6,11,602	16,57,51,865
<b>Balance at 31st March 2021</b>	<b>2,50,00,000</b>	<b>12,21,42,830</b>	<b>53,98,42,332</b>	<b>-</b>	<b>68,69,85,162</b>

Refer Note 16 for nature and purpose of reserves  
Summary of Significant Accounting Policies 1 & 2  
Notes on Financial Statements 3-48

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 LLP

(Formerly S K AGRAWAL & CO)

Chartered Accountants

Firm Regn. No. 306033E/E300272

*Hemant Kumar*

Hemant Kumar Lakhota  
(Partner)

Membership No. 068851  
Kolkata, 15th day of June, 2021

For and on Behalf of the Board of Directors

*Umesh Kumar Jhunjhunwala*  
Umesh Kumar Jhunjhunwala  
Director  
DIN:00448079

*Vineet Agarwal*  
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 June 15<sup>th</sup>, 2021.

##### (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 equipment 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 Equipment 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 equipment	15,25
Electrical Installation	10
Electric Generator	15
Computers	3,6
Office equipment	5
Furniture and fixtures	10
Vehicles	8



-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 Equipment 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 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.

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.



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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 favorable 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. Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Company as a lessee**

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **Right-of-use assets**

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.
- Building 3 to 15 years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment

#### **Lease liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a

  
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modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in Interest-bearing loans and borrowings

#### **Short-term leases and leases of low-value assets**

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### **XVII. 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

A handwritten signature in blue ink is written over a circular purple stamp. The stamp contains the text "M.K. STEELS LTD." around the top edge, "Kolkata" in the center, and a small star at the bottom.

A circular purple stamp for "S.K. Agarwal And Co. Chartered Accountants LLP". The text around the inner edge includes "Chartered Accountants", "LLPIN - AAV - 2226", "FRN : 306033E", and "E30027". The text around the outer edge includes "S.K. Agarwal And Co." and "Kolkata". A handwritten signature is written across the center of the stamp.

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.

#### **XVIII. 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.

#### **XIX. 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.

#### **XX. 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.

#### **XXI. 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.

#### **XXII. 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.

#### **XXIII. Recent Accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

  
MARK STEELS LTD.  
Kolkata



**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2021

**3. Property, Plant and Equipment**

a) As at March 31, 2021

Particulars	Gross Carrying Value / Deemed Cost				Accumulated Depreciation / Amortisation				Net Block	
	As at 1st April 2020	Additions	Disposal/ Adjustments	As at 31st Mar 2021	As at 1st April 2020	Deductions/ Adjustments	Charge for the year	Up to 31st Mar 2021	As at 31st Mar 2021	As at 31st March 2020
<b>Tangible Assets:</b>										
a) Land	1,02,61,236	-	-	1,02,61,236	-	-	-	-	1,02,61,236	1,02,61,236
b) Factory Building	3,69,87,805	-	-	3,69,87,805	54,00,283	-	14,48,547	68,48,830	3,01,38,975	3,15,87,522
c) Plant & Equipment	13,92,06,384	-	-	13,92,06,384	4,40,76,464	-	89,34,900	5,30,11,364	8,61,95,020	9,51,29,920
d) Electrical Installation	1,31,87,236	-	-	1,31,87,236	1,02,18,630	-	10,24,305	1,12,42,935	19,44,301	29,68,606
e) Electric Generator	43,14,978	-	-	43,14,978	29,73,148	-	3,87,014	33,60,162	9,54,816	13,41,830
f) Computers	3,93,192	31,186	-	4,24,378	1,54,887	-	54,463	2,09,350	2,15,028	2,38,305
g) Office Equipment	5,24,274	3,01,515	-	8,25,789	2,45,789	-	57,303	3,03,092	5,22,697	2,78,485
h) Furniture & Fixtures	1,59,428	-	-	1,59,428	57,183	-	10,215	67,398	92,030	1,02,245
i) Vehicles	95,57,649	8,65,219	-	1,04,22,868	26,17,090	-	8,19,408	34,36,498	69,86,370	69,40,559
<b>Capital Working Progress</b>	<b>21,45,92,182</b>	<b>11,97,920</b>	<b>-</b>	<b>21,57,90,102</b>	<b>6,57,43,474</b>	<b>-</b>	<b>1,27,36,155</b>	<b>7,84,79,629</b>	<b>13,73,10,471</b>	<b>14,88,48,706</b>
	15,20,000	4,35,760	-	19,55,760	-	-	1,27,36,155	7,84,79,629	13,92,66,231	15,03,68,706
	<b>21,61,12,182</b>	<b>16,33,680</b>	<b>-</b>	<b>21,77,45,862</b>	<b>6,57,43,474</b>	<b>-</b>	<b>1,27,36,155</b>	<b>7,84,79,629</b>	<b>13,92,66,231</b>	<b>15,03,68,706</b>

b) As at March 31, 2020

Particulars	Gross Carrying Value / Deemed Cost				Accumulated Depreciation / Amortisation				Net Block	
	As at 1st April 2019	Additions	Disposal/ Adjustments	As at 31st Mar 2020	As at 1st April 2019	Deductions/ Adjustments	Charge for the year	Up to 31st Mar 2020	As at 31st Mar 2020	As at 31st March 2019
<b>Tangible Assets:</b>										
a) Land	1,02,61,236	-	-	1,02,61,236	-	-	-	-	1,02,61,236	1,02,61,236
b) Factory Building	3,69,87,805	-	-	3,69,87,805	39,51,736	-	14,48,547	54,00,283	3,15,87,522	3,30,36,069
c) Plant & Equipment	13,57,90,902	34,15,482	-	13,92,06,384	3,29,75,548	-	1,11,00,916	4,40,76,464	9,51,29,920	10,28,15,354
d) Electrical Installation	1,31,87,236	-	-	1,31,87,236	79,89,794	-	22,28,836	1,02,18,630	29,68,606	51,97,442
e) Electric Generator	43,14,978	-	-	43,14,978	22,57,209	-	7,15,939	29,73,148	13,41,830	20,57,769
f) Computers	3,34,871	58,321	-	3,93,192	1,00,366	-	54,521	1,54,887	2,38,305	2,34,505
g) Office Equipment	4,23,048	1,01,226	-	5,24,274	1,88,142	-	57,647	2,45,789	2,78,485	2,34,906
h) Furniture & Fixtures	1,59,428	-	-	1,59,428	46,968	-	10,215	57,183	1,02,245	1,12,460
i) Vehicles	78,49,027	25,91,232	-	95,57,649	22,43,053	-	12,12,517	26,17,090	69,40,559	56,05,974
<b>Capital Working Progress</b>	<b>20,93,08,531</b>	<b>61,66,261</b>	<b>8,82,610</b>	<b>21,45,92,182</b>	<b>4,97,52,816</b>	<b>8,38,480</b>	<b>1,68,29,139</b>	<b>6,57,43,474</b>	<b>14,88,48,706</b>	<b>15,95,55,713</b>
	8,00,000,000	7,20,000	-	15,20,000	-	-	1,68,29,139	6,57,43,474	15,20,000	8,00,000,000
	<b>21,01,08,531</b>	<b>68,86,261</b>	<b>8,82,610</b>	<b>21,61,12,182</b>	<b>4,97,52,816</b>	<b>8,38,480</b>	<b>1,68,29,139</b>	<b>6,57,43,474</b>	<b>15,03,68,706</b>	<b>16,03,55,713</b>



MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

	As at 31st March, 2021	As at 31st March, 2020
<b>4 Investments</b>		
<b>A. Non- Current</b>		
<b>(i) Unquoted Mutual Funds</b>		
Birla Sun Life Equity Fund (31st March 2021 - 1583.979 units 31st March 2020 - 1583.979 units )	14,83,444	8,52,719
DSP Black Rock Equity Fund (31st March 2021- 70654.225units 31st March 2020 - 70654.225 units )	20,80,131	12,36,873
Kotak Emerging Equity Fund (31st March 2021 - 55448.728units 31st March 2020 - 55448.728 units)	31,81,759	16,37,789
HDFC Equity Fund ( 31st March 2021-3676.470 units and 31st March 2020 - 3676.470 units)	29,31,804	16,82,849
<b>Total (i+ii)</b>	<b>96,77,138</b>	<b>54,10,230</b>
<b>Aggregate amount of Unquoted investments</b>		
Investments carried at costs	-	-
Investments carried at fair value through profit or loss (FVTPL)	96,77,138	54,10,230
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>5 Others Financial Assets (Non-Current)</b>		
<i>(Carried at amortized cost)</i>		
Unsecured, Considered Good :		
Fixed Deposits with Banks with original maturity of More than 12 months	10,42,014	9,26,573
	<b>10,42,014</b>	<b>9,26,573</b>
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>6 Inventories</b>		
Valued at Lower of Cost or Net Realisable Value		
Raw Material	18,18,51,929	22,41,82,231
Raw Material in transit	32,67,122	5,99,46,180
Finished Goods	3,07,10,825	2,61,47,517
Stores & Spares	45,86,436	50,83,952
<b>Total</b>	<b>22,04,16,312</b>	<b>31,53,59,880</b>
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>7 Current Investments carried at fair value through profit or loss (FVTPL)</b>		
Unquoted Instruments		
Investments in Mutual Fund		
HDFC Liquid Fund - Direct Plan ( 31st March 2021- NIL and 31st March 2020- 10279.317 )	-	4,01,57,294
HDFC Mid Cap Opportunities Fund ( 31st March 2021 - 22937.753 units and 31st March 2020 - 22937.753 units )	16,83,815	8,95,008
HDFC Ultra Short Term Fund - DIR Plan GR ( 31st March 2021 -24786638.753 units and 31st March 2020 - 71902.77 units )	29,59,34,481	8,09,517
HDFC Ultra Short Term Fund Post Nfo Coll A/c ( 31st March 2021- 4820.556 units and 31st March 2020- 4820.556 units)	57,105	54,017
<b>Total</b>	<b>29,76,75,401</b>	<b>4,19,15,836</b>
<b>Aggregate amount of Unquoted investments</b>		
Investments carried at costs	-	-
Investments carried at fair value through profit or loss (FVTPL)	29,76,75,401	4,19,15,836
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>8 Trade receivables</b>		
<i>(Carried at amortised cost)</i>		
Unsecured, Considered Good :		
Trade Receivables ( Refer Note 8.1 and 8.2)	3,60,53,502	2,64,69,530
<b>Total</b>	<b>3,60,53,502</b>	<b>2,64,69,530</b>
<b>8.1</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>8.2</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, 2021</b>	<b>As at 31st March, 2020</b>
1 to 90 days past due	2,98,67,008	2,11,74,185
91 to 180 days past due	8,02,144	47,609
More than 180 days past due	53,84,350	52,47,736
	<b>3,60,53,502</b>	<b>2,64,69,530</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.

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MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

9 Cash and Cash Equivalents (As certified by the management)

	As at 31st March, 2021	As at 31st March, 2020
Balances with Banks		
In Current Accounts	3,73,631	9,55,285
In Cash Credit Accounts	46,03,882	2,05,12,793
Cheques in hand	5,40,56,631	-
Cash on Hand	18,82,538	10,84,201
<b>Total</b>	<b>6,09,16,682</b>	<b>2,25,52,279</b>

10 Bank balances other than cash and cash equi:

	As at 31st March, 2021	As at 31st March, 2020
Other bank balances - Fixed Deposits with Bank (Pledged)	64,50,678	1,99,98,204
<b>Total</b>	<b>64,50,678</b>	<b>1,99,98,204</b>

11 Loans - Current

	As at 31st March, 2021	As at 31st March, 2020
<i>(Carried at amortized cost)</i>		
<i>(Unsecured, considered good)</i>		
Security deposits	5,49,120.00	5,49,120
Advance to suppliers and others	11,54,47,232	9,04,39,916
Loans Receivables		
from related party	-	11,93,25,031
from others	1,28,954	2,18,313
<b>Total</b>	<b>11,61,25,306</b>	<b>21,05,32,380</b>

12 Others Financial Assets (Current)

	As at 31st March, 2021	As at 31st March, 2020
<i>(Carried at amortized cost)</i>		
Interest accrued on fixed deposits	3,47,229	9,39,578
<b>Total</b>	<b>3,47,229</b>	<b>9,39,578</b>

13 Current Tax Assets (Net)

	As at 31st March, 2021	As at 31st March, 2020
Advance Income Tax (Net of Provision)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

14 Other Current Assets

	As at 31st March, 2021	As at 31st March, 2020
<i>(Unsecured, considered good unless otherwise stated)</i>		
Balances with government authorities		
Excise duty and GST	14,72,069	10,41,545
Sales tax incentive receivable from WBIDC	3,30,87,076	3,30,87,076
Prepaid Expenses	8,13,089	7,92,765
Others	1,44,387	1,44,387
<b>Total</b>	<b>3,55,16,621</b>	<b>3,50,65,773</b>

15 Share Capital

	As at 31st March, 2021	As at 31st March, 2020
a) Authorised:		
4,500,000 Equity Shares of Rs.10/- each	4,50,00,000	4,50,00,000
<b>Total</b>	<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>Total</b>	<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:

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
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:

	2020-21 No. of shares	2019-20 No. of shares
Equity Shares		
At the beginning of the period	42,85,714	42,85,714
Outstanding at the end of the period	42,85,714	42,85,714



MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

- 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) Terms/rights attached to each class of shares  
 Equity Shares:

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.

	As at 31st March, 2021	As at 31st March, 2020
16 Other equity		
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	53,98,42,332	37,47,02,069
D. Other Comprehensive Income	-	(6,11,602)
<b>Total</b>	<b>68,69,85,162</b>	<b>52,12,33,297</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

**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, 2021	As at 31st March, 2020
17 Borrowings (Carried at amortised cost)		
Secured		
Term Loans from Banks	22,49,227	30,49,926
Less: Current maturity of long term debts (refer note 22)	15,95,736	15,90,346
<b>Total</b>	<b>6,53,491</b>	<b>14,59,580</b>
<b>Total</b>	<b>9,42,245</b>	<b>1,30,766</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-21
Secured			
ICICI Bank Limited	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 47 equal Monthly installment under of Rs 45,375 each commencing from April, 2018. Interest @ 9.26%p.a. is serviced on monthly basis as and when due.	5,49,560
ICICI Bank Limited	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 36 equal Monthly installment under of Rs.67,331 each commencing from July, 2019. Interest @ 9.5%p.a. is serviced on monthly basis as and when due.	9,48,736
ICICI Bank Limited	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 36 equal monthly instalment under of Rs. 37,942 each commencing from May,2017. Interest @ 8.60% p.a. is serviced on monthly basis as and when due.	37,471
HDFC BANK	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 36 equal monthly instalment under of Rs. 25,577 each commencing from Nov,2020. Interest @8.1 % p.a. is	7,13,259

18 Provisions		
Provision for Employee Benefit - Gratuity (Refer Note No. 34)	91,22,175	77,66,182
<b>Total</b>	<b>91,22,175</b>	<b>77,66,182</b>




MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

	As at 31st March, 2021	As at 31st March, 2020
<b>19 Deferred Tax Assets (net)</b>		
<b>a) Deferred Tax Assets</b>		
Expenses allowable against taxable income in future years	22,96,141	4,24,000
Timing difference on fair valuation of unquoted investment	-	5,06,484
	<u>22,96,141</u>	<u>9,30,484</u>
<b>b) Deferred Tax Liabilities</b>		
Timing difference in depreciable assets	(1,90,87,000)	(2,02,94,000)
Timing difference on fair valuation of unquoted investment	(12,53,532)	-
<b>Net Deferred Tax Asset / (Liability)</b>	<u>(1,80,44,391)</u>	<u>(1,93,63,516)</u>
<b>20 Borrowings</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<i>(Carried at amortised cost)</i>		
Secured		
Rupee denominated Cash Credit (Refer Note No. 20.1)	1,01,45,946	-
Unsecured		
From Body Corporates	-	1,26,14,575
	<u>1,01,45,946</u>	<u>1,26,14,575</u>
<b>20.1</b> Short term bank facilities 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>21 Trade Payables</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	9,82,82,879	18,74,12,582
Other trade payables	-	-
<b>Total</b>	<u>9,82,82,879</u>	<u>18,74,12,582</u>
	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>(a)</b> Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006		
(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>22 Other Financial liabilities</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<i>(Carried at amortised cost)</i>		
Current maturities of long-term borrowings (Refer note 17)	15,95,736	15,90,346
Employee Benefits Payables	27,25,391	31,34,458
Other Payables	2,63,982	1,49,781
<b>Total</b>	<u>45,85,109</u>	<u>48,74,585</u>
<b>23 Other Current Liabilities</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Advance from customers	1,56,37,793	49,61,639
Statutory dues*	3,18,84,596	1,36,98,279
<b>Total</b>	<u>4,75,22,389</u>	<u>1,86,59,918</u>



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MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

\* Statutory dues includes liabilities toward Gst, Provident Fund, Tax Deducted at Source etc.

	As at 31st March, 2021	As at 31st March, 2020
<b>24 Current Tax Liabilities</b>		
Provision for taxation (Net of advance tax)	52,88,432	1,32,97,594
<b>Total</b>	<b>52,88,432</b>	<b>1,32,97,594</b>
	For the year ended	For the year ended
	March 31,2021	March 31,2020
<b>25 Revenue from Operations</b>		
Sale of products	1,58,76,62,952	1,37,82,68,063
<b>Total</b>	<b>1,58,76,62,952</b>	<b>1,37,82,68,063</b>
	For the year ended	For the year ended
	March 31,2021	March 31,2020
Metal Products	1,58,76,62,952	1,37,82,68,063
Others	-	-
<b>Total</b>	<b>1,58,76,62,952</b>	<b>1,37,82,68,063</b>
	For the year ended	For the year ended
	March 31,2021	March 31,2020
<b>26 Other Income</b>		
Income from Current Investment carried at FVTPL:		
Net Gain/(Loss) on Fair Valuation of Mutual Fund Units	67,92,862	(26,64,944)
Net Gain/(Loss) on Sale/Redemption of Mutual Fund Units	32,77,860	36,75,405
Interest Income on financial assets carried at amortised cost		
On Fixed deposits	7,93,861	10,43,976
On loan given to related party	-	99,34,554
On loan given to other entities	-	8,39,206
Profit on Sale of Property, plant and equipment (net)	-	55,870
<b>Total</b>	<b>1,08,64,583</b>	<b>1,28,84,067</b>
	For the year ended	For the year ended
	March 31,2021	March 31,2020
<b>27 Cost of material consumed</b>		
Inventory at the beginning of the year	28,41,28,411	18,16,01,505
Add: Purchases during the year	1,06,98,31,027	1,13,31,18,064
Less: Inventory at the end of the year	18,18,51,929	28,41,28,411
<b>Cost of Raw Material Consumed</b>	<b>1,17,21,07,509</b>	<b>1,03,05,91,158</b>
	For the year ended	For the year ended
	March 31,2021	March 31,2020
<b>28 Changes in inventories of finished goods</b>		
Closing Stock of Finished Goods	3,07,10,825	2,61,47,517
Less: Opening Stock of Finished Goods	2,61,47,517	1,34,53,719
<b>(Increase) / Decrease</b>	<b>45,63,308</b>	<b>1,26,93,798</b>
	For the year ended	For the year ended
	March 31,2021	March 31,2020
<b>29 Employee benefits expense</b>		
Salaries, Wages and Bonus	4,30,96,421	4,31,27,621
Contribution to Provident and other funds	14,43,232	14,92,377
Gratuity <sup>d</sup>	13,01,148	11,43,334
Staff Welfare Expenses	5,03,649	4,43,285
<b>Total</b>	<b>4,63,44,450</b>	<b>4,62,06,617</b>
	For the year ended	For the year ended
	March 31,2021	March 31,2020
<b>30 Finance costs</b>		
Interest Expenses		
- to related party	-	-
- to other entities	6,79,392	19,46,523
- to bank	6,10,009	28,27,671
<b>Total</b>	<b>12,89,401.00</b>	<b>47,74,194.00</b>



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MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

	For the year ended March 31, 2021	For the year ended
<b>31 Other expenses</b>		
Stores & Consumables	2,70,53,942	3,72,30,275
Power & Fuel	5,05,97,246	9,57,15,608
Repairs		
- Repairs to buildings	17,110	6,15,567
- Repairs to machinery	9,51,560	20,01,607
- Repairs to others	2,63,032	3,98,165
Other Manufacturing Expenses	1,79,96,178	1,74,85,526
Rates & Taxes	3,46,094	17,96,667
Telephone & Telex	2,34,486	2,24,252
Postage & Courier	1,28,445	1,35,818
Travelling & Conveyance	5,43,866	5,65,418
Rent	3,72,200	3,54,200
Insurance	7,30,668	5,70,315
Bank Charges	13,22,789	15,37,866
Auditors' Remuneration		
- For Statutory Audit	2,00,000	50,000
- For Tax Audit	35,000	35,000
- For Other Services	72,500	37,500
Miscellaneous Expenses	72,91,849	49,04,722
Security Service Charges	27,54,753	27,86,030
Freight, Forwarding & Handling Expenses	2,36,34,409	2,59,88,807
Donation	19,80,151	3,63,306
Printing & Stationery	1,24,898	1,48,839
Professional & Consultancy charges	3,02,856	3,34,056
Foreign currency fluctuation loss (net)	2,12,642	45,74,589
Sundry Balance written off(Net)	1,39,11,023	(23,85,677)
<b>Total</b>	<b>15,10,77,697</b>	<b>19,54,68,456</b>
<b>32 Other Comprehensive Income</b>		
(A) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1,32,034	4,06,653
<b>Total</b>	<b>1,32,034</b>	<b>4,06,653</b>



**MARK STEELS LIMITED**
**Notes to financial statements as at and for the year ended March 31, 2021**
**33. Effective Tax Reconciliation**

The reconciliation of Estimated Income Tax to Income Tax Expense is as below:

Particulars	March,31 2021	March,31 2020
<b>A. Amount recognized in profit or loss</b>		
Current Tax		
Current period	5,50,00,000	3,15,00,000
Changes in respect of current income tax of previous years	(73,554)	4,31,900
	5,49,26,446	3,19,31,900
Deferred Tax (a)		
Attributable to -		
Origination and reversal of temporary differences	12,74,714	33,80,000
	12,74,714	33,80,000
<b>Tax expenses reported in the Standalone Statement of Profit and Loss (a-b)</b>	<b>5,36,51,732</b>	<b>2,85,51,900</b>
<b>B. Income tax recognized in Other Comprehensive Income</b>		
Deferred tax relating to items recognized in other comprehensive income during the year	44,411	1,36,000
Income tax expense charged to Other Comprehensive Income	44,411	1,36,000

**C. Reconciliation of tax expense and the accounting profit for March 31, 2021 and March 31, 2020:**

Particulars	March,31 2021	March,31 2020
Accounting profit before income tax	21,95,35,631	10,99,76,365
Statutory Income Tax rate *	25.168%	25.168%
Tax at the applicable India tax rate	5,52,52,728	2,76,78,852
<b>Tax impact on amounts that are adjusted in determining taxable profit:</b>		
Difference between depreciation as per IT Act and depreciation as per books	12,00,308	19,73,227
Income Exempt from Tax / Items not deductible	(16,76,518)	10,49,904
Other adjustments	1,49,928	12,29,917
	5,49,26,446	3,19,31,900

\* The company has opted to apply concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective for financial year 2019-20 pursuant to Taxation Laws(Amendment) Ordinance, 2019 dated September 2019. Accordingly, the provision for Income tax and Deferred tax balances have been recorded/ re-measured using the new tax rates and the resultant impact is recognized in the statement of Profit and loss for the year ended 31st March 2021.

**D. Recognized deferred tax assets and liabilities:**

	Balance as on April 1, 2021	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2021
Property, plant and equipment	(2,02,94,000)	12,07,000	-	(1,90,87,000)
Unquoted Investment	5,06,484	(17,60,000)	-	(12,53,516)
Provision for Gratuity	4,24,000	18,27,714	44,411	22,96,125
<b>Total</b>	<b>(1,93,63,516)</b>	<b>12,74,714</b>	<b>44,411</b>	<b>(1,80,44,391)</b>
	Balance as on April 1, 2020	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2020
Property, plant and equipment	(2,29,87,000)	26,93,000	-	(2,02,94,000)
Unquoted Investment	(1,64,516)	6,71,000	-	5,06,484
Provision for Gratuity	2,72,000	16,000	1,36,000	4,24,000
<b>Total</b>	<b>(2,28,79,516)</b>	<b>33,80,000</b>	<b>1,36,000</b>	<b>(1,93,63,514)</b>

**E. Deferred tax reflected in the Balance Sheet as follows:**

Particulars	March,31 2021	March,31 2020
Deferred tax assets	10,42,609	4,24,000
Deferred tax liabilities	(1,90,87,000)	(1,97,87,516)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(1,80,44,391)</b>	<b>(1,93,63,516)</b>



34 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. 1,443,232 (31 March 2020 : Rs 1,492,377) 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.

Balance sheet amount:	For the year ended	For the year ended
	March 31,2021	March 31,2020
Present value of defined benefit obligation at beginning of period	77,66,182	60,80,195
Current Service cost	7,88,580	6,87,319
Interest cost/income	5,12,568	4,56,015
<b>Total amount recognised in profit or loss</b>	<b>90,67,330</b>	<b>72,23,529</b>
Remeasurements (gains)/losses		
- Change in Demographic assumptions	-	(3,725)
- Change in Financial assumptions	(80,177)	5,94,992
- Experience Variance (i.e Actual Experience vs assumptions)	2,56,622	(48,614)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>1,76,445</b>	<b>5,42,653</b>
Benefits paid	(1,21,600)	-
<b>Present value of defined benefit obligation at end of period</b>	<b>91,22,175</b>	<b>77,66,182</b>

Principal Actuarial Assumption Used:	As at	As at
	March 31,2021	March 31,2020
Discount Rates	6.70%	6.60%
Expected Salary increase rates	5.00%	5.00%
Attrition rate	2.00%	2.00%
Mortality	IALM(12-14) Ultimate	IALM(12-14) Ultimate

Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow) 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
<b>As at 31 March 2021</b>					
Defined benefit obligation	10,48,985	23,35,264	41,91,088	1,09,89,800	1,85,65,137
<b>As at 31 March 2020</b>					
Defined benefit obligation	8,42,354	21,59,313	32,39,573	98,46,436	1,60,87,676

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, 2021		As at March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	99,79,312	83,80,513	85,27,855	71,09,744
Salary Growth Rate (-/+1%)	83,44,569	1,00,07,164	70,79,108	85,51,214
Attrition Rate (-/+50%)	90,11,406	92,21,738	76,72,323	78,50,186
Mortality Rate (-/+10%)	91,04,437	91,39,590	77,51,407	77,80,682
	3,64,39,724	3,67,49,005		

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.

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 pay-outs (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.

Handwritten signature and two circular blue ink stamps. The left stamp is for MARK STEELS LTD, Kolkata. The right stamp is for S K Roy & Co Chartered Accountants LLP, Kolkata, with registration numbers LLPIN-AAV-1926 and FRN: 306033E-E300272.

**35 Corporate Social Responsibility**

The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

As per Section 135 of the Companies Act, 2013, a CSR committee had been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Act. The utilization is done by way of contribution towards various activities.

Amount spent during the year on:

	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company during the year	17,19,914	-
On purpose other than (1) above	14,086	-
<b>Total</b>	<b>17,34,000</b>	<b>-</b>

**Particulars**

	For the year ended March 31, 2021	For the year ended March 31, 2020
Education and Skill development	10,34,000	-
Health Care	5,00,000	-
Others	2,00,000	-
<b>Total</b>	<b>17,34,000</b>	<b>-</b>

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(I) Basic</b>		
a. Profit after tax	16,58,83,899	8,14,24,465
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.)	38.71	19.00
<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.)	38.71	19.00

**37 Contingent liabilities and Commitments**

	As at 31st March, 2021	As at 31st March, 2020
	Amount in Rs.	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	3,37,70,375	3,37,70,375
(ii) Income tax under rectification	46,51,880	46,51,880
(iii) ES Demand under appeal	3,02,007	3,02,007
(iv) Central excise demand under appeal	-	33,78,266
(c) Guarantees		
(i) Counter guarantee given in favour of Company's Bankers for Bank Guarantee issued	3,47,30,000	3,47,30,000

**38 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.



## 39 Financial Instruments disclosure

## (A) CATEGORIES OF FINANCIAL INSTRUMENTS

Particulars	Ref Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>Financial Assets</b>			
<b>Measured at Amortised Cost</b>			
Other financial assets	5	10,42,014	9,26,573
Trade receivables	8	3,60,53,502	2,64,69,530
Cash and Cash Equivalents	9	6,09,16,682	2,25,52,279
Bank balance other than above	10	64,50,678	1,99,98,204
Current Loans	11	11,61,25,306	21,05,32,380
<b>Total financial assets measured at amortised cost</b>		<b>22,05,88,182</b>	<b>28,04,78,966</b>
<b>Measured at Fair Value through Profit or Loss</b>			
Current Investments	7	29,76,75,401	4,19,15,836
Non Current Investments	4	96,77,138	54,10,230
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		<b>30,73,52,539</b>	<b>4,73,26,066</b>
<b>Financial Liabilities</b>			
<b>Measured at Amortised Cost</b>			
Non Current borrowings	17	6,53,491	14,59,580
Current borrowings	20	1,01,45,946	1,26,14,575
Trade Payables	21	9,82,82,879	18,74,12,582
Other financial liabilities	22	45,85,109	48,74,585
<b>Total financial liabilities measured at amortised cost</b>		<b>11,36,67,425</b>	<b>20,63,61,322</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>-</b>	<b>-</b>

## (B) Fair Values

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments (unquoted) in mutual funds	30,73,52,539	4,73,26,066

## (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/NAV 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	Quoted prices/NAV (Level 1)	Fair value measurement using	
			Significant observable inputs (Level 2)	Significant observable inputs (Level 3)

Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2021:

## A. Financial assets:

Assets measured at fair value:

Investments (unquoted) in mutual funds	31st March 2021	30,73,52,539	-	-
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## B. Financial liabilities:

Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2020:

## A. Financial assets:

Assets measured at fair value:

Investments (unquoted) in mutual funds	31st March 2020	4,73,26,066	-	-
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## B. Financial liabilities:



**MARK STEELS LIMITED****Notes to financial statements as at and for the year ended March 31, 2021****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 2021 and 31st March 2020, there were no transfer between different levels of fair value measurement.

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

Particulars		As at 31st March, 2021	As at 31st March, 2020
Amount payables in Foreign currency on account of	US\$	-	9,38,207
Trade payables	INR	-	6,69,05,505

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

Particulars	As at March 31, 2021	As at March 31, 2020
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**a) Loans and advances in the nature of loan to others****i) 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%.		

**ii) Loan to Riddhi Portfolio Private Limited**

Balance at the year end	-	12,946
Maximum amount outstanding at any time during the year	-	51,66,438
It carries rate of interest of 15%.		

**iii) Loan to Vedic Realty Private Limited**

Balance at the year end	1,28,954	15,32,658
Maximum amount outstanding at any time during the year	1,28,954	15,32,658
It carries rate of interest of 15%.		





## Disclosures Section 186 of the Companies Act, 2013.

## iv) Loan to Vajra Machineries Private Limited

Balance at the year end	-	11,93,25,031
Maximum amount outstanding at any time during the year	11,93,25,031	11,93,25,031
It carries rate of interest of 9%.		

## 42 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 2021 and 31 March 2020 are as follows:

Particulars	As at 31st March,	As at 31st March,
	2021	2020
	USD	USD
Financial Assets:	-	-
Financial Liabilities:		
Trade payables	-	9,38,207
<b>Net Forex exposure</b>	-	<b>(9,38,207)</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:





Particulars	Changes in USD rate	Foreign currency	Effect on profit/ (loss)
	%	Payable (net)(INR)	before tax
<b>As at 31st March 2021</b>			
Weakening of INR		-	-
Strengthening of INR		-	-
<b>As at 31st March 2020</b>			
Weakening of INR	5%	7,34,72,276	(34,98,680)
Strengthening of INR	-5%	6,64,74,916	34,98,680

**(b) Interest rate risk**

Interest rate risk is measure by using the cash flow sensitivity for changes in variable interest rates. The Company does not have any interest bearing liabilities having floating rate of interest. Hence, the Company does not have any material exposure to Interest rate risk.

**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 2021 and 31 March 2020 as follows:

Particulars	As at 31st March,	As at 31st March,
	2021	2020
1 to 90 days past due	2,98,67,008	2,11,74,185
91 to 180 days past due	8,02,144	47,609
More than 180 days past due	53,84,350	52,47,736

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





**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2021

**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 2021</b>				
Non Current borrowings	-	-	6,53,491	6,53,491
Current borrowings	1,01,45,946	-	-	1,01,45,946
Trade Payables	9,82,82,879	-	-	9,82,82,879
Other financial liabilities	45,85,109	-	-	45,85,109
	<b>11,30,13,934</b>	-	<b>6,53,491</b>	<b>11,36,67,425</b>
<b>As at 31st March 2020</b>				
Non Current borrowings	-	-	14,59,580	14,59,580
Current borrowings	1,26,14,575	-	-	1,26,14,575
Trade Payables	18,74,12,582	-	-	18,74,12,582
Other financial liabilities	48,74,585	-	-	48,74,585
	<b>20,49,01,742</b>	-	<b>14,59,580</b>	<b>20,63,61,322</b>

**43 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, 2021	As at 31st March, 2020
Total borrowings	1,23,95,173	1,56,64,501
Less: Cash and cash equivalents	(6,09,16,682)	(2,25,52,279)
Less: Current Investments	(29,76,75,401)	(4,19,15,836)
Less: Non Current Investments	(96,77,138)	(54,10,230)
<b>Net Debt</b>	<b>(35,58,74,048)</b>	<b>(5,42,13,844)</b>
<b>Equity</b>	<b>72,98,42,302</b>	<b>56,40,90,437</b>
<b>Total Capital (Equity + Net Debt)</b>	<b>37,39,68,254</b>	<b>50,98,76,593</b>
<b>Net Debt to Equity ratio</b>	<b>-48.76%</b>	<b>-9.61%</b>



MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

44 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 (till 21 May 2021)  
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 with whom transaction have taken place

Vajra Machineries Pvt.Ltd.  
Industrify Technologies Pvt.Ltd.

(b) Details of Transactions with Related Parties

Nature of Transactions	Name of related parties	31 March 2021	31 March 2020
Purchase	Industrify Technologies Pvt.Ltd.	46,93,639	45,67,282
Sitting Fees	Vineet Agarwal Smita Khaitan Kali Kumar Choudhury	6,000 11,000 11,000	7,000 9,000 9,000
Remuneration	Umesh Kumar Jhunjhunwala Ashish Jhunjhunwala Rohit Jhunjhunwala Nilesh Jhunjhunwala Sajjan Jhunjhunwala	60,00,000 42,00,000 30,00,000 27,60,000 15,00,000	60,00,000 42,00,000 30,00,000 27,60,000 15,00,000
Interest income	Vajra Machineries Pvt.Ltd.	-	99,34,554
Loan repayment	Vajra Machineries Pvt.Ltd.	11,93,25,031	6,75,00,000

(c) Details of balances with Related Parties

	Key Managerial Personnel		Relatives of Key Managerial Personnel	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Receivable	NIL	NIL	NIL	NIL
Payable	NIL	NIL	NIL	NIL
	Name of related parties		As at 31st March, 2021	As at 31st March, 2020
Interest Payable	Vajra Machineries Pvt.Ltd.		-	6,45,041
Loans Given	Vajra Machineries Pvt.Ltd.		-	11,93,25,031
Trade Payable	Industrify Technologies Pvt.Ltd.		4,41,513	(36,329)

*Agarwal*



MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2021

- 45 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.
- 46 **Impact of COVID-19 (Global pandemic)**  
The Company is closely monitoring the impact of the pandemic on all aspect of its business. The management does not see long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Management has also evaluated the recoverability of receivables and realisability of inventory on hand based on subsequent realisations and customer orders respectively. However, given the uncertainties associated with the eventual outcome, nature and duration of the pandemic, the impact may be different from that estimated as on the date of approval of these financial statements.
- 47 These financial statements have been approved by the Board of Directors of the Company on 15th June, 2021 for issue to the shareholders for their adoption.
- 48 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 LLP

(Formerly S K AGRAWAL & CO)

Chartered Accountants

Firm Regn. No. 306033E/E300272

Hemant Kumar Lakhotia

(Partner)

Membership No. 068851

Kolkata, 15th day of June, 2021

For and on Behalf of the Board of Directors

Umesh Kumar Jhunjunwala

Director

DIN:00448079

Vineet Agarwal

Director

DIN:00441223



MARK STEELS LIMITED

Cash Flow Statement for the year ended March 31, 2021

	Year ended March 31,2021 Amount in Rs.	Year ended March 31,2020 Amount in Rs.
<b>A. Cash Flow from Operating Activities</b>		
Profit / (Loss) before tax for the period	21,95,35,631	10,99,76,365
Adjustments for :		
Depreciation and Amortization Expense	1,27,36,155	1,68,29,138
Finance Costs	12,89,401	47,74,194
Interest Income	(7,93,861)	(1,18,17,736)
Allowance for Doubtful Debts	-	-
Net Gain on Fair Valuation of Mutual Fund Units	(67,92,862)	26,64,944
Net Gain on Sale/Redemption of Mutual Fund Units	(32,77,860)	(36,75,405)
Balances written-off/ written back	(1,39,11,023)	(23,85,677)
(Gain)/Loss on sale of Property, Plant and Equipment	-	(55,870)
Bad Debt	-	-
Income on exchange difference	2,12,642	45,74,589
<b>Operating Profit/ (Loss) before changes in operating assets and liabilities</b>	<b>20,89,98,223</b>	<b>12,08,84,542</b>
Adjustments for changes in operating assets and liabilities:		
(Increase) in trade and other receivables	(3,50,42,136)	12,78,50,158
(Increase) / Decrease in Inventories	9,49,43,568	(11,45,06,700)
Increase/(Decrease) in trade and other payables	(5,95,95,192)	(6,49,88,270)
<b>Cash (used in) Operations</b>	<b>20,93,04,463</b>	<b>6,92,39,730</b>
(v) Other Financial Assets		
Direct Taxes (paid)/ refund	(6,29,35,608)	(1,56,18,263)
<b>Net Cash (used in) Operating Activities</b>	<b>14,63,68,855</b>	<b>5,36,21,467</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment and Capital Advance	(16,33,680)	(68,86,261)
Sale of property, plant and equipment	-	1,00,000
Interest Income	13,86,210	1,11,76,071
Loans (Given)/ Repaid	11,94,14,390	1,74,75,551
Decrease/(Increase) in term deposit	1,34,32,085	(83,67,999)
Sale / (Purchase) of investments in mutual fund	(23,60,44,728)	(1,84,34,730)
<b>Net Cash used from / (used in) Investing Activities</b>	<b>(10,34,45,723)</b>	<b>(49,37,368)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(Repayment) of non-current borrowings (net)	(8,00,699)	8,00,322
Proceeds/(Repayment) from current borrowings (net)	(24,68,629)	(4,94,79,069)
Finance Costs	(12,89,401)	(47,74,194)
<b>Net Cash used from / (used in) Financing Activities</b>	<b>(45,58,729)</b>	<b>(5,34,52,941)</b>
Net increase / (decrease) in cash and cash equivalent (A + B + C)	<b>3,83,64,403</b>	<b>(47,68,842)</b>
<b>D. Cash and cash equivalents</b>		
Net increase / (decrease) in cash and cash equivalent	3,83,64,403	(47,68,845)
Cash and cash equivalents at the beginning of the year	2,25,52,279	2,73,21,123
Cash and cash equivalents at the end of the year	<b>6,09,16,682</b>	<b>2,25,52,279</b>
(a) Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.		
In Current Accounts	3,73,631	9,55,285
Other bank balances	-	-
Fixed Deposits with banks	-	-
In Cash Credit Accounts	46,03,882	2,05,12,793
Cheques in hand	5,40,56,631	-
Cash on Hand	18,82,538	10,84,201
<b>Cash and cash equivalents as at 31 March</b>	<b>6,09,16,682</b>	<b>2,25,52,279</b>





MARK STEELS LIMITED

Cash Flow Statement for the year ended March 31, 2021

<u>Changes in liabilities arising from financing activities</u>	<u>01-Apr-2020</u>	<u>Cash Flows</u>	<u>31-Mar-2021</u>
Non-current borrowings (including Current Maturities) (Note 17)	30,49,926	(8,00,699)	22,49,227
Short Term borrowings (Note 20)	1,26,14,575	(24,68,629)	1,01,45,946
<b>Total liabilities from financing activities</b>	<b>1,56,64,501</b>	<b>(32,69,328)</b>	<b>1,23,95,173</b>

<u>Changes in liabilities arising from financing activities</u>	<u>01-Apr-2019</u>	<u>Cash Flows</u>	<u>31-Mar-2020</u>
Non-current borrowings (including Current Maturities) (Note 17)	22,49,604	8,00,322	30,49,926
Short Term borrowings (Note 20)	6,20,93,644	(4,94,79,069)	1,26,14,575
<b>Total liabilities from financing activities</b>	<b>6,43,43,248</b>	<b>(4,86,78,747)</b>	<b>1,56,64,501</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 LLP  
 (Formerly S K AGRAWAL & CO)  
 Chartered Accountants  
 Firm Regn. No. 306033E/E300272

For and on Behalf of the Board of Directors

*Hemant Kumar Lakhotia*

Hemant Kumar Lakhotia  
 (Partner)  
 Membership No. 068851  
 Kolkata, 15th day of June, 2021

*Umesh Kumar Jhunjhunwala*

Umesh Kumar Jhunjhunwala  
 Director  
 DIN:00448079

*Vineet Agarwal*

Vineet Agarwal  
 Director  
 DIN:00441223

