



**S K AGRAWAL AND CO CHARTERED  
ACCOUNTANTS LLP**

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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 2022, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its 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.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

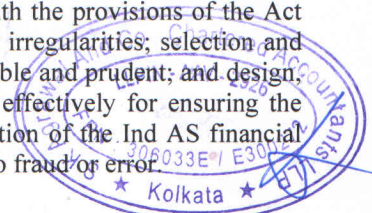
In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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.

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 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 control 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**

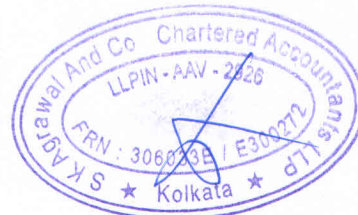
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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;



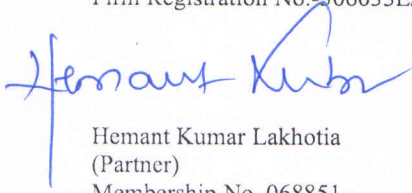
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance sheet, the Statement of Profit and 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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer to Note 36 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared and paid dividend during the year.



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



Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851  
UDIN: 22068851AKKECP4155

Place: Kolkata  
Dated: 26<sup>th</sup> May, 2022



**Annexure A referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date**

In terms of the information and explanations sought by us and given by **Mark Steels Limited ("the Company")** and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (B) The Company does not have any intangible asset and hence reporting under clause 3(i)(a)(2) is not applicable.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification of all the Property, Plant and Equipment over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deed of the immovable property, as disclosed in Note 3 on Property, plant and equipment to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification is commensurate with the size of the Company and no discrepancies of 10% or more in aggregate for each class of inventory were noticed by the Company.
- (b) As disclosed in Note 43 of the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the statements filed by the Company at the end of the quarter with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

Quarter	Particulars of Security Provided	Rs. In Lacs		
		Amount as per Books of Account	Amount as reported in the statement	Amount of Difference *
March'22	Inventory - Raw Materials	1,302.85	1,302.98	(0.13)
	Trade Receivables	487.62	488.21	(0.59)
	Trade Payables #	883.96	680.35	203.61
December'21	Inventory - Raw Materials	901.71	901.69	0.02
	Inventory - Finished Goods	224.26	222.80	1.46
	Trade Payables #	980.66	142.78	837.88
September'21	Inventory - Raw Materials	1,161.56	1,154.76	6.80
	Inventory - Finished Goods	618.49	608.94	9.55
	Trade Receivables	311.48	364.24	(52.76)
	Trade Payables #	852.01	135.42	716.59



Independent Auditor's Report (Contd.)

June'21	Inventory - Raw Materials	2,642.69	2,638.18	4.51
	Inventory Finished Goods	586.85	709.02	(122.17)
	Trade Payables #	1,057.56	607.88	449.68

\*The statements submitted to banks at the end of the quarter were prepared and filed before the completion of all financial statement closure activities including Ind AS related adjustments / reclassifications & regrouping as applicable, which led to these differences between the final books of accounts and the statements submitted to banks based on provisional books of accounts.

#Advance from creditors has been net off.

- iii. The Company has not granted any loans, or advance in nature of loan, stood guarantee, or provided security to any other entity. Accordingly, paragraph 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has not given any loans, guarantees or security or made any investments to which provisions of sections 185 and 186 of the Companies Act, 2013 is applicable, and accordingly reporting under clause (iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be 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 generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, and any 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, 2022 for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax and duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of service tax, sales tax, duty of excise and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount Rs. (in Lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Entry Tax Act	Entry Tax Demand	337.70	2012-2013 to 2016-2017	In the High Court of Kolkata
Income Tax Act, 1961	Income Tax	49.42	2010-2011 and 2019-2020	In the Commissioner of Income Tax (Appeals)
ESI Act, 1948	ESI Contribution	3.02	January 2011 to February 2015	Employees' Insurance Court



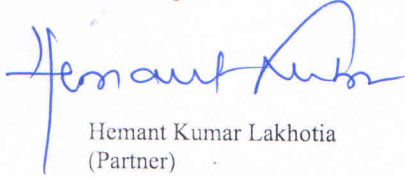
Independent Auditor's Report (Contd.)

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The term loans were applied for the purpose for which they were raised.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(e) is not applicable.
- (f) The Company does not have any subsidiaries, associates or joint ventures. Hence reporting under clause 3(ix)(f) is not applicable.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) No material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given by the management, during the year, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of The Companies (Audit and Auditor) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- xiv. In our opinion and based on our examination, the Company is not required to appoint internal auditors under the provisions of the Companies Act, 2013. Accordingly, paragraph 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable.
- xv. According to information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) of the Order is not applicable.



- xvii. The Company has not incurred cash losses during the financial year under audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. As disclosed in Note 34 of the financial statements, there are no unspent amount which is required to be transferred in compliance with Section 135(5) and 135(6) of the Companies Act, 2013.

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



Hemant Kumar Lakhotia  
(Partner)  
Membership No. 068851  
UDIN: 22068851AKKECP4155

Place: Kolkata  
Dated: 26<sup>th</sup> May, 2022





## **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 2022 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.



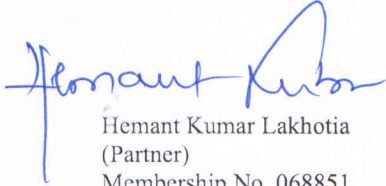
### Inherent Limitations of Internal Financial Controls over Financial Reporting

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.

### 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 2022, 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

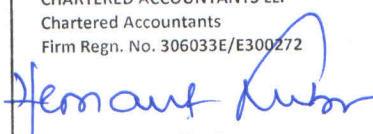




Hemant Kumar Lakhota  
(Partner)  
Membership No. 068851  
UDIN: 22068851AKKECP4155

Place: Kolkata  
Dated: 26<sup>th</sup> May, 2022



MARK STEELS LIMITED  
Balance Sheet as at March 31, 2022

Particulars	Notes	As at	As at
		March 31, 2022	March 31, 2021
		Rs. In Lacs	Rs. In Lacs
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	1,333.49	1,373.10
(b) Capital Work in Progress	3	19.56	19.56
(c) Financial Assets			
(i) Investments	4	118.38	96.77
(ii) Other financial assets	5	11.12	10.42
		<b>1,482.55</b>	<b>1,499.85</b>
<b>2 Current assets</b>			
(a) Inventories	6	1,574.75	2,204.16
(b) Financial Assets			
(i) Investments	7	4,028.76	2,976.75
(ii) Trade receivables	8	487.62	360.54
(iii) Cash and Cash equivalents	9	826.21	609.18
(iv) Other Bank Balances	10	67.45	64.51
(v) Loans	11	1.29	1.29
(vi) Other financial assets	12	9.68	8.96
(c) Other current assets	13	1,694.62	1,509.63
		<b>8,690.37</b>	<b>7,735.02</b>
<b>Total Assets</b>		<b>10,172.92</b>	<b>9,234.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>3 EQUITY</b>			
(a) Share Capital	14	428.57	428.57
(b) Other Equity	15	7,922.24	6,869.85
<b>Total Equity</b>		<b>8,350.81</b>	<b>7,298.42</b>
<b>LIABILITIES</b>			
<b>4 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	1.75	6.53
(b) Provisions	17	101.14	91.22
(c) Deferred tax liabilities (Net)	18	168.90	180.45
		<b>271.79</b>	<b>278.20</b>
<b>5 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	105.05	117.42
(ii) Trade Payables	20		
A) total outstanding dues of micro enterprises and small enterprises; and			
B) total outstanding dues of creditors other than micro enterprises and small enterprises		883.96	982.83
(iii) Other financial liabilities	21	32.81	29.89
(b) Other Current Liabilities	22	312.86	475.23
(c) Current Tax Liabilities (Net)	23	215.64	52.88
		<b>1,550.32</b>	<b>1,658.25</b>
<b>Total Liabilities</b>		<b>1,822.11</b>	<b>1,936.45</b>
<b>Total equity and liabilities</b>		<b>10,172.92</b>	<b>9,234.87</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 Chartered Accountants Firm Regn. No. 306033E/E300272		For and on Behalf of the Board of Directors	
 Hemant Kumar Lakhotia (Partner) Membership No. 068851 Kolkata, 26th day of May, 2022		 Umesh Kumar Munjhunwala Director DIN:00448079	
		 Vineet Agarwal Director DIN:00441223	



MARK STEELS LIMITED  
Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Notes	For the year ended March 31, 2022 Rs. In Lacs	For the year ended March 31, 2021 Rs. In Lacs
<b>I. Income</b>			
Revenue from Operations	24	19,343.72	15,876.63
Other Income	25	158.67	108.65
<b>Total Income</b>		<b>19,502.39</b>	<b>15,985.28</b>
<b>II. Expenses</b>			
Cost of raw materials consumed	26	15,975.41	11,721.07
Changes in inventories of finished goods	27	77.04	(45.63)
Employee benefits expense	28	521.72	463.44
Finance costs	29	10.41	12.89
Depreciation and amortization expense	3	102.26	127.35
Other expenses	30	1,357.99	1,510.78
<b>Total Expenses</b>		<b>18,044.83</b>	<b>13,789.90</b>
<b>III. Profit before tax ( I - II )</b>		<b>1,457.56</b>	<b>2,195.38</b>
<b>IV. Tax expenses</b>			
Current tax	32	390.00	550.00
Tax adjustment for earlier years	32	29.23	(0.74)
Deferred tax	32	(12.17)	(12.75)
<b>Total tax expenses</b>		<b>407.06</b>	<b>536.51</b>
<b>V. Profit for the period ( III - IV )</b>		<b>1,050.50</b>	<b>1,658.87</b>
<b>VI. Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>	31	2.52	(1.76)
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>	31	(0.63)	0.44
<b>Other Comprehensive Income for the period</b>		<b>1.89</b>	<b>(1.32)</b>
<b>VII. Total Comprehensive Income for the period ( V + VI )</b>		<b>1,052.39</b>	<b>1,657.55</b>
<b>VIII. Basic and diluted Earnings per equity share of face value of Rs. 10/- each</b>	35	<b>24.51</b>	<b>38.71</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			

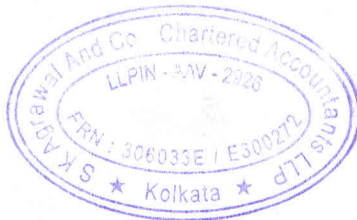
As per our Report attached of even date  
For S K AGRAWAL AND CO  
CHARTERED ACCOUNTANTS LLP  
Chartered Accountants  
Firm Regn. No. 306033E/E300272

For and on Behalf of the Board of Directors

*Hemant Kumar Lakhota*  
Hemant Kumar Lakhota  
(Partner)  
Membership No. 068851  
Kolkata, 26th day of May, 2022

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

*Vineet Agarwal*  
Vineet Agarwal  
Director  
DIN:00441223



MARK STEELS LIMITED

Cash Flow Statement for the year ended March 31, 2022

	Year ended March 31, 2022 Rs. in Lacs	Year ended March 31, 2021 Rs. in Lacs
<b>A. Cash Flow from Operating Activities</b>		
Profit / (Loss) before tax for the period	1,457.56	2,195.36
Adjustments for :		
Depreciation and Amortization Expense	102.26	127.36
Finance Costs	10.41	12.89
Interest Income	(4.89)	(7.94)
Net (Gain)/Loss on Fair Valuation of Mutual Fund Units	9.33	(67.93)
Net (Gain)/Loss on Sale/Redemption of Mutual Fund Units	(162.93)	(32.78)
Balances written-off/ (written back)	7.14	(139.11)
Income on exchange difference	-	2.13
<b>Operating Profit/ (Loss) before changes in operating assets and liabilities</b>	<b>1,418.88</b>	<b>2,089.98</b>
Adjustments for changes in operating assets and liabilities:		
(Increase) in trade and other receivables	(312.07)	(350.42)
(Increase) / Decrease in Inventories	629.41	949.44
Increase/(Decrease) in trade and other payables	(245.88)	(595.95)
<b>Cash (used in) Operations</b>	<b>1,490.34</b>	<b>2,093.05</b>
Direct Taxes (paid)/ refund	(256.47)	(629.36)
<b>Net Cash (used in) Operating Activities</b>	<b>1,233.87</b>	<b>1,463.69</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment and Capital Advance	(63.47)	(16.34)
Sale of property, plant and equipment	0.83	-
Interest Income	4.17	13.86
Loans (Given)/ Repaid	-	1,194.14
Decrease/(Increase) in term deposit	(3.64)	134.32
Sale / (Investments) in mutual fund	(927.16)	(2,360.45)
<b>Net Cash used from / (used in) Investing Activities</b>	<b>(989.27)</b>	<b>(1,034.47)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds/(Repayment) of non-current borrowings (net)	(4.78)	(8.01)
Proceeds/(Repayment) from current borrowings (net)	(12.37)	(24.69)
Finance Costs	(10.41)	(12.89)
<b>Net Cash used from / (used in) Financing Activities</b>	<b>(27.56)</b>	<b>(45.59)</b>
<b>Net increase / (decrease) in cash and cash equivalent (A + B + C)</b>	<b>217.04</b>	<b>383.63</b>
<b>D. Cash and cash equivalents</b>		
Net increase / (decrease) in cash and cash equivalent	217.04	383.63
Cash and cash equivalents at the beginning of the year	609.18	225.52
<b>Cash and cash equivalents at the end of the year</b>	<b>826.21</b>	<b>609.18</b>
(a) Cash and cash equivalents consist of cash on hand and balance with banks and deposits with banks.		
In Current Accounts	1.02	3.74
In Cash Credit Accounts	296.31	46.04
Cheques in hand	518.25	540.57
Cash on Hand	10.63	18.83
<b>Cash and cash equivalents as at year end</b>	<b>826.21</b>	<b>609.18</b>

(b) 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  
Chartered Accountants  
Firm Regn. No. 306033E/E300272

Hemant Kumar Lakhota  
(Partner)  
Membership No. 068851  
Kolkata, 26th day of May, 2022

For and on Behalf of the Board of Directors

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 2022

(a) Equity Share Capital Particulars	Number of Shares	Rs. In Lacs
Equity Shares of Rs. 10/- each issued, subscribed and fully paid up		
As at 31st March 2021	42,85,714.00	428.57
As at 31st March 2022	42,85,714.00	428.57

Note: There is no change in the equity share capital

(b) Other Equity Particulars	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance at 1st April 2020	250.00	1,221.43	3,747.02	5,218.45
Transfer/Adjustment during the period				
Profit / (Loss) for the period			1,658.85	1,658.84
Transfer within equity			(6.12)	(6.12)
Other Comprehensive Income for the period			(1.32)	(1.32)
<b>Total Comprehensive Income for the period</b>			<b>1,651.41</b>	<b>1,651.40</b>
Balance at 31st March 2021	250.00	1,221.43	5,398.43	6,869.85
Transfer/Adjustment during the period				
Profit / (Loss) for the period			1,050.50	1,050.50
Other Comprehensive Income for the period			1.89	1.89
<b>Total Comprehensive Income for the period</b>			<b>1,052.39</b>	<b>1,052.39</b>
Balance at 31st March 2022	250.00	1,221.43	6,450.82	7,922.24

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

Chartered Accountants

Firm Regn. No. 306033E/E300272

Hemant Kumar Lakhotia  
(Partner)

Membership No. 068851

Kolkata, 26th day of May, 2022

For and on Behalf of the Board of Directors

Vineet Agarwal  
Director  
DIN:00441223

Umesh Kumar Jhunjhunwala  
Director  
DIN:00448079

## Summary of Significant Accounting Policies

### 1. Corporate Information

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

### 2. Significant Accounting Policies

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

##### (a) Statement of compliance

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

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on May 26<sup>th</sup>, 2022.

##### (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.



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## Liabilities

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

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

## Operating cycle

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

## III. Fair value measurement

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

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

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

## IV. Property, Plant and Equipment

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

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

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

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

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

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

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






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

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

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

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

#### V. Intangible Assets

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

The Company currently does not have any intangible asset.

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

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

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

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

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

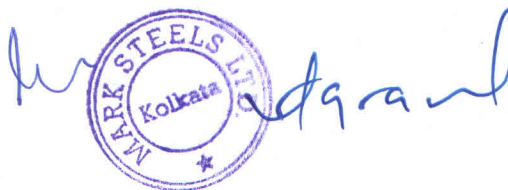
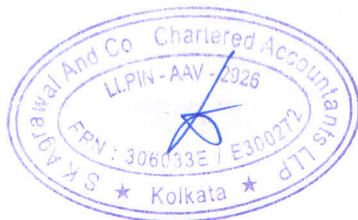
#### VIII. Financial Assets and Liabilities

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

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

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

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



### XIII. Employee Benefits

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

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

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

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

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

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

### XIV. Revenue from contract with customer

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

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

#### Sale of Products

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

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

#### Contract balances

#### Trade receivables

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



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### 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

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.



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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 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**

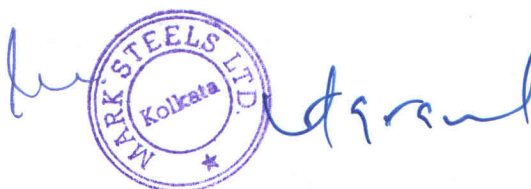
Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering 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:



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

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

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

#### **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



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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

On March 23, 2022 the Ministry of Corporate Affairs issued, The Companies (Indian Accounting Standards) Amendments Rules, 2022, notifying amendments to the following accounting standards. The amendments would be effective from April 1, 2022.

1. Ind AS 103, Business Combination

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements

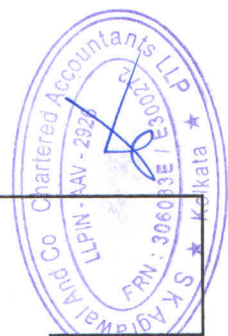
2. Ind AS 16, Property, Plant And Equipment

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statement



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Particulars	Gross Carrying Value / Deemed Cost				Accumulated Depreciation / Amortisation				Net Block	
	As at 1st April 2021	Additions	Disposal/ Adjustments	As at 31st Mar 2022	As at 1st April 2021	Deductions/ Adjustments	Charge for the year	Up to 31st Mar 2022	As at 31st Mar 2022	As at 31st Mar 2021
<b>Property, Plant and Equipment:</b>										
a) Land	102.61	-	-	102.61	-	-	-	-	102.61	102.61
b) Factory Building	369.88	-	-	369.88	68.49	-	14.49	82.98	286.90	301.39
c) Plant & Equipment	1,392.06	6.68	-	1,398.74	530.11	-	69.18	599.29	799.45	861.95
d) Electrical Installation	131.87	-	-	131.87	112.43	-	1.85	114.28	17.59	19.44
e) Electric Generator	43.15	-	-	43.15	33.60	-	1.53	35.13	8.02	9.55
f) Computers	4.24	0.22	-	4.46	2.09	-	0.45	2.54	1.92	2.15
g) Office Equipment	8.26	0.53	-	8.79	3.03	-	0.80	3.83	4.96	5.23
h) Furniture & Fixtures	1.59	2.07	-	3.66	0.67	-	0.29	0.96	2.70	0.92
i) Vehicles	104.23	53.97	16.70	141.50	34.36	-	13.67	32.16	109.34	69.86
<b>Capital Work in Progress</b>	<b>2,157.89</b>	<b>63.47</b>	<b>16.70</b>	<b>2,204.66</b>	<b>784.78</b>	<b>15.87</b>	<b>102.26</b>	<b>871.17</b>	<b>1,333.49</b>	<b>1,373.10</b>
	19.56	-	-	19.56	-	-	-	-	19.56	19.56
	<b>2,177.45</b>	<b>63.47</b>	<b>16.70</b>	<b>2,224.22</b>	<b>784.78</b>	<b>15.87</b>	<b>102.26</b>	<b>871.17</b>	<b>1,353.05</b>	<b>1,392.66</b>
<b>b) As at March 31, 2021</b>										
<b>Property, Plant and Equipment:</b>										
a) Land	102.61	-	-	102.61	-	-	-	-	102.61	102.61
b) Factory Building	369.88	-	-	369.88	54.00	-	14.49	68.49	301.39	315.88
c) Plant & Equipment	1,392.06	-	-	1,392.06	440.76	-	89.35	530.11	861.95	951.30
d) Electrical Installation	131.87	-	-	131.87	102.19	-	10.24	112.43	19.44	29.69
e) Electric Generator	43.15	-	-	43.15	29.73	-	3.87	33.60	9.55	13.42
f) Computers	3.93	0.31	-	4.24	1.55	-	0.54	2.09	2.15	2.38
g) Office Equipment	5.24	3.02	-	8.26	2.46	-	0.57	3.03	5.23	2.78
h) Furniture & Fixtures	1.59	-	-	1.59	0.57	-	0.10	0.67	0.92	1.02
i) Vehicles	95.58	8.65	-	104.23	26.17	-	8.19	34.36	69.87	69.41
<b>Capital Working Progress</b>	<b>2,145.91</b>	<b>11.98</b>	-	<b>2,157.89</b>	<b>657.43</b>	-	<b>127.35</b>	<b>784.78</b>	<b>1,373.10</b>	<b>1,488.49</b>
	15.20	4.36	-	19.56	-	-	-	-	19.56	15.20
	<b>2,161.11</b>	<b>16.34</b>	-	<b>2,177.45</b>	<b>657.43</b>	-	<b>127.35</b>	<b>784.78</b>	<b>1,392.66</b>	<b>1,503.69</b>
<b>c) Capital Work-in-Progress ageing Schedule</b>										
CWIP	31st March 2022								Total	
	Amount in CWIP for a period of								Less than 1 Year	More than 3 Years
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	1-2 Years	2-3 Years	More than 3 Years	Total	
Projects in progress	-	4.36	7.20	8.00	19.56	7.20	8.00	-	19.56	



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Notes to financial statements as at and for the year ended March 31, 2022

		As at 31st March, 2022	As at 31st March, 2021
4	Investments		
	A. Non- Current		
	(i) Unquoted Mutual Funds		
	Birla Sun Life Equity Fund (31st March 2022 -NIL 31st March 2021 - 1583.979 units )	-	14.83
	Aditya Birla Sun Life Flexi Cap Fund- DP Growth ( 31st March,2022 1459.587units 31st March 2021 NIL )	18.03	-
	DSP Black Rock Equity Fund (31st March 2022- NIL 31st March 2021 - 70654.225 units )	-	20.80
	DSP Focus Fund Direct Plan - Growth ( 31ST March 2022 65790.404 31st March ,2021 NIL )	23.27	-
	Kotak Emerging Equity Fund (31st March 2022 - NIL 31st March 2021 - 55448.728 units)	-	31.82
	Kotak Emerging Equity Fund- Dir Plan Gr ( 31st March 2022 49986.465 31st March,2021 NIL )	39.80	-
	HDFC Equity Fund ( 31st March 2022- NIL and 31st March 2021 - 3676.470 units)	-	29.32
	HDFC Flexi cap fund DP Growth ( 31st March 2022 3446.110 Units 31st March 2021 NIL )	37.28	-
	<b>Total</b>	<b>118.38</b>	<b>96.77</b>
	<b>Aggregate amount of Unquoted investments</b>		
	Investments carried at fair value through profit or loss (FVTPL)	118.38	96.77
5	Others Financial Assets (Non-Current)	As at 31st March, 2022	As at 31st March, 2021
	(Carried at amortized cost)		
	Unsecured, Considered Good :		
	Fixed Deposits with Banks with original maturity of More than 12 months	11.12	10.42
	<b>Total</b>	<b>11.12</b>	<b>10.42</b>
6	Inventories	As at 31st March, 2022	As at 31st March, 2021
	Valued at Lower of Cost or Net Realisable Value		
	Raw Material	1,279.65	1,818.52
	Raw Material in transit	23.20	32.67
	Finished Goods	230.07	307.11
	Stores & Spares	41.83	45.86
	<b>Total</b>	<b>1,574.75</b>	<b>2,204.16</b>
7	Current Investments carried at fair value through profit or loss (FVTPL)	As at 31st March, 2022	As at 31st March, 2021
	Unquoted Instruments		
	Investments in Mutual Fund		
	HDFC Mid Cap Opportunities Fund ( 31st March 2022 - NIL and 31st March 2021 -22937.753 units )	-	16.84
	HDFC Mid Cap Opportunities Fund- DG ( 31st March 2022 21355.142units 31st March 2021 NIL )	20.89	-
	HDFC Ultra Short Term Fund - DIR Plan GR ( 31st March 2022 -32288185.87 units and 31st March 2021 - 24786638.753 units )	4,007.87	2,959.34
	HDFC Ultra Short Term Fund Post Nfo Coll A/c ( 31st March 2022- NIL and 31st March 2021- 4820.556 units)	-	0.57
	<b>Total</b>	<b>4,028.76</b>	<b>2,976.75</b>
	<b>Aggregate amount of Unquoted investments</b>		
	Investments carried at costs	-	-
	Investments carried at fair value through profit or loss (FVTPL)	4,028.76	2,976.75
8	Trade receivables	As at 31st March, 2022	As at 31st March, 2021
	(Carried at amortised cost)		
	Unsecured, Considered Good :		
	Trade Receivables ( Refer Note 8.1)	487.62	360.54
	<b>Total</b>	<b>487.62</b>	<b>360.54</b>



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Notes to financial statements as at and for the year ended March 31, 2022

8.1 Trade Receivable ageing schedule as on March 31, 2022

Particulars	Outstanding for the following period from due date of transaction					Total
	Less than 6 Months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed Trade receivable considered good	419.71	3.19	13.78	50.00	0.94	487.62

Trade Receivable ageing schedule as on March 31, 2021

Particulars	Outstanding for the following period from due date of transaction					Total
	Less than 6 Months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Undisputed Trade receivable considered good	306.69	-	52.16	0.75	0.94	360.54

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

	As at 31st March, 2022	As at 31st March, 2021
Balances with Banks		
In Current Accounts	1.02	3.74
In Cash Credit Accounts	296.31	46.04
Cheques in hand	518.25	540.57
Cash on Hand	10.63	18.83
<b>Total</b>	<b>826.21</b>	<b>609.18</b>

10 Other Bank Balances

	As at 31st March, 2022	As at 31st March, 2021
Other bank balances - Fixed Deposits with Bank (Pledged)	67.45	64.51
<b>Total</b>	<b>67.45</b>	<b>64.51</b>

11 Loans - Current

(Carried at amortized cost)

(Unsecured, considered good)

	As at 31st March, 2022	As at 31st March, 2021
Loan to Body Corporate	1.29	1.29
<b>Total</b>	<b>1.29</b>	<b>1.29</b>

12 Others Financial Assets (Current)

(Carried at amortized cost)

	As at 31st March, 2022	As at 31st March, 2021
Security deposits	5.49	5.49
Interest accrued on fixed deposits	4.19	3.47
<b>Total</b>	<b>9.68</b>	<b>8.96</b>

13 Other Current Assets

(Unsecured, considered good unless otherwise stated)

	As at 31st March, 2022	As at 31st March, 2021
Advance to suppliers and others	1,336.50	1,154.47
Balances with government authorities:		
Excise duty and GST	15.64	14.72
Sales tax incentive receivable from WBIDC	330.87	330.87
Prepaid Expenses	10.16	8.13
Others	1.45	1.44
<b>Total</b>	<b>1,694.62</b>	<b>1,509.63</b>

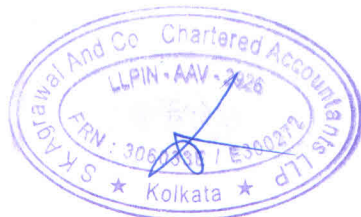
14 Share Capital

a) Authorised:

	As at 31st March, 2022	As at 31st March, 2021
4,500,000 Equity Shares of Rs.10/- each	450.00	450.00
	450.00	450.00

b) Issued, Subscribed and fully paid-up Shares:

	As at 31st March, 2022	As at 31st March, 2021
4,285,714 Equity Shares of Rs. 10/- each fully paid up	428.57	428.57
	428.57	428.57



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MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2022

c) Details of shareholders holding more than 5% shares along with number of shares held:

Name of Shareholders	As at March 31, 2022		As at March 31, 2021	
	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) Promoter Shareholding

Disclosure of Shareholding of Promoters as at 31st March, 2022:

SI No	Promoter Name	No of Shares as on 1.04.2021	No of Shares as on 31.03.2022	% of Total Shares	% Change during the year
1	Manaksia Ferro Industries Limited	29,99,994	29,99,994	70.00	NIL
2	AGR Capital Markets Limited	12,85,713	12,85,713	30.00	NIL
Total		42,85,707	42,85,707	100.00	NIL

Disclosure of Shareholding of Promoters as at 31st March, 2021:

SI No	Promoter Name	No of Shares as on 1.04.2020	No of Shares as on 31.03.2021	% of Total Shares	% Change during the year
1	Manaksia Ferro Industries Limited	29,99,994	29,99,994	70.00	NIL
2	AGR Capital Markets Limited	12,85,713	12,85,713	30.00	NIL
Total		42,85,707	42,85,707	100.00	NIL

e) Reconciliation of the shares outstanding is set out below:

	2021-22 No. of shares	2020-21 No. of shares
Equity Shares		
At the beginning of the period	42,85,714.00	42,85,714.00
Outstanding at the end of the period	42,85,714.00	42,85,714.00

f) The Company is a Subsidiary Company of Manaksia Ferro Industries Limited.

g) No Shares has been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment

h) 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.

15 Other equity	As at 31st March, 2022	As at 31st March, 2021
A. Capital Reserve	250.00	250.00
B. Securities Premium Reserve	1,221.43	1,221.43
C. Retained Earnings	6,450.81	5,398.43
Total	7,922.24	6,869.86

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

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

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

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



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Notes to financial statements as at and for the year ended March 31, 2022

		As at 31st March, 2022	As at 31st March, 2021		
16	<b>Borrowings</b>				
	(Carried at amortised cost)				
	<b>Secured</b>				
	Term Loans from Banks	6.92	22.49		
	Less: Current maturity of long term debts (refer note 19)	5.17	15.96		
	<b>Total</b>	<b>1.75</b>	<b>6.53</b>		
	(i) Repayment terms and nature of securities given for term loan as follows :				
	<b>Name of the Bank / Instrument</b>	<b>Nature of Security</b>	<b>Repayment terms</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>Secured</b>				
	ICICI Bank Limited	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 47 equal Monthly installment of Rs.45,375 each commencing from April, 2018. Interest @ 9.26%p.a. is serviced on monthly basis as and when due.	0.38	5.50
	ICICI Bank Limited	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 36 equal Monthly installment of Rs.67,331 each commencing from July, 2019. Interest @ 9.5%p.a. is serviced on monthly basis as and when due.	1.99	9.49
	ICICI Bank Limited	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 36 equal Monthly installment of Rs.37,942 each commencing from May, 2018. Interest @ 8.60%p.a. is serviced on monthly basis as and when due.	-	0.38
	HDFC BANK	Exclusive hypothecation charge over the machinery/ equipment acquired under facilities out of the said loan.	Repayable in 36 equal monthly instalment of Rs. 25,577 each commencing from Nov,2020. Interest @8.1 % p.a. is serviced on monthly basis as and when due.	4.55	7.13
	<b>Total</b>			<b>6.92</b>	<b>22.50</b>
17	<b>Provisions</b>				
	Provision for Employee Benefit - Gratuity (Refer Note No. 33)			101.14	91.22
	<b>Total</b>			<b>101.14</b>	<b>91.22</b>
18	<b>Deferred Tax Liability (Net)</b>			<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
	<b>a) Deferred Tax Assets</b>				
	Expenses allowable against taxable income in future years			25.46	22.96
	Timing difference on fair valuation of unquoted Investment			-	-
				<b>25.46</b>	<b>22.96</b>



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Notes to financial statements as at and for the year ended March 31, 2022

b) Deferred Tax Liabilities		
Timing difference in depreciable assets	(184.17)	(190.87)
Timing difference on fair valuation of unquoted Investment	(10.20)	(12.54)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(168.90)</b>	<b>(180.45)</b>

	As at 31st March, 2022	As at 31st March, 2021
<b>19 Borrowings</b> (Carried at amortised cost)		
Secured		
Rupee denominated Cash Credit (Refer Note No. 19.1)	99.88	101.46
Current maturities of long-term borrowings (Refer note 16)	5.17	15.96
<b>Total</b>	<b>105.05</b>	<b>117.42</b>

19.1 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.

	As at 31st March, 2022	As at 31st March, 2021
<b>20 Trade Payables</b> (Carried at amortised cost)		
MSMED [refer note (a) below]	-	-
Other trade payables	883.96	982.83
<b>Total</b>	<b>883.96</b>	<b>982.83</b>

	As at 31st March, 2022	As at 31st March, 2021
(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSI	-	-
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end	-	-
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	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has	-	-
(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	-	-
The above disclosures are provided by the Company based on the information available with		

Trade Payable ageing schedule as on March 31, 2022

Particulars	Outstanding for the following period from due date of transaction				Total
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Other Trade Payable	484.29	39.09	6.91	353.67	883.96

Trade Payable ageing schedule as on March 31, 2021

Particulars	Outstanding for the following period from due date of transaction				Total
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
Other Trade Payable	574.53	50.68	59.31	298.31	982.83

	As at 31st March, 2022	As at 31st March, 2021
<b>21 Other Financial liabilities</b>		
Employee Benefits Payables	30.11	27.25
Other Payables	2.70	2.64
<b>Total</b>	<b>32.81</b>	<b>29.89</b>



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MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2022

	As at 31st March, 2022	As at 31st March, 2021
<b>22 Other Current Liabilities</b>		
Advance from customers	18.12	156.38
Statutory dues*	294.74	318.85
<b>Total</b>	<b>312.86</b>	<b>475.23</b>
* Statutory dues includes liabilities toward Gst, Provident Fund, Tax Deducted at Source etc.		
<b>23 Current Tax Liabilities</b>	As at 31st March, 2022	As at 31st March, 2021
Provision for taxation (Net of advance tax)	215.64	52.88
<b>Total</b>	<b>215.64</b>	<b>52.88</b>
<b>24 Revenue from Operations</b>	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	19,343.72	15,876.63
<b>Total</b>	<b>19,343.72</b>	<b>15,876.63</b>
	For the year ended March 31, 2022	For the year ended March 31, 2021
Metal Products	19,343.72	15,876.63
<b>Total</b>	<b>19,343.72</b>	<b>15,876.63</b>
<b>25 Other Income</b>	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income from Current Investment carried at FVTPL:</b>		
Net Gain/(Loss) on Fair Valuation of Mutual Fund Units	(9.33)	67.93
Net Gain/(Loss) on Sale/Redemption of Mutual Fund Units	162.93	32.78
Interest on Fixed deposits	4.89	7.94
Profit on Sale of Property, plant and equipment (net)	0.18	-
<b>Total</b>	<b>158.67</b>	<b>108.65</b>
<b>26 Cost of material consumed</b>	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	1,818.52	2,841.28
Add: Purchases during the year	15,436.54	10,698.31
Less: Inventory at the end of the year	1,279.65	1,818.52
<b>Cost of Raw Material Consumed</b>	<b>15,975.41</b>	<b>11,721.07</b>
<b>27 Changes in inventories of finished goods</b>	For the year ended March 31, 2022	For the year ended March 31, 2021
Closing Stock of Finished Goods	230.07	307.11
Less: Opening Stock of Finished Goods	307.11	261.48
<b>(Increase) / Decrease</b>	<b>(77.04)</b>	<b>45.63</b>
<b>28 Employee benefits expense</b>	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and Bonus	481.41	430.96
Contribution to Provident and other funds	20.45	14.43
Gratuity	14.38	13.01
Staff Welfare Expenses	5.48	5.04
<b>Total</b>	<b>521.72</b>	<b>463.44</b>
<b>29 Finance costs</b>	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses		
- to other entities	2.16	6.79
- to bank	8.25	6.10
<b>Total</b>	<b>10.41</b>	<b>12.89</b>



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MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2022

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>30 Other expenses</b>		
Stores & Consumables	284.52	270.54
Power & Fuel	446.88	505.97
Repairs		
- Repairs to buildings	5.37	0.17
- Repairs to machinery	20.26	9.52
- Repairs to others	1.30	2.63
Other Manufacturing Expenses	197.74	179.96
Rates & Taxes	3.12	3.46
Telephone & Telex	3.77	2.34
Postage & Courier	1.51	1.28
Travelling & Conveyance	6.46	5.44
Rent	4.49	3.72
Insurance	6.90	7.31
Bank Charges	6.69	13.23
Auditors' Remuneration		
- For Statutory Audit	2.00	2.00
- For Tax Audit	0.35	0.35
- For Other Services	0.50	0.73
Miscellaneous Expenses	57.71	72.92
Security Service Charges	30.42	27.55
Freight, Forwarding & Handling Expenses	233.81	236.34
Donation	31.82	19.80
Printing & Stationery	1.20	1.25
Professional & Consultancy charges	4.03	3.03
Foreign currency fluctuation loss (net)	-	2.13
Sundry Balance written off(Net)	7.14	139.11
<b>Total</b>	<b>1,357.99</b>	<b>1,510.78</b>
	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
<b>31 Other Comprehensive Income</b>		
(A) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1.89	(1.32)
<b>Total</b>	<b>1.89</b>	<b>(1.32)</b>



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**MARK STEELS LIMITED**
**Notes to financial statements as at and for the year ended March 31, 2022**
**32 Effective Tax Reconciliation**

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

Particulars	March,31 2022	March,31 2021
<b>A. Amount recognized in profit or loss</b>		
<b>Current Tax</b>		
Current period	390.00	550.00
Changes in respect of current income tax of previous years	29.23	(0.74)
	(a)	
	419.23	549.26
<b>Deferred Tax</b>		
Attributable to -		
Origination and reversal of temporary differences	12.17	12.75
	(b)	
	12.17	12.75
<b>Tax expenses reported in the Standalone Statement of Profit and Loss (a-b)</b>	<b>407.06</b>	<b>536.51</b>
<b>B. Income tax recognized in Other Comprehensive Income</b>		
Deferred tax relating to items recognized in other comprehensive income during the	(0.63)	0.44
<b>Income tax expense charged to Other Comprehensive Income</b>	<b>(0.63)</b>	<b>0.44</b>

**C. Reconciliation of tax expense and the accounting profit for March 31, 2022 and March 31, 2021:**

Particulars	March,31 2022	March,31 2021
Accounting profit before income tax	1,457.56	2,195.38
Statutory Income Tax rate *	25.168%	25.168%
Tax at the applicable India tax rate	366.84	552.53
<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	7.00	12.00
Income Exempt from Tax / Items not deductible	16.16	(14.53)
Other adjustments	17.06	(13.49)
	<b>407.06</b>	<b>536.51</b>

**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, 2022
Property, plant and equipment	(190.87)	6.70	-	(184.17)
Unquoted Investment	(12.54)	2.34	-	(10.20)
Provision for Gratuity	22.96	3.13	(0.63)	25.46
<b>Total</b>	<b>(180.45)</b>	<b>12.17</b>	<b>(0.63)</b>	<b>(168.91)</b>
	Balance as on April 1, 2020	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2021
Property, plant and equipment	(202.94)	12.07	-	(190.87)
Unquoted Investment	5.06	(17.60)	-	(12.54)
Provision for Gratuity	4.24	18.28	0.44	22.96
<b>Total</b>	<b>(193.64)</b>	<b>12.75</b>	<b>0.44</b>	<b>(180.45)</b>

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

Particulars	March,31 2022	March,31 2021
Deferred tax assets	15.26	22.96
Deferred tax liabilities	(184.17)	(203.41)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(168.91)</b>	<b>(180.45)</b>





**33 Employee benefit obligations / expenses**

**(1) Post Employment Defined Contribution Plan**

The Company contributes to the Provident Fund (PF) maintained by the Regional Provident Fund Commissioner. Under the PF scheme contributions are made by both the Company and its eligible employees to the Fund, based on the current salaries. An amount of Rs. 18.94 lacs (31 March 2021 : Rs 14.43 lacs) has been charged to the Statement of Profit and Loss towards Company's contribution to the aforesaid PF scheme. Apart from making monthly contribution to the scheme, the Company has no other obligation.

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

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

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

	For the year ended March 31,2022	For the year ended March 31,2021
<b>Balance sheet amount:</b>		
Present value of defined benefit obligation at beginning of period	91.22	77.66
Current Service cost	8.27	7.89
Interest cost/Income	6.11	5.13
<b>Total amount recognised in profit or loss</b>	<b>105.60</b>	<b>90.68</b>
Remeasurements (gains)/losses	-	-
- Change in Demographic assumptions	(3.28)	(0.80)
- Change in Financial assumptions	0.76	2.57
- Experience Variance (i.e Actual Experience vs assumptions)	(2.52)	1.77
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(1.94)</b>	<b>(1.22)</b>
Benefits paid	101.14	91.23
<b>Present value of defined benefit obligation at end of period</b>		

	As at March 31,2022	As at March 31,2021
<b>Principal Actuarial Assumption Used:</b>		
Discount Rates	7.10%	6.70%
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 2022</b>					
Defined benefit obligation	15.48	27.10	45.92	113.12	201.62
<b>As at 31 March 2021</b>					
Defined benefit obligation	10.49	23.35	41.91	109.90	185.65

**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, 2022		As at March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	109.70	93.68	99.79	83.81
Salary Growth Rate (-/+1%)	93.28	110.02	83.45	100.07
Attrition Rate (-/+50%)	99.82	102.34	90.11	92.22
Mortality Rate (-/+10%)	100.92	101.36	91.04	91.40
	403.72	407.40	364.39	367.50

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.



**MARK STEELS LIMITED**

**Notes to financial statements as at and for the year ended March 31, 2022**

**34 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 31,2022	For the year ended March 31,2021
(a) Gross amount required to be spent by the Company during the year	27.25	17.20
(b) Amount Spent during the year		
Education and Skill development	22.44	10.34
Health Care	5.00	5.00
Others		2.00
(c) Amount unspent during the year	-	-
(d) Total of previous year shortfall	-	-
<b>Total</b>	<b>27.44</b>	<b>17.34</b>

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

	For the year ended March 31,2022	For the year ended March 31,2021
(I) Basic		
a. Profit after tax	1,050.50	1,658.87
b. (i) Weighted average number of Equity Shares	42,85,714.00	42,85,714.00
(ii) Face Value of each Equity Share (Rs.)	10.00	10.00
c. Earning per Share - Basic & Diluted [a / (b(i))] (Rs.)	24.51	38.71

**36 Contingent liabilities and Commitments**

	As at 31st March, 2022	As at 31st March, 2021
	Rs. In lacs	Rs. In lacs
<b>A. Contingent liabilities</b>		
<b>(a) Other money for which the Company is contingently liable</b>		
(i) Entry tax demand under appeal / contest	337.70	337.70
(ii) Income tax under rectification	49.42	46.52
(iii) ESI Demand under appeal	3.02	3.02
<b>(b) Guarantees</b>		
(i) Counter guarantee given in favour of Company's Bankers for Bank Guarantee issued	347.30	347.30

**37 Segment information**

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

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

**37.1** Total revenue from customers includes sales to two parties of Rs 4665.49 lacs ( Previous Year : Nil) which represents more than 10% of the total revenue from single customers of the company.





**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2022

**38 Financial Instruments disclosure**

**(A) CATEGORIES OF FINANCIAL INSTRUMENTS**

Particulars	Ref Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>Financial Assets</b>			
<b>Measured at Amortised Cost</b>			
Other financial assets	5	11.12	10.42
Trade receivables	8	487.62	360.54
Cash and Cash Equivalents	9	826.21	609.18
Other Bank Balances	10	67.45	64.51
Current Loans	11	1.29	1.29
<b>Total financial assets measured at amortised cost</b>		<b>1,393.69</b>	<b>1,045.94</b>
<b>Measured at Fair Value through Profit or Loss</b>			
Current Investments	7	4,028.76	2,976.75
Non Current Investments	4	118.38	96.77
<b>Total Financial Assets measured at Fair Value through Profit or Loss</b>		<b>4,147.14</b>	<b>3,073.52</b>
<b>Financial Liabilities</b>			
<b>Measured at Amortised Cost</b>			
Non Current borrowings	16	1.75	6.53
Current borrowings	19	105.05	117.42
Trade Payables	20	883.96	982.83
Other financial liabilities	21	32.81	29.89
<b>Total financial liabilities measured at amortised cost</b>		<b>1,023.57</b>	<b>1,136.67</b>

**(B) Fair Values**

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments (unquoted) in mutual funds	4,147.14	3,073.52

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

Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2022:

**A. Financial assets:**

Assets measured at fair value:

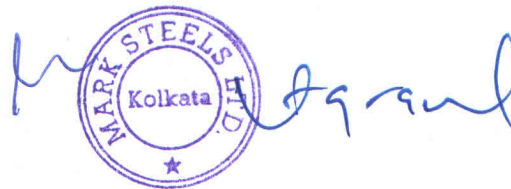
Investments (unquoted) in mutual funds	31st March 2022	4,147.14	-	-
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Quantitative disclosures of fair value measurement hierarchy for assets as at 31st March 2021:

**A. Financial assets:**

Assets measured at fair value:

Investments (unquoted) in mutual funds	31st March 2021	3,073.52	-	-
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**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) During the year ended 31st March 2022 and 31st March 2021, there were no transfer between different levels of fair value measurement.

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Loans and advances in the nature of loan to others</b>		
i) Loan to Vedic Realty Private Limited		
Balance at the year end	1.29	1.29
Maximum amount outstanding at any time during the year	1.29	1.29
It carries rate of interest of 15%.		

**40 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) Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. The Company have interest bearing liabilities having MCLR based floating rate of interest. The Company's Interest rate exposure is mainly related to its debt obligation.

Based on the composition of debt as at March 31, 2022 and March 31, 2021 a 100 basis points increase in interest rates would increase the Company's finance cost and there by consequently reduce net profit and equity before considering tax impacts by approximately Rs 1.07 Lacs for the year ended March 31, 2022 (2020-21 : Rs 1.24 Lacs)

This calculation assumes that the change occurs at the Balance Sheet date and has been calculated based on Risk exposures outstanding as at that date. The period end Balances are not necessarily representative of the average debt outstanding during the period.

**(b) Security price risk**

Security price risk is related to change in market reference price of investment in equity securities held by the Company. The fair value of unquoted investment held by the Company exposes the Company to equity price risk. In general, these investment are held for deploying surplus funds .

The fair value of investment in equity and mutual fund classified as Fair Value through Profit & Loss as at March 31,2022 and March 31, 2021 was Rs 4147.14 Lacs and Rs 3073.52 Lacs respectively.

A 10% change in prices of such securities held as at March 31,2022 and March 31, 2021 , would result in an impact of Rs 414.71 Lacs and Rs 307.35 Lacs respectively on Profit before Tax.

**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.



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Kolkata  
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**MARK STEELS LIMITED****Notes to financial statements as at and for the year ended March 31, 2022****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	Less than 1 year	Payable in more than 1 year	Total
<b>As at 31st March 2022</b>			
Non Current borrowings	-	1.75	1.75
Current borrowings	105.05	-	105.05
Trade Payables	883.96	-	883.96
Other financial liabilities	32.81	-	32.81
	<b>1,021.82</b>	<b>1.75</b>	<b>1,023.57</b>
<b>As at 31st March 2021</b>			
Non Current borrowings	-	6.53	6.53
Current borrowings	117.42	-	117.42
Trade Payables	982.83	-	982.83
Other financial liabilities	29.89	-	29.89
	<b>1,130.14</b>	<b>6.53</b>	<b>1,136.67</b>

**41 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, 2022	As at 31st March, 2021
Total borrowings	101.63	107.99
Less: Cash and cash equivalents	(826.21)	(609.18)
Less: Current Investments	(4,028.76)	(2,976.75)
Less: Non Current Investments	(118.38)	(96.77)
Less: Other Bank Balances	(67.45)	(64.51)
<b>Net Debt</b>	<b>(4,939.17)</b>	<b>(3,639.22)</b>
<b>Equity</b>	<b>8,350.81</b>	<b>7,298.42</b>
<b>Total Capital (Equity + Net Debt)</b>	<b>3,411.64</b>	<b>3,659.20</b>
<b>Net Debt to Equity ratio</b>	<b>(0.59)</b>	<b>(0.50)</b>



**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2022

**42 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 (ceased w.e.f 21st May,2021)  
Nidhi Baheti (appointed w.e.f 15th June,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

Manaksia Steels Ltd.  
Vajra Machinerics Pvt.Ltd.

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

Industrify Technologies Pvt.Ltd.

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

<u>Nature of Transactions</u>	<u>Name of related parties</u>	<u>31 March 2022</u>	<u>31 March 2021</u>
Purchase	Industrify Technologies Pvt.Ltd.	40.89	46.94
Sitting Fees	Vineet Agarwal	0.06	0.06
	Smita Khaitan	-	0.11
	Nidhi Baheti	0.08	-
	Kali Kumar Choudhury	0.12	0.11
Remuneration	Umesh Kumar Jhunjhunwala	60.00	60.00
	Ashish Jhunjhunwala	42.00	42.00
	Rohit Jhunjhunwala	30.00	30.00
	Nilesh Jhunjhunwala	27.60	27.60
	Sajjan Jhunjhunwala	15.00	15.00

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

<u>Name of related parties</u>	<u>As at 31st March, 2022</u>	<u>As at 31st March, 2021</u>
Trade Payable	4.20	4.42



MARK STEELS LTD. Kolkata

*Umesh Kumar Jhunjhunwala*

The Company is filing monthly statement of Inventories, Trade Receivables and Trade Payables to IDBI and IndusInd Bank for working capital loan. The below is summary of Quarterly Reconciliation of statement filed to the banks and books of accounts.

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Quarter	Particulars of Security Provided	Amount as per Books of Account	Amount as reported in the statement	Amount of Difference
March'22	Inventory - Raw Materials	1,302.85	1,302.98	(0.13)
	Inventory - Finished Goods	230.07	230.07	-
	Trade Receivables	487.62	488.21	(0.59)
	Trade Payables	883.96	680.35	203.61
December'21	Inventory - Raw Materials	901.71	901.69	0.02
	Inventory - Finished Goods	224.26	222.80	1.46
	Trade Receivables	304.23	304.23	-
	Trade Payables	980.66	142.78	837.88
September'21	Inventory - Raw Materials	1,161.56	1,154.76	6.80
	Inventory - Finished Goods	618.49	608.94	9.55
	Trade Receivables	311.48	364.24	(52.76)
	Trade Payables	852.01	135.42	716.59
June'21	Inventory - Raw Materials	2,642.69	2,638.18	4.51
	Inventory - Finished Goods	586.85	709.02	(122.17)
	Trade Receivables	306.95	306.95	-
	Trade Payables	1,057.56	607.88	449.68

These statements were prepared and filed before the completion of financial statement closure activities including Ind AS adjustments/reclassification and regrouping as applicable, which led to these differences between final books of account and provisional statements submitted at the end of the quarter to banks.



MARK STEELS LIMITED

Notes to financial statements as at and for the year ended March 31, 2022

44 Additional Regulatory Information  
Ratios

S.No	Ratios	Numerator	Denominator	31st March 2022	31st March 2021	% Change from 31st March 2021 to 31st March 2022	Reason for Variance
1)	Current Ratio	Current Assets	Current Liabilities	5.606	4.665	20.17%	
2)	Debt-Equity Ratio	Debt (Borrowing)	Total Equity	0.013	0.017	-23.53%	
3)	Debt Service Coverage Ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Debt (Borrowing)	14.703	18.843	-21.97%	
4)	Return on Equity Ratio	Net Profit after Tax for the period/year Less Preference Dividend	Average Equity	13.43%	25.64%	-47.62%	On account of reduced profit.
5)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	63.325	44.475	42.38%	On account of high raw material cost.
6)	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	45.613	50.786	-10.19%	
7)	Trade Payables Turnover Ratio	Purchases	Average Trade Payables	16.538	7.489	120.83%	On account of high raw material cost.
8)	Net Capital Turnover Ratio	Revenue from Operations	Working Capital	2.709	2.613	3.67%	
9)	Net Profit Ratio	Net Profit after Tax for the year	Revenue from Operations	5.43%	10.45%	-48.04%	On account of reduced profit.
10)	Return on Capital Employed	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Equity + Debt (Borrowings)	18.57%	31.47%	-40.99%	On account of reduced profit.
11)	Return on Investment	Interest Income on fixed deposits, bonds and debentures + Dividend Income + Profit on sale of investments + Profit on fair valuation of investments carried at FVTPL	Current investments + Non current Investments + Other bank balances	3.76%	3.46%	8.67%	





**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2022

**Elements of Ratios**

S.No	Ratios	Numerator	Denominator	31st March 2022		31st March 2021	
				Numerator	Denominator	Numerator	Denominator
1)	Current Ratio	Current Assets	Current Liabilities	8,690.37	1,550.32	7,735.02	1,658.25
2)	Debt-Equity Ratio	Debt (Borrowing)	Total Equity	106.80	8,350.81	123.95	7,298.42
3)	Debt Service Coverage Ratio	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Debt (Borrowing)	1,570.23	106.80	2,335.62	123.95
4)	Return on Equity Ratio	Net Profit after Tax for the period/year Less Preference Dividend	Average Equity	1,050.50	7,824.62	1,658.87	6,469.66
5)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	17,008.52	268.59	12,644.23	284.30
6)	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	19,343.72	424.08	15,876.63	312.62
7)	Trade Payable Turnover Ratio	Purchases	Average Trade Payables	15,436.54	933.40	10,698.31	1,428.48
8)	Net Capital Turnover Ratio	Revenue from Operations	Working Capital	19,343.72	7,140.05	15,876.63	6,076.77
9)	Net Profit Ratio	Net Profit after Tax for the year	Revenue from Operations	1,050.50	19,343.72	1,658.87	15,876.63
10)	Return on Capital Employed	Earnings before interest, depreciation and taxes (Profit Before Tax + Finance cost + Depreciation)	Equity + Debt (Borrowings)	1,570.23	8,457.61	2,335.62	7,422.37
11)	Return on Investment	Interest Income on fixed deposits, bonds and debentures + Dividend Income + Profit on sale of investments + Profit on fair valuation of investments carried at FVTPL	Current investments + Non current Investments + Other bank balances	158.49	4,214.59	108.65	3,138.03

**45 Other Statutory Information**

- (i) The Company do not have any Benami Property, where any proceedings has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies):
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company(Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961.
- (vii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (viii) The Company has complied with the number of layers prescribed under clause(87) of section 2 of the Act read with the Companies(Restriction on Number of Layers) Rules,2017.
- (ix) There are no events or transactions after the reporting period which is required to be disclosed under Ind AS 10.
- (x) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. The Company has no Core Investment Company as part of the Group.



*[Handwritten signature]*

**MARK STEELS LIMITED**

Notes to financial statements as at and for the year ended March 31, 2022

46 Impact of COVID-19 (Global pandemic)

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statement including the recoverability of carrying amounts of financial and non-financial assets. The Company has, at the date of approval of the financial statement, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same.

47 These financial statements have been approved by the Board of Directors of the Company on 26th May, 2022 for issue to the shareholders for their

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

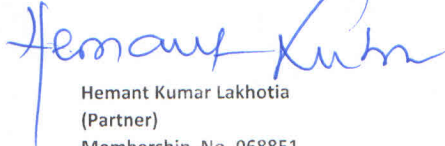
For S K AGRAWAL AND CO

CHARTERED ACCOUNTANTS LLP

Chartered Accountants

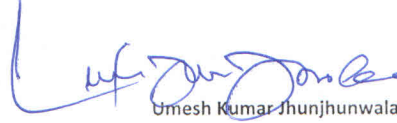
Firm Regn. No. 306033E/E300272

For and on Behalf of the Board of Directors

  
Hemant Kumar Lakhota  
(Partner)

Membership No. 068851

Kolkata, 26th day of May, 2022

  
Umesh Kumar Shunjunwala

Director

DIN:00448079



Vineet Agarwal

Director

DIN:00441223

