

INDEPENDENT AUDITORS' REPORT

To
The Members of QUALITY IRON AND STEEL LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **QUALITY IRON AND STEEL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), 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.

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 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 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

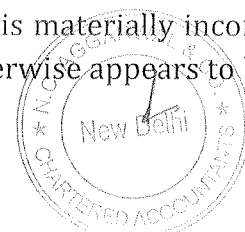
Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing 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 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 Rule thereunder, and we have fulfilled our 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 of our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. 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 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.

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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statement that give 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.

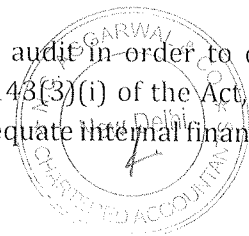
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Company's ability 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 including Other Comprehensive Income, 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(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, 2019;

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;

(h) The managerial remuneration for the year ended 31st March, 2019 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

For N.C. Aggarwal & Co.

Chartered Accountants

Firm Registration No. 003273N



G. K. Aggarwal

Partner

M. No. 086622

Date: 16TH MAY 2019

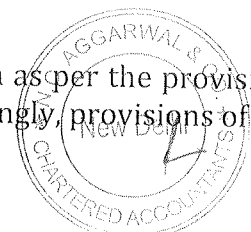
Place: New Delhi



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, 2019)

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 inventory. 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 (l) 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 Indian 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: 16TH MAY, 2019

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, 2019

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, 2019 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

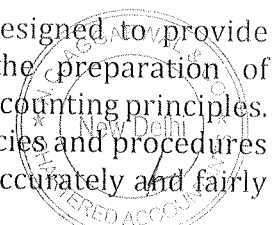
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on 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, 2019, 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



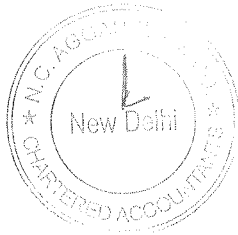
G. K. Aggarwal

Partner

M. No. 086622

Date: 16TH MAY, 2019

Place: New Delhi



Quality Iron and Steel Limited

Balance Sheet as at March 31, 2019

CIN- U12000DL2007PLC163469

(Amount in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Current assets			
Financial assets			
(a) Cash and cash equivalents	5	49,976	137
Total Assets		49,976	137
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	6	6,00,000	5,00,000
(b) Other equity	7	(6,97,054)	(6,37,513)
Liabilities			
Current liabilities			
(a) Other Financial Liabilities	8	1,47,030	1,37,650
Total Equity and Liabilities		49,976	137
Significant Accounting Policies and Notes to Financial Statements	1-18		

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

Dated : 15TH MAY, 2019



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



Rajeev Goyal

Director

DIN : 07003755



Narendra Mantri

Director

DIN : 02626772



Quality Iron and Steel Limited

Statement of Profit and Loss for the year ended 31st March, 2019

CIN- U12000DL2007PLC163469

(Amount in ₹)

Particulars	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
I Other income	9	-	-
II Expenses			
Finance costs	10	1,634	2,101
Other expenses	11	57,907	7,080
Total expenses (II)		59,541	9,181
III Profit/(Loss) before tax (I - II)		(59,541)	(9,181)
IV Tax expense:			
Current tax		-	-
V Loss for the year (III - IV)		(59,541)	(9,181)
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)		(59,541)	(9,181)
VIII Earnings per equity share (face value of ₹ 10/- each):			
(1) Basic and Diluted (₹)		(0.99)	(0.18)
Significant Accounting Policies and Notes to Financial Statements	1-18		

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



Dated : 16th May, 2019

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

Rajeev Goyal

Director

DIN : 07003755

Narendra Mantri

Director

DIN : 02626772

Quality Iron and Steel Limited

Statement of Cash Flow for the year ended March 31, 2019

CIN- U12000DL2007PLC163469

(Amount in ₹)

PARTICULARS	Year Ended		Year Ended	
	March 31, 2019		March 31, 2018	
A. Cash Inflow (Outflow) From The Operating Activities				
Net Profit Before Tax and Exceptional Items		(59,541)		(9,181)
Adjustments for :				
Add/(Less)				
Operating Profit Before Working Capital Changes		(59,541)		(9,181)
Adjustments for :				
Trade and Other Payables	9,380	9,380	7,080	7,080
Cash Generated From Operations Before Exceptional Items		(50,161)		(2,101)
Tax Paid		-		-
Net Cash Inflow / (Outflow) From Operating Activities		(50,161)		(2,101)
B. Cash Inflow/(Outflow) From Investment Activities				
Net Cash Inflow/(Outflow)From Investing Activities		-		-
C. Cash Inflow/(Outflow) From Financing Activities				
Issuance of equity shares		1,00,000		-
Net Cash Inflow/(Outflow) From Financing Activities		-		-
Net Changes In Cash And Cash Equivalents		(50,161)		(2,101)
Cash and cash equivalents at beginning of the year		137		2,238
Cash and cash equivalents at end of the year		49,976		137

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

Place : New Delhi

Dated : 16TH MAY, 2019



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


Rajeev Goyal

Director
DIN : 07003755


Narendra Mantri

Director
DIN : 02626772

Quality Iron and Steel Limited

Statement of Changes in Equity for the year ended March 31, 2019

CIN- U12000DL2007PLC163469

A. Equity Share Capital

(Amount in ₹)

	As at March 31, 2017	Changes in equity share capital during 2017-18	As at March 31, 2018	Changes in equity share capital during 2018-19	As at March 31, 2019
	5,00,000	-	5,00,000	1,00,000	6,00,000

B. Other Equity

Particulars	Retained Earnings
Balance as at April 1, 2017	(6,28,332)
Profit / (Loss) for the year	(9,181)
Balance as at March 31, 2018	(6,37,513)
Profit / (Loss) for the year	(59,541)
Balance as at March 31, 2019	(6,97,054)

Significant Accounting Policies and Notes to Financial Statements

1-16

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




Rajeev Goyal
Director
DIN : 07003755


Narendra Mantri
Director
DIN : 02626772

Place : New Delhi

Dated : 16TH MAY, 2019

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 objective of starting the business of mining activities and steel manufacturing carry in India. The company has not started any operation as of now.

2. Basis of preparation

The financial statements have been 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 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented. The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2019

The financial statements provide comparative information in respect to the previous year.

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.

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.

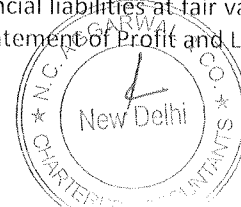
a) Financial Liabilities

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.



Quality Iron and Steel Limited

Notes to Financial Statements

ii. Financial liabilities measured at amortized 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.

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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- 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:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- 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.

3.8 Standards issued but not yet effective

The new standards, amendments to standards that are issued but not yet effective are discussed below:

Title of standard	Ind AS 116, Leases
Nature of change	<p>Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.</p> <p>Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets.</p> <p>The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.</p> <p>Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.</p> <p>The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p>
Impact	<p>The Company is in the process of assessing the detailed potential impact of Ind AS 116, Leases on its financial statements and related disclosures. The Company has lease arrangements presently classified under operating and finance leases. Operating leases are for hiring of equipment's and properties. Finance leases are for solar panels and facility.</p> <p>The Company will be able to reasonably estimate the impact of Ind AS 116 on the financial statement after completion of above stated assessment.</p>
Date of adoption	The Company intends to adopt the standard using the modified retrospective transition approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2019 and that comparatives will not be restated.

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 March 31, 2019	As at March 31, 2018
8 OTHER CURRENT FINANCIAL LIABILITIES		
Outstanding Other Financial Liabilities	1,47,030	1,37,650
Total Other Financial Liabilities	1,47,030	1,37,650

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
9 OTHER INCOME		
Total other income	-	-
10 FINANCE COSTS		
Bank and finance charges	1,634	2,101
Total finance costs	1,634	2,101
11 OTHER EXPENSES		
Legal and professional fees	7,633	-
Fees & Subscription	36,058	-
<i>Auditors' Remuneration</i>		
Audit Fee	7,080	7,080
Printing & Stationary	1,416	-
Filing Fee	5,720	-
Total other expenses	57,907	7,080



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, 2019					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Other Current Financial Liabilities	1,47,030	1,47,030	-	-	-	1,47,030
Total	1,47,030	1,47,030	-	-	-	1,47,030

Particulars	As at March 31, 2018					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Other Current Financial Liabilities	1,37,650	1,37,650	-	-	-	1,37,650
Total	1,37,650	1,37,650	-	-	-	1,37,650

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, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets designated at Amortised Costs				
Cash and Bank Balances	49,976	49,976	137	137
	49,976	49,976	137	137
Financial Liabilities designated at Amortised Costs				
Other Financial Liabilities	1,47,030	1,47,030	1,37,650	1,37,650
	1,47,030	1,47,030	1,37,650	1,37,650



Quality Iron and Steel Limited

Notes to Financial Statements

14. Other disclosures

Auditors Remuneration

(Amount in ₹)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Statutory Auditors		
Audit Fees	7,080	7,080
Total	7,080	7,080

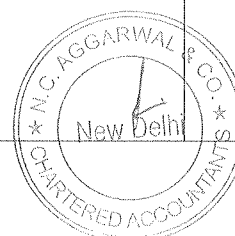
15. Related party transactions

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:

A. Parent Company:		
S. No.	Name of the entity in the group	
1	Jindal Saw Limited	
B. Key Management Personnel		
S. No.	Name of KMP	Designation
1	Mr. Neeraj Kumar	Director
2	Mr. Narendra Mantri	Director
3	Mr. Rajeev Goyal	Director
4	Mr. Tejasvi Bhargava (up to 26.03.18)	Director

C. Fellow Subsidiaries :

S. No.	Entity names	Principal Activities	Country of incorporation
1	Jindal Saw Holdings FZE	Investment holdings	Fujairah, UAE
2	Jindal Saw Middle East FZC	Ductile iron pipe and fittings manufacturing	Fujairah, UAE
3	Jindal Saw Gulf L.L.C.	Ductile iron pipe and fittings manufacturing	Fujairah, UAE
4	Jindal International FZE	Investment holdings	Fujairah, UAE
5	Jindal Saw USA, LLC	Pipes for oil and gas	USA
6	Drill Pipe International LLC	Tools and fittings	USA
7	World Transload & Logistics LLC	Investment holdings	USA
8	Tube Technologies INC	Pipes for oil and gas	USA
9	Helical Anchors INC	Helical anchor manufacturing	USA
10	5101 Boone LLP	Property holdings	USA
11	S.V. Trading Limited	Investment holdings	Nevis
12	Boone Real Property Holding LLC	Property holdings	USA
13	Greenray Holdings Limited	Investment holdings	United Kingdom



Quality Iron and Steel Limited

Notes to Financial Statements

14	Derwent Sand SARL	Trading for pipes	Algeria
15	Ralael Holdings Limited	Investment holdings	Cyprus
16	Jindal Saw Italia S.P.A. (up to 12-02-19)	Ductile iron pipe manufacturing	Milan, Italy
17	IUP Jindal Metals & Alloys Limited	Precision stainless steel strips	India
18	Jindal Intellicom Limited	BPO and call centre	India
19	iCom Analytics Limited	Call centre and advisory	India
20	Jindal ITF Limited	Waterborne transportation	India
21	ITF Shipyards Limited	Inland shipping	India
22	Jindal Intellicom LLC	Call centre and advisory	USA
23	Jindal Tubular (India) Limited	Steel pipe manufacturing	India
24	Jindal Quality Tubular Limited	Steel pipe manufacturing	India
25	Sulog Transshipment Services Limited	Transloading in deep sea	India

D. Fellow Associate and Joint Venture :

S.No.	Entity names	Principal Activities	Country of incorporation
1	Jindal Fittings Limited	Ductile iron fittings manufacturing	India
2	Jindal MMG,LLC	BPO & Call Centre	USA

Transactions:

Particulars	Relation with the company	(Amount in ₹)	
		Current Year	Previous Year
		2018-19	2017-18
Jindal Saw Limited	Holding Company		
Advance received		-	13,00,00,000
Advance repaid		-	13,00,00,000
Equity Share issued		1,00,000	-
Outstanding balances payable	KMP		
Tejasvi Bhargava		-	1,06,850
Share Capital	Holding Company		
Jindal Saw Ltd.		6,00,000	5,00,000



Quality Iron and Steel Limited

Notes to Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
5 CASH AND CASH EQUIVALENTS		
Balances with Bank		
On current account	49,839	-
Cash on hand	137	137
Total cash and cash equivalents	49,976	137

6 EQUITY SHARE CAPITAL

(a) Authorised

50,00,000 Equity Shares of ₹10/- each	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000

(b) Issued, subscribed and fully paid-up

60,000 (previous year 50,000) Equity Shares of ₹ 10/- each	6,00,000	5,00,000
Total share capital	6,00,000	5,00,000

(c) Reconciliation of the number of equity shares:

Shares outstanding as at the beginning of the year	50,000	50,000
Add: Shares issued during the year	10,000	-
Shares outstanding as at the end of the year	60,000	50,000

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Jindal Saw Limited *	60,000	100%	50,000	100%
Total	60,000	100%	50,000	100%

* Including 60 Shares held through Nominee.

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
Jindal Saw Limited	60,000	100%	50,000	100%
Total	60,000	100%	50,000	100%

(f) Terms/rights attached to equity shares

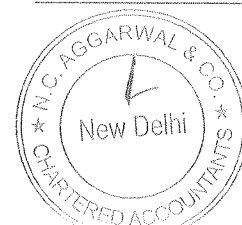
The Company has only one class of equity shares having a par value of ₹ 10/- per equity share. Each equity shareholder is entitled to one vote per share.

Nature of Reserve

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

7 OTHER EQUITY

Balance as per last financial statements	(6,37,513)	(6,28,332)
Add: Profit/(Loss) transferred from statement of profit & loss	(59,541)	(9,181)
Total Retained Earnings	(6,97,054)	(6,37,513)



Quality Iron and Steel Limited

Notes to Financial Statements

16. Earnings per share (EPS)

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Weighted average shares outstanding - Basic and Diluted - (A)	60,000	50,000
Profit /(Loss) after tax (Amount in ₹) - (B)	(59,541)	(9,181)
Basic and Diluted Earnings per share (B/A) (₹)	(0.99)	(0.18)

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

17. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.
18. Notes 1 to 17 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



G.K. Aggarwal

Partner


M. No. 086622



Place : New Delhi

Dated : 16TH MAY, 2019

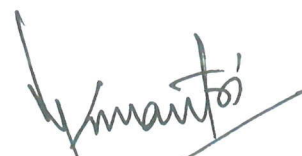
**For and on behalf of the Board of Directors
of Quality Iron and Steel Limited**



Rajeev Goyal

Director

DIN : 07003755



Narendra Mantri

Director

 DIN #2626772