

INDEPENDENT AUDITORS' 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** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Statement of changes in equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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 the paragraph 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 it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 **Annexure 'B'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as on March 31, 2016;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

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



G. K. Aggarwal
Partner
M. No. 086622
Date: May 27, 2016
Place: New Delhi



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **QUALITY IRON AND STEEL LIMITED** on the accounts for the year ended March 31, 2016)

1. The Company does not have any fixed assets. Accordingly, the provision of clause 3 (i) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
2. The Company does not hold any inventories. Accordingly, the provision of clause 3 (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.
4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.
6. As informed to us, Company is not required to maintain the cost records under sub-section (I) of section 148 of the Companies Act, 2013. Accordingly, the provisions of clause 3(vi) of the order are not applicable to the company.
7. According to the information and explanations given to us and to the best of our knowledge, the Company does not have any statutory dues payment liability i.e. income tax, provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess as mentioned in para (vii) of the Order. Accordingly, provisions of clause 3(vii) of the order are not applicable to the company.
8. According to the information and explanations given to us, the Company has not taken any loan from financial institution, bank, government and debenture holder. Therefore, clause 3 (viii) of the Order with respect to default of repayment is not applicable to the Company.
9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. Also the Company does not have any term loan during the year. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.



10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. The Company does not provide or paid any managerial remuneration as per the provisions of Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. The Company has complied with the provisions of Section 188 of the Companies Act, 2013 w.r.t. transactions with the related parties. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards. As explained to us, Section 177 of the Companies Act, 2013 is not applicable to the company.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N


G. K. Aggarwal

Partner

M. No. 086622

Date: May 27, 2016

Place: New Delhi



ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of QUALITY IRON AND STEEL LIMITED on the accounts for the year ended 31st March, 2016

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 **QUALITY IRON AND STEEL LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the 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 ICAI. 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 authorizations 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, 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 31st March, 2016, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N



G. K. Aggarwal

Partner

M. No. 086622

Date: May 27, 2016

Place: New Delhi



Quality Iron and Steel Limited
Balance Sheet as at March 31, 2016

(Amount in ₹)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015	As at April 1, 2014
ASSETS				
Current assets				
Financial assets				
Cash and cash equivalents	5	10,621	4,12,633	4,26,592
Total Assets		10,621	4,12,633	4,26,592
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	6	5,00,000	5,00,000	5,00,000
(b) Other equity		(6,03,099)	(5,83,998)	(5,57,079)
Current liabilities				
Financial liabilities				
(i) Borrowings	7	1,06,850	4,26,850	4,26,850
(ii) Other financial liabilities	8	6,870	69,781	56,821
Total Equity and Liabilities		10,621	4,12,633	4,26,592
Significant Accounting Policies and Notes to Financial Statements	1-19			

As per our report of even date attached

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

For and on behalf of the Board of Directors
of Quality Iron and Steel Limited

G.K. Aggarwal
Partner
M.No. 086622



Place : New Delhi
Dated : May 27, 2016

Tejasvi Bhargava

Tejasvi Bhargava
Director
DIN : 00011205

Y. P. B. J.

Tapasvi Bhargava
Director
DIN : 00011946

Quality Iron and Steel Limited
Statement of Profit and Loss for the Year Ended March 31, 2016

(Amount in ₹)

Particulars	Note No.	Year Ended March 31, 2016	Year Ended March 31, 2015
I Other income	9	10,000	-
Total income (I)		10,000	-
II Expenses			
Finance costs	10	671	-
Other expenses	11	28,430	26,919
Total expenses (II)		29,101	26,919
III Profit/(Loss) before tax (I - II)		(19,101)	(26,919)
IV Tax expense:			
Current tax		-	-
V Loss for the year (III - IV)		(19,101)	(26,919)
VI Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-	-
VII Total Comprehensive Income for the year (V + VI)		(19,101)	(26,919)
VIII Earnings per equity share (face value of ₹ 10/- each):			
(1) Basic and Diluted (₹)		(0.38)	(0.54)

Significant Accounting Policies and Notes to Financial Statements

1-19

As per our report of even date attached

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

**For and on behalf of the Board of Directors
of Quality Iron and Steel Limited**

G.K. Aggarwal
Partner
M.No. 086622



Tejasvi Bhargava

Tejasvi Bhargava
Director
DIN : 00011205

Tapasvi Bhargava

Tapasvi Bhargava
Director
DIN : 00011946

Place : New Delhi
Dated : May 27, 2016

Quality Iron and Steel Limited
Statement of Changes in Equity for the year ended March 31, 2016

A. Equity Share Capital

(Amount in ₹)

As at April 1, 2014	Changes in equity share capital during 2014-15	As at March 31, 2015	Changes in equity share capital during 2015-16	As at March 31, 2016
5,00,000	-	5,00,000	-	5,00,000

B. Other Equity

(Amount in ₹)

Particulars	Retained Earnings
Balance as at April 1, 2014	(5,57,079)
Comprehensive income for the year	(26,919)
Balance as at March 31, 2015	(5,83,998)
Comprehensive income for the year	(19,101)
Balance as at March 31, 2016	(6,03,099)

Significant Accounting Policies and Notes to Financial Statements

1-19

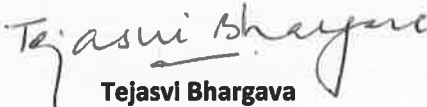
As per our report of even date attached


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

For and on behalf of the Board of Directors
of Quality Iron and Steel Limited


G.K. Aggarwal
 Partner
 M.No. 086622




Tejasvi Bhargava
 Director
 DIN : 00011205


Tapasvi Bhargava
 Director
 DIN : 00011946

Place : New Delhi
 Dated : May 27, 2016

Quality Iron and Steel Limited
Statement of Cash Flow for the year ended March 31, 2016

(Amount in ₹)

PARTICULARS	Year Ended		Year Ended	
	March 31, 2016		March 31, 2015	
A. Cash Inflow (Outflow) From The Operating Activities				
Net Profit Before Tax and Exceptional Items		(19,101)		(26,919)
Adjustments for :				
Add/(Less)				
Depreciation	-		-	
Operating Profit Before Working Capital Changes		(19,101)		(26,919)
Adjustments for :				
Trade and Other Payables	(62,911)	(62,911)	12,960	12,960
Cash Generated From Operations Before Exceptional Items		(82,012)		(13,959)
Tax Paid		-		-
Net Cash Inflow / (Outflow) From Operating Activities		(82,012)		(13,959)
B. Cash Inflow/(Outflow) From Investment Activities				
Net Cash Inflow/(Outflow) From Investing Activities		-		-
C. Cash Inflow/(Outflow) From Financing Activities				
Repayment of borrowing	(3,20,000)		-	
Net Cash Inflow/(Outflow) From Financing Activities		(3,20,000)		-
Net Changes In Cash And Cash Equivalents		(4,02,012)		(13,959)
Cash and cash equivalents at beginning of the year		4,12,633		4,26,592
Cash and cash equivalents at end of the year		10,621		4,12,633

NOTE:

1. Figures in bracket indicates cash outflow.
2. The above cash flow statement has been prepared under the indirect method set out in IND AS - 7 'Statement of Cash Flows'
3. The accompanying notes forms an integral part of these financial statements.

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



For and on behalf of the Board of Directors
of Quality Iron and Steel Limited

Tejasvi Bhargava

Tejasvi Bhargava
Director
DIN : 00011205

Tapasvi Bhargava

Tapasvi Bhargava
Director
DIN : 00011946

Place : New Delhi
Dated : May 27, 2016

Quality Iron and Steel Limited

Notes to Financial Statements

1. Corporate and General Information

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

2. Basis of preparation

These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA").

The financial statements provide comparative information in respect to the previous year. In addition, the company presents additional statement of Balance sheet at the beginning of the previous year, which is the transition date to IND AS.

The Significant accounting policies used in preparing the financial statements are set out in Note no. 3 of the Notes to the Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupee thereof, except as stated otherwise.

3.2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.



Quality Iron and Steel Limited

Notes to Financial Statements

3.3 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

Financial liabilities are classified in two categories; subsequent measurement of financial assets is depended on initial categorisation. These categories and their classification are as below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities measured at amortised cost

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.4 Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.5 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.



Quality Iron and Steel Limited

Notes to Financial Statements

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any

3.6 Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.7 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.



Quality Iron and Steel Limited

Notes to Financial Statements

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4. Critical Accounting Estimates, Assumptions and Judgements

In the process of applying the Company's accounting policies, management has made estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.



Quality Iron and Steel Limited
Notes to Financial Statements

(Amount in ₹)

Particulars	As at	As at	As at
	March 31, 2016	March 31, 2015	April 1, 2014
5 CASH AND CASH EQUIVALENTS			
Balances with Bank			
On current account	10,484	4,12,496	4,26,555
Cash on hand	137	137	137
Total cash and cash equivalents	10,621	4,12,633	4,26,692

6 EQUITY SHARE CAPITAL

(a) Authorised

50,00,000 (March 31, 2015 50,00,000 and April 1, 2014 50,00,000) Equity Shares of ₹ 10/- each	5,00,00,000	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000	5,00,00,000

(b) Issued, subscribed and fully paid-up

50,000 (March 31, 2015 50,000 and April 1, 2014 50,000) Equity Shares of ₹ 10/- each	5,00,000	5,00,000	5,00,000
Total share capital	5,00,000	5,00,000	5,00,000

(c) Reconciliation of the number of equity shares:

Shares outstanding as at the beginning of the year	50,000	50,000	50,000
Shares outstanding as at the end of the year	50,000	50,000	50,000

(d) Shares of the company held by its Holding Company:

Name of shareholder	As at March 31, 2016		As at March 31, 2015		As at April 1, 2014	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Jindal Saw Limited	25,500	51.00%	25,500	51.00%	25,500	51.00%
Total	25,500	51.00%	25,500	51.00%	25,500	51.00%

(e) Details of shareholders holding more than 5% shares in the company:

Name of shareholder	As at March 31, 2016		As at March 31, 2015		As at April 1, 2014	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Jindal Saw Limited	25,500	51.00%	25,500	51.00%	25,500	51.00%
Sh. P. R. Jindal	5,000	10.00%	5,000	10.00%	5,000	10.00%
Smt. Arti Jindal	5,000	10.00%	5,000	10.00%	5,000	10.00%
Sh. Tejasvi Bhargava	4,000	8.00%	4,000	8.00%	4,000	8.00%
Sh. Tapasvi Bhargava	4,000	8.00%	4,000	8.00%	4,000	8.00%
Smt. Anshu Bhargava	3,300	6.60%	3,300	6.60%	3,300	6.60%
Smt. Preet Bhargava	3,200	6.40%	3,200	6.40%	3,200	6.40%
Total	50,000	100.00%	50,000	100.00%	50,000	100.00%

(f) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per equity share. Each equity shareholder is entitled to one vote per share.

Nature of Reserve

Retained earnings represent the undistributed profits/(loss) of the company.



Quality Iron and Steel Limited
Notes to Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2016	As at March 31, 2015	As at April 1, 2014
7 CURRENT BORROWINGS			
Unsecured			
From related party - Director			
Sh. Tejasvi Bhargava	1,06,850	4,26,850	4,26,850
Total current borrowings	1,06,850	4,26,850	4,26,850
8 OTHER CURRENT FINANCIAL LIABILITIES			
Outstanding Other Financial Liabilities	6,870	69,781	56,821
Total Other Financial Liabilities	6,870	69,781	56,821



Quality Iron and Steel Limited
Notes to Financial Statements

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
9 OTHER INCOME		
Other non-operating income	10,000	-
Total other income	10,000	-
10 FINANCE COSTS		
Bank and finance charges	671	-
Total finance costs	671	-
11 OTHER EXPENSES		
Legal and professional fees	13,760	9,362
Auditors' Remuneration		
Audit Fee	6,870	6,742
Miscellaneous Expenses	7,800	10,815
Total other expenses	28,430	26,919



Quality Iron and Steel Limited
Notes to Financial Statements

12. Financial risk management

Liquidity risk

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Amount in ₹)

Particulars	As at March 31, 2016					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	1,06,850	1,06,850	-	-	-	1,06,850
Other liabilities	6,870	6,870	-	-	-	6,870
Total	1,13,720	1,13,720	-	-	-	1,13,720

(Amount in ₹)

Particulars	As at March 31, 2015					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	4,26,850	4,26,850	-	-	-	4,26,850
Other liabilities	69,781	69,781	-	-	-	69,781
Total	4,96,631	4,96,631	-	-	-	4,96,631

13. Fair Value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

(Amount in ₹)

Particulars	As at March 31, 2016		As at March 31, 2015		As at April 1, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at Amortised Costs						
Cash and Bank Balances	10,621	10,621	4,12,633	4,12,633	4,26,692	4,26,692
	10,621	10,621	4,12,633	4,12,633	4,26,692	4,26,692
Financial Liabilities designated at Amortised Costs						
Borrowings	1,06,850	1,06,850	4,26,850	4,26,850	4,26,850	4,26,850
Other Financial Liabilities	6,870	6,870	69,781	69,781	56,821	56,821
	1,13,720	1,13,720	4,96,631	4,96,631	4,83,671	4,83,671



Quality Iron and Steel Limited
Notes to Financial Statements

14. Other disclosures

Auditors Remuneration

(Amount in ₹)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Statutory Auditors Audit Fees	6,870	6,742
Total	6,870	6,742

15. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

Related party name and relationship

a) Key Managerial Person (KMP)

Mr. Tejasvi Bhargava	Director
Mr. Tapasvi Bhargava	Director
Mr. Sanjiv Garg	Director

b) Holding Company

Jindal Saw Limited



Quality Iron and Steel Limited

Notes to Financial Statements

c) Fellow Subsidiary Companies

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	Jindal Rail Infrastructure Limited	India	Rail Wagon Manufacturing	100%	100%
2	IUP Jindal Metals & Alloys Limited	India	Precision Stainless steel strips	80.71%	80.71%
3	S.V. Trading Limited	Nevis	Investment holding	100%	100%
4	Jindal ITF Limited	India	Coal Logistics	100%	100%
5	Ralael Holdings Limited	Cyprus	Investment holding	100%	100%
6	Jindal Saw Holdings FZE	UAE	Investment holding	100%	100%
7	Greenray Holdings Limited	UK	Investment holding	100%	100%
8	Universal Tube Accessories Private Limited	India	Tool manufacturing	51%	51%
9	Jindal Saw Espana,S.L.	Spain	Trading of pipes	90%	90%
10	Jindal Tubular (India) Ltd.	India	Steel Pipe manufacturing	99.88%	99.88%
11	JITF Shipyards Limited	India	Shipyards for barges	100%	100%
12	JITF Infralogistics Limited	India	Urban Infrastructure development	100%	100%
13	Jindal Fittings Limited	India	Ductile Iron pipe fittings	-	51%
14	Jindal Quality Tubular Limited	India	Steel Pipe manufacturing	67%	67%
15	Jindal Intellicom Limited	India	BPO and Call centre	98.78%	98.78%
16	JITF Water Infrastructure Limited	India	Water Infrastructure development	100%	100%
17	JITF Waterways Limited	India	Inland and ocean going shipping	100%	100%
18	JITF Urban Infrastructure Limited	India	Urban Infrastructure development	100%	100%
19	JITF Coal Logistics Limited	India	Coal Logistics	100%	100%
20	iCom Analytics Limited	India	Call Centre and advisory	98.78%	98.78%
21	JITF Water Infra (Naya Raipur) Limited	India	Water Infrastructure development	100%	100%
22	JITF ESIPL CETP (Sitarganj) Limited	India	Urban Infrastructure development	51%	51%
23	JITF Industrial Infrastructure Development Company Limited	India	Urban Infrastructure development	100%	100%
24	JITF Urban Waste Management (Ferozepur) Limited	India	Urban Infrastructure development	90%	90%
25	JITF Urban Waste Management (Jalandhar) Limited	India	Urban Infrastructure development	90%	90%
26	JITF Urban Waste Management (Bathinda) Limited	India	Urban Infrastructure development	90%	90%
27	Jindal Urban Waste Management (Visakhapatnam) Limited	India	Urban Infrastructure development	100%	-
28	Jindal Urban Waste Management (Guntur) Limited	India	Urban Infrastructure development	100%	-
29	Jindal Urban Waste Management (Tirupati) Limited	India	Urban Infrastructure development	100%	-
30	Timarpur-Okhla Waste Management Company Private Limited	India	Waste to power	100%	100%
31	Jindal Saw Gulf L.L.C.	UAE	Ductile Iron Pipe and Fittings	36.75%	36.75%
32	JITF Shipping & Logistics (Singapore) Pte. Limited	Singapore	Ocean going shipping	100%	100%
33	Jindal Tubular U.S.A. LLC	USA	Steel Pipe manufacturing	100%	100%
34	World Transload & Logistics LLC	USA	Investment holding	100%	100%
35	5101 Boone LLP	USA	Property holding	100%	100%
36	Tube Technologies INC	USA	Pipes for oil and gas	100%	100%
37	Jindal Saw USA, LLC	USA	Pipes for oil and gas	100%	100%
38	Jindal Saw Italia S.P.A.	Italy	Ductile Iron Pipe manufacturing	100%	100%
39	Jindal Saw Middle East FZC	UAE	Ductile Iron Pipe and Fittings manufacturing	75%	75%
40	Derwent Sand SARL	Algeria	Trading of pipes	99.62%	99.62%
41	Helical Anchors INC	USA	Helical anchor manufacturing	100%	100%
42	Boone Real Property Holding LLC	USA	Property holding	100%	100%
43	Drill Pipe International LLC	USA	Tools and fittings	100%	100%
44	Jindal Urban Infrastructure Services Limited	India	Urban Infrastructure development	100%	100%
45	Jindal International FZE	UAE	Investment holding	100%	-

d) Joint venture where investment is held by fellow subsidiaries

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	JWIL-SSIL (JV)	India	EPC contracting	60%	60%
2	SMC-JWIL(JV)	India	EPC contracting	49%	49%
3	JWIL-RANHILL (JV)	India	EPC contracting	75%	75%



Quality Iron and Steel Limited
Notes to Financial Statements

e) Joint operations where investment is held by fellow subsidiaries

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting	
				As at March 31, 2016	As at March 31, 2015
1	TAPI-JWIL (JV)	India	EPC contracting	49%	49%

f) Associate

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting Power	
				As at March 31, 2016	As at March 31, 2015
1	Jindal Fittings Limited	India	Ductile iron fittings manufacturing	36%	-

Related Party Transaction

Particulars	(Amount in ₹)	
	Key Management Personal 2015-16	Key Management Personal 2014-15
Loan repaid during the year Sh Tejasvi Bhargava	3,20,000	-
Outstanding Balances Loan Payable Sh Tejasvi Bhargava	1,06,850	4,26,850

16. Earnings per share (EPS)

The following is the computation of basic and diluted earnings per equity share:

Particulars	(Number of shares)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Weighted average shares outstanding - Basic and Diluted - (A)	50,000	50,000

Particulars	(Number of shares)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Profit and loss after tax (Amount in ₹) - (B)	(19,101)	(26,919)
Basic and Diluted Earnings per share (B/A). (₹)	(0.38)	(0.54)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.



Quality Iron and Steel Limited

Notes to Financial Statements

17. Transition to IND AS

Basis of preparation

For all period up to and including the year ended March 31, 2015, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2016, are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after April 1, 2014, as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as of April 1, 2014, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as of April 1, 2014 and its previously published Indian GAAP financial statements for the quarter ended March 31, 2015 and year ended March 31, 2015.

The Company has no exemption under IND AS 101 and no transition effect from Indian Generally Accepted Accounting Principles (I-GAAP) to IND AS. Hence, the transition effect between I-GAAP to IND AS is nil. Therefore, there is no reconciliation of Balance Sheet and Other Equity as at 1st April, 2014 and 31st March 2015.

18. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

19. Notes 1 to 18 are annexed to and form an integral part of financial statements.

As per our report of even date attached

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

For and on behalf of the Board of Directors
of Quality Iron and Steel Limited


G.K. Aggarwal
Partner
M.No. 086622




Tejasvi Bhargava
Director
DIN : 00011205


Tapasvi Bhargava
Director
DIN : 00011946

Place : New Delhi
Dated : May 27, 2016