

AUDITOR'S REPORT

To the Members' of

QUALITY IRON AND STEEL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **QUALITY IRON AND STEEL LIMITED**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

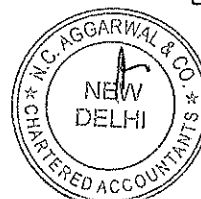
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date


Report on Other legal and regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

Place : New Delhi
Date : 24th May, 2013




(G.K. AGGARWAL)
Partner
M.No. 086622

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (1) IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31.03.2013

1. The Company, during the year, does not own any fixed assets. Accordingly, paragraphs (i) (a),(b) and (c) of the Order are not applicable.

2. The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. Accordingly, paragraphs (ii)(b) and (c) of the Order are not applicable.

3. (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs (iii)(a),(b),(c) and (d) of the Order, are not applicable.

(b) (i) As informed to us, the Company has taken interest free loan from director covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of said loan is ₹ 4,26,850/- and the year end balance of such loan is ₹ 4,26,850/-

(ii) In our opinion and according to information and explanation given to us, the interest free demand loan with relevant term and conditions on which loan has been taken are not, prima facie, prejudicial to the interest of the Company.
(iii) In respect of aforesaid loan, the amount is repayable on demand, and the question of irregularity on payment does not arise.
(iv) The aforesaid loan is repayable on demand, and therefore, the question of overdue does not arise.

4. There are no purchase of fixed assets, inventories and sale of services during the year. Accordingly, paragraph (iv) of the Order is not applicable.

5. (a) According to the information and explanations provided by the management, during the year, no contracts or arrangements with the parties referred to in section 301 of the Act have been entered into. Accordingly, paragraphs (v)(b) of the Order is not applicable.

6. The Company has not accepted any deposits from the public to which the provisions of Sections 58A and 58AA or any other provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 1975 apply.

7. To the best of our knowledge and as explained, the Company, during the year, is not required to have an internal audit system commensurate with the size and nature of its business, as the capital and the turnover does not exceed the prescribed limit.

8. As the Company has not yet commenced operation, therefore, para (viii) of the order with regard to maintenance of cost records under clause (d) of sub-section (1) of section of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 is not applicable.



9. According to the information and explanation given to us, the Company has no liabilities for statutory dues including Income Tax , Sales Tax etc, as applicable to the company. Hence para 4(ix)(a) and (b) of the Order is not applicable.
10. The accumulated losses of the Company is more than fifty percent of the net worth i.e. loss of ₹ 5,47,807/- as at 31st March,2013 . The Company has incurred cash losses in the current financial year and in immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans from banks and financial institutions or issued any debentures. Hence para4(xi) of the order with respect to default in repayment of dues to bank, financial institution and debenture holders is not applicable.
12. According to the information and explanations given to us , the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provision of clause 4(xii) of the Order,2003 are not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities , debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank / financial institutions. Hence, paragraph 4(xv) of the Order is not applicable.
16. Based on information and explanations given to us by the management, the Company, during the year, has not taken any term loan from bank. Accordingly paragraph (xvi) of the Order are not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short term basis, which has been used for long term investment.
18. The Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued secured debentures on which security is required to be created. Therefore, para 4(xix) of the Order is not applicable.




N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS

20. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that the Company, during the year has not raised money by way of public issue.
21. During the course of our examination of the books and records of the company, and according to the information and explanation given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of audit.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N



Place : New Delhi
Date : 24th May, 2013


(G.K.AGGARWAL)
Partner
M.No. 086622

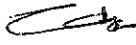
QUALITY IRON AND STEEL LIMITED

Balance Sheet as at 31st March, 2013

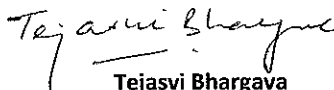
Particulars	Note No	As At 31st March,2013 (₹)	As At 31st March,2012 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	500,000	500,000
(b) Reserves and Surplus	2	(547,807)	(89,721)
(2) Current Liabilities			
(a) Short-term borrowings	3	426,850	-
(b) Other current liabilities	4	50,079	44,104
Total		429,122	454,383
II. ASSETS			
(3) Non-current assets			
(a) Other non-current assets	5	-	23,100
(4) Current assets			
(a) Cash and cash Equivalents	6	429,122	431,283
Total		429,122	454,383
Significant accounting policies and notes to the financial statements	1-14		


As per our report of even date attached.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N


G.K. Aggarwal
Partner
Membership No. 086622
Place : New Delhi
Date : 24th May , 2013




Tejasvi Bhargava
Director


Tapasvi Bhargava
Director

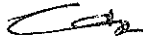
QUALITY IRON AND STEEL LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

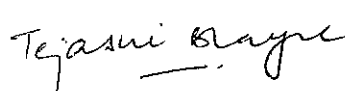

Particulars	Note No	Year Ended 31st March, 2013 (₹)	Year Ended 31st March, 2012 (₹)
I. Other Income		-	-
Total Revenue		-	-
II. Expenses:			
Financial costs	7	188	-
Other expenses	8	457,898	52,050
Total Expenses		458,086	52,050
III. Profit / (Loss) before tax (I-II)		(458,086)	(52,050)
IV. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
V. Profit/(Loss) for the year		(458,086)	(52,050)
VI. Earning per equity share:			
Basic & Diluted		(9.16)	(1.04)
Significant accounting policies and notes to the financial statements	1-14		

As per our report of even date attached.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N


G.K. Aggarwal
Partner
Membership No. 086622
Place : New Delhi
Date : 24th May , 2013



 
Tejasvi Bhargava **Tapasvi Bhargava**
Director Director

QUALITY IRON AND STEEL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

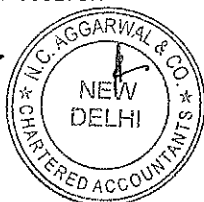
		Year Ended 31st March,2013 (₹)	Year Ended 31st March,2012 (₹)
A)	CASH INFLOW / (OUTFLOW) FROM THE OPERATING ACTIVITIES		
	Net Profit / (Loss) before tax and extra ordinary items	(458,086)	(52,050)
	Add: Preliminary Expenses W/off.	23,100	-
	Operating Profit (Loss) before working capital changes	(434,986)	(52,050)
	Adjustment for :-		
	Current liabilities	5,975	6,742
	Cash inflow (outflow) from operating activities	5,975	6,742
B)	CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES		
	Unsecured loan	426,850	-
	Increase in share capital	-	400,000
	Cash inflow (outflow) from financing activities	426,850	400,000
	Net changes in cash and cash equivalent	(2,161)	354,692
	Cash and Cash equivalent as at 31.03.2012 (Opening)	431,283	76,591
	Cash and Cash equivalent as at 31.03.2013 (Closing)	429,122	431,283

Note : - Previous year's figures have been regrouped / rearranged wherever considered necessary.

As per our report of even date attached.

For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration No. 003273N

G.K. AGGARWAL
Partner
M.No. 086622
Place : New Delhi
Date : 24th May , 2013



Tejasvi Bhargava
Tejasvi Bhargava
Director

Tapasvi Bhargava
Tapasvi Bhargava
Director

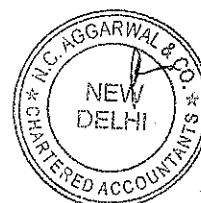
QUALITY IRON AND STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars	As At	As At
	31st March, 2013 (₹)	31st March, 2012 (₹)
1.SHARE CAPITAL		
Authorized		
5000000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
	50,000,000	50,000,000
Issued, Subscribed & Fully Paid-Up		
50000 Equity Shares of Rs. 10/-each	500,000	500,000
Total Share Capital	500,000	500,000
(a)Reconciliation of the number of shares:		
Equity Shares		
Shares outstanding as at the beginning of the year	50,000	10,000
Add: Fresh issue of shares	-	40,000
Shares outstanding as at the end of the year	50,000	50,000
(b)Details of shareholders holding more than 5% shares in the company:		
	As At	As At
	31st March, 2013	31st March, 2012
Name of Shareholders	% of holding	% of holding
Jindal Saw Ltd.	51%	51%
Shri. P.R. Jindal	10%	10%
Smt. Arti Jindal	10%	10%
Shri Tejasvi Bhargava	8%	8%
Shri Tapasvi Bhargava	8%	8%
Smt. Anshu Bhargava	7%	7%
Smt. Preet Bhargava	6%	6%
Total	100%	100%
2.RESERVES AND SURPLUS		
Balance as per last financial statements	(89,721)	(37,671)
Add: Loss transferred from Statement of profit and Loss	(458,086)	(52,050)
Balance in Profit and Loss Account Carried Forward	(547,807)	(89,721)



QUALITY IRON AND STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars	As At 31st March, 2013 (₹)	As At 31st March, 2012 (₹)
CURRENT LIABILITIES		
3. SHORT-TERM BORROWINGS		
Unsecured short term borrowings		
(a) From Others		
Loans and advances from Director	426,850	-
Unsecured Short term borrowings	426,850	-
Total Short Term Borrowings	426,850	-
4. OTHER CURRENT LIABILITIES		
Others Payables	50,079	44,104
Total Other Current Liabilities	50,079	44,104
NON-CURRENT ASSETS		
5. OTHER NON-CURRENT ASSETS		
Preliminary expenses	-	23,100
(To the extent not written off or adjusted)		
Total Other non-current assets	-	23,100
6. CASH AND BANK BALANCES		
Cash And Cash Equivalents		
Banances with Banks		
Cash-in-hand	137	-
On current accounts	428,985	431,283
Total Cash and cash equivalents	429,122	431,283



QUALITY IRON AND STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31st March, 2013 (₹)	Year Ended 31st March, 2012 (₹)
7. FINANCE COST		
Bank and Finance charges	188	-
Total Finance Cost	188	-
8. OTHER EXPENSES		
Legal and professional Fees	-	32,000
Printing and Stationery	-	300
Auditors' Remuneration	6,742	6,742
Filing Fees	428,056	13,008
Preliminary Expenses	23,100	-
Total Other Expenses	457,898	52,050



QUALITY IRON AND STEEL LIMITED.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

9. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Quality Iron and Steel Limited is a Company incorporated on 16th May, 2007 with the main object to carry on the business of mining activities and steel manufacturing.

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the company. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis.

ii) TAXATION

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

DEFERRED TAX

Deferred tax is accounted at the current rate of tax to the extent of temporary timing differences that originate in one year and are capable of reversal in one or more subsequent Years. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

10. Contingent Liabilities -

Nil



QUALITY IRON AND STEEL LIMITED.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

11. Basic and Diluted Earnings per share.

	Year Ended 31 st March,2013 (₹)	Year Ended 31 st March,2012 (₹)
Net Loss for the year	458086	52050
No. of Shares outstanding for Basic and Diluted EPS	50000	50000
Earning Per Share	-9.16	-1.04

12. **RELATED PARTY TRANSACTIONS:-**

List of Related Parties and Relationship

A) Holding Company

1. Jindal Saw Ltd.

B) Key Management Personnel

- | | |
|------------------------|----------|
| 1. Sh.Tejasvi Bhargava | Director |
| 2. Sh.Tapasvi Bhargava | Director |
| 3. Sh. Sanjiv Garg | Director |



QUALITY IRON AND STEEL LIMITED.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Transactions :

S. No.	Particulars	Relationship with the company	Nature of transaction	As At 31 st , March, 2013 (₹)	As At 31 st , March, 2012 (₹)
i.	Jindal Saw Ltd.	Holding Company	Investment in equity	-	255000
ii.	Sh. Tejasvi Bhargava	Director	Loan received from Director	426850	-

Closing Balance :


S. No.	Particulars	Relationship with the company		As At 31 st , March, 2013 (₹)	As At 31 st , March, 2012 (₹)
i.	Sh. Tejasvi Bhargava	Director	Loan Payable	426850	-

13. Previous year's figures have been regrouped/rearranged wherever considered Necessary .

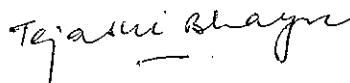
14. Notes 1 to 13 are annexed and form integral part of Financial Statements.

As per our report of even date .

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N


G.K. Aggarwal
Partner
M.No. 086622




Tejasvi Bhargava
Director


Tapasvi Bhargava
Director

Place: New Delhi
Dated : 24th May, 2013