Independent Auditor's Report

To The Members of
High Quality Steels Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of High Quality Steels Limited('the Company') which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone financial statements and Auditor's Report Thereon

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

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

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

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To The Members of
High Quality Steels Limited

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity 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, with relevant rules issued thereunder.

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 standalone financial statements 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 are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the standalone 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:

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

To The Members of
High Quality Steels Limited

- 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 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 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 standalone 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 standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143 (3) of the Act, we report that:

   i. 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.

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

To The Members of
High Quality Steels Limited

ii. 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.

iii. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.

iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

v. On the basis of the written representations received from the directors as at 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

vii. 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:

a. The Company does not have any pending litigations which would impact its financial position.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

G. P. AGRAWAL & CO. CHARTERED ACCOUNTANTS KOLKATA

To The Members of
High Quality Steels Limited

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has not declared or paid any dividend during the year.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. 302082E

Sunita Kedia

(CA. Sunita Kedia)
Membership No.060162
Partner
UDIN: 22060162AJDJZF4168

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

Place of Signature: Kolkata
Dated: 17th May, 2022

To The Members of
High Quality Steels Limited

Annexure "A" to the Independent Auditor's Report of even date on the standalone financial statements of HIGH QUALITY STEELS LIMITED

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the standalone financial statements of the Company for the year ended 31st March, 2022:

(i) (a)The Company does not have any Property, Plant and Equipment and Intangible Assets. Therefore, the provisions of clause (i) (a) to (d) of paragraph 3 of the said order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings that have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of paragraph 3 of the said order are not applicable to the Company.

(b) The Company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets and hence reporting under clause (ii)(b) of paragraph 3 of the said order are not applicable to the Company.

(iii) The Company has not provided any guarantee or security to any entity during the year. The Company has made investments in companies and granted unsecured loans and advances in the nature of loan to companies and other parties, during the year, in respect of which:

(a) The Company has provided loans or advances in the nature of loans in respect of which:

(A) the aggregate amount during the year is Rs. 9.00 lakhs and balance outstanding as at the balance sheet date is Rs. 1048.32 lakhs with respect to such loans or advances in the nature of loans to subsidiaries. The Company has no associate and joint venture as on the balance sheet date..

(B) The aggregate amount during the year is Rs. Nil and balance outstanding as at the balance sheet date is Rs. 390.78 lakhs with respect to such loans or advances in the nature of loans to parties other than subsidiaries, associates and joint ventures.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

G. P. AGRAWAL & CO. CHARTERED ACCOUNTANTS KOLKATA

To The Members of
High Quality Steels Limited

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) of paragraph 3 of the said order are not applicable to the Company.

(iv) According to the information and explanations given to us and as per records examined by us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans and investments to the extent applicable. The Company has not provided any guarantee or security to any entity during the year.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.

(vii) (a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and services tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date of becoming payable from the date on when they become payable.

(b) According to the information and explanations given to us by management, there is no disputed dues payable in respect of statutory dues as aforesaid.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us and as per records examined by us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to its lender.

(b) The Company has not taken any loan from bank or financial institution. The Company has not been declared willful defaulter by other lender.

(c) The term loans were applied for the purpose for which the loans were obtained.

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

To The Members of
High Quality Steels Limited

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company has no associate and joint venture.

(f) On an overall examination of the financial statements of the Company, the company has not taken raised any loan on the pledge of securities held in its subsidiary companies.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b)of paragraph 3 of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) The Company has not received any whistleblower complaint during the year.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) (a) to (c) of paragraph 3 of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Act are not applicable to the Company.

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

To The Members of
High Quality Steels Limited

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of paragraph 3 of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due

(xx) According to the information and explanations given to us and on the basis of the financial records, the provision of CSR is not applicable to the company. Therefore, reporting under clause (xx) (a) and (b) of paragraph 3 of the Order is not applicable for the year.

For G. P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. 302082E

Sunita Kedia

(CA. Sunita Kedia)
Membership No.060162
Partner
UDIN: 22060162AJDJZF4168

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

Place of Signature: Kolkata
Dated: 17th May, 2022

To The Members of
High Quality Steels Limited

"Annexure B" to the Independent Auditor's Report of even date on the standalone financial statements of High Quality Steels Limited

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 **High Quality Steels Limited ("the Company")** as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

G. P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
KOLKATA

To The Members of
High Quality Steels Limited

"Annexure B" to the Independent Auditor's Report of even date on the standalone financial statements of High Quality Steels Limited (Contd.)

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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. 302082E

Sunita Kedia

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

(CA. Sunita Kedia)
Membership No.060162
Partner
UDIN: 22060162AJDJZF4168

Place of Signature: Kolkata
Dated: 17th May, 2022

HIGH QUALITY STEELS LTD.

C/O TEXMACO RAIL & ENGINEERING LTD., AGARPARA WORKS, KOLKATA-700056

CIN: U27101WB1964PLC026001

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
				(Rs. in Lakh)
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Financial assets			
	(i) Investments	3	6.00	6.26
	(ii) Loans	4	1,439.10	1,430.10
	(b) Deferred tax assets (net)	5	46.87	46.20
			1,491.97	**1,482.56**
(2)	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	6	53.60	130.34
	(ii) Cash and cash equivalents	7	17.17	8.76
	(iii) Other financial assets	8	601.13	466.60
	(b) Current tax assets (net)	9	7.39	20.01
	(c) Other current assets	10	0.04	2.34
			679.33	**628.05**
	TOTAL ASSETS		**2,171.30**	**2,110.61**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity share capital	11	30.27	30.27
	(b) Other equity	12	460.77	339.14
			491.04	**369.41**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	13	905.25	1,105.25
	(ii) Other financial liabilities	14	0.36	0.36
	(b) Provisions	15	170.77	151.94
			1,076.38	**1,257.55**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	16		
	Total outstanding dues of micro enterprises and small enterprises		-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		43.96	43.96
	(ii) Other financial liabilities	17	523.57	407.56
	(b) Other current liabilities	18	24.96	25.33
	(c) Provisions	19	11.39	6.80
			603.88	**483.65**
	TOTAL EQUITY and LIABILITIES		**2,171.30**	**2,110.61**
	Summary of Significant Accounging Policies & Notes	2		

The accompanying notes 1 to 37 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For G. P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
Firm's Registration No.302082E

Sunita Kedia

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

CA. SUNITA KEDIA
PARTNER
MEMBERSHIP No. 60162

For and on behalf of the Board of Directors of
HIGH QUALITY STEELS LIMITED

K. K. RAJGARIA
Director
DIN : 00381686

Amit Kumar Shaw

A K SHAW
Director
DIN : 09280485

Place : Kolkata
Dated : 17th May, 2022

HIGH QUALITY STEELS LTD.

C/O TEXMACO RAIL & ENGINEERING LTD., AGARPARA WORKS, KOLKATA-700056

CIN: U27101WB1964PLC026001

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakh)

	Particulars	Note No.	Year Ended 31st March, 2022	Year Ended 31st March, 2021
I	Revenue from operations	20	590.92	557.62
II	Other income	21	358.87	149.16
III	**Total income (I + II)**		**949.79**	**706.78**
IV	**Expenses**			
	Employee benefits expense	22	584.39	553.05
	Finance costs	23	131.59	114.56
	Other expenses	24	70.48	1.15
	Total expenses (IV)		**786.46**	**668.76**
V	**Profit before tax (III - IV)**		**163.33**	**38.02**
VI	Tax expense			
	Current tax	28	42.84	8.30
	Deferred Tax	5	(0.79)	(4.79)
			42.05	**3.51**
VII	**Profit for the year (V- VI)**		**121.28**	**34.51**
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss -- Remeasurements of the defined benefit plans		0.47	23.76
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.12)	(5.98)
			0.35	**17.78**
	Total Comprehensive Income for the year (VII+VIII)		**121.63**	**52.29**
IX	Earnings per equity share (Par value of Rs. 2.50 each)	25		
	(1) Basic		10.02	2.85
	(2) Diluted		10.02	2.85

Summary of Significant Accounging Policies & Notes 2

The accompanying notes 1 to 37 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For G. P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
Firm's Registration No. 302082E

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

CA. SUNITA KEDIA
PARTNER
MEMBERSHIP No. 60162

For and on behalf of the Board of Directors of
HIGH QUALITY STEELS LIMITED

K. K. RAJGARIA
Director
DIN : 00381686

Amit Kumar Shaw
A K SHAW
Director
DIN : 09280485

Place : Kolkata
Dated : 17th May, 2022

C/O TEXMACO RAIL & ENGINEERING LTD., AGARPARA WORKS, KOLKATA-700056

CIN: U27101WB1964PLC026001

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakh)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
A. Cash Flow From Operating Activities:		
Net Profit before Tax	163.33	38.02
Adjustments to reconcile profit before tax to net cash flow provided by operating activities:		
Interest paid	131.59	114.56
Interest received	(150.17)	(149.13)
Profit on sale of Non-Current Investments (Net)	(208.70)	-
Operating Profit before Working Capital Changes	**(63.94)**	**3.45**
Adjustments to reconcile operating profit to cash flow provided by changes in working capital:		
(Increase)/Decrease in Trade Receivables and Current Assets	79.49	(42.45)
Increase/(Decrease) in Trade Payables and Current Liabilities	23.20	47.96
Cash Generated from Operations	38.75	8.96
Direct Taxes paid	(30.22)	(4.62)
Net Cash Flow from/ (used in) Operating Activities	**8.53**	**4.34**
B. Cash Flow From Investing Activities:		
Sale of Investments in associates	208.96	-
Unsecured Loan given	(9.00)	(9.00)
Interest received	15.19	11.25
Net Cash Flow from/ (used in) Investing Activities	**215.15**	**2.25**
C. Cash Flow From Financing Activities:		
Repayment of non current borrowings	(200.00)	-
Proceeds from/(repayment of) current borrowings (Net)	-	(19.85)
Interest paid	(15.38)	(12.31)
Net Cash Flow from/ (used in) Financing Activities	**(215.38)**	**(32.16)**
Net Changes in Cash & Cash Equivalent (A+B+C)	8.30	(25.57)
Cash and Cash Equivalents - Opening Balance	8.76	34.33
Cash and Cash Equivalents - Closing Balance*	**17.06**	**8.76**

* Represent Cash and Bank Balances as indicated in Note No.7

Notes :

1. The above Cash Flow Statement has been prapared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flows).
2. Previous year's figures are regrouped/rearranged wherever necessary.
3. **Change in liabilities arising from financing activities**

Movement in assets and liabilities arising from financing activities during the year ended 31st March, 2022 are as follows:

	As at 31st March, 2021	Cash flows *	Others	As at 31st March, 2022
a) Non Current borrowings [Refer Note no. 13]	1,105.25	(200.00)	-	905.25
b) Current borrowings	-	-	-	-
Total	**1,105.25**	**(200.00)**	**-**	**905.25**

	As at 31st March, 2020	Cash flows *	Others	As at 31st March, 2021
a) Non Current borrowings [Refer Note no. 13]	-	-	1,105.25	1,105.25
b) Current borrowings	1,125.10	(19.85)	(1,105.25)	-
Total	**1,125.10**	**(19.85)**	**-**	**1,105.25**

*Includes cash flows on account of both principal and interest.

4. Cash and cash equivalents as at the Balance Sheet date consists of:

(Rs. In Lakh)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Cash in hand	0.26	0.37
(b) Balance with scheduled banks (in current accounts)	16.91	8.39
	17.17	8.76

5. The entire consideration on sale of investment in associate has been discharged in cash.

The accompanying notes 1 to 37 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For G. P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
Firm's Registration No. 302082E

Sunita Kedia

CA. SUNITA KEDIA
PARTNER
MEMBERSHIP No. 60162

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

Place : Kolkata
Dated : 17th May, 2022

For and on behalf of the Board of Directors of
HIGH QUALITY STEELS LIMITED

Amit Kumar Shaw

A K SHAW
Director
DIN : 09280485

K. K. RAJGARIA
Director
DIN : 00381686

HIGH QUALITY STEELS LTD.
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN: U27101WB1964PLC026001
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(a) Equity Share Capital

(1) Year ended March, 2022 (Rs. in Lakhs)

For the year ended March 31, 2022				
Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April, 2021	Changes in equity share capital during the year	Balance as at 31st March, 2022
30.27	-	30.27	-	30.27

(2) Year ended March, 2021 (Rs. in Lakhs)

For the year ended March 31, 2021				
Balance as at 1st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April,2020	Changes in equity share capital during the year	Balance as at 31st March, 2021
30.27	-	30.27	-	30.27

(b) Other Equity

(1) Year ended March, 2022 (Rs. In Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained earnings		
Balance as at 1st April, 2021	10.00	329.14	-	339.14
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at the 1st April, 2021	**10.00**	**329.14**	**-**	**339.14**
Profit for the year	-	121.28	-	121.28
Other Comprehensive Income	-	-	0.35	0.35
Total Comprehensive Income for the year	**10.00**	**450.42**	**0.35**	**460.77**
Transfer to retained earnings	-	0.35	(0.35)	-
Balance as at 31st March, 2022	**10.00**	**450.77**	**-**	**460.77**

(2) Year ended March, 2021 (Rs. In Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	General Reserve	Retained earnings		
Balance as at 1st April, 2020	10.00	276.85	-	286.85
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at the 1st April, 2020	**10.00**	**276.85**	**-**	**286.85**
Profit for the year	-	34.51	-	34.51
Other Comprehensive Income	-	-	17.78	17.78
Total Comprehensive Income for the year	**10.00**	**311.36**	**17.78**	**339.14**
Transfer to retained earnings	-	17.78	(17.78)	-
Balance as at 31st March, 2021	**10.00**	**329.14**	**-**	**339.14**

The accompanying notes 1 to 37 are an integral part of the Standalone Financial Statements.

As per our report of even date attached

For G. P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
Firm Registration No: 302082E

Sunita Kedia

G.P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

CA. SUNITA KEDIA
PARTNER
MEMBERSHIP No. 60162

Place : Kolkata
Dated : 17th May, 2022

For and on behalf of the Board of Directors of
HIGH QUALITY STEELS LIMITED

Amit Kumar Shaw

A K SHAW
Director
DIN : 09280485

K. K. RAJGARIA
Director
DIN : 00381686

1 GENERAL CORPORATE INFORMATION

High Quality Steels Limited ('the Company") incorporated in 1964, has its Registered Office at c/o Texmaco Infrastucture & Holdings Limited, Belgharia Kolkata-700 056. Texmaco Infrastructure and Holdings Limited is the parent of the Company. The Company is involved in the business of renting of immovable property. Company's source of income is Manpower Supply and Business Auxiliary Services.

The financial statements for the year ended 31st March, 2022 were approved by the Board of Directors and authorized for issue on 17th May, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance
These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of Accounting
The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained it's operating cycle as 12 months for the purpose of current and non- current classification of assets and liabilities.

(iii) Use of Estimates
The preparation of the Financial Statements in conformity with IND AS requires the Management to make estimates, judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

(iv) Financial Instrument
The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

a) **Financial assets Carried at Amortised Cost**
A Financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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CHARTERED ACCOUNTANTS

b) **Investment in Equity Instruments at Fair Value Through Other Comprehensive income**
On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

c) **Financial Assets at Fair Value Through Profit or Loss**
A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) **Financial Liabilities**
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e) Investment in Subsidiaries and Associates

Investment in Subsidiaries and Associates are carried at cost in the Financial Statements.

f) **Impairment**
The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

g) **Offsetting Financial Instruments**
Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Revenue Recognition
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers in accordance with Ind AS 115.

The Company recognizes revenue to depict the transfer of promised goods or services to customers in amounts that reflect the payment to which the Company expects to be entitled in exchange for those goods or services by applying the following steps:

Step -1- Identify the contract with a customer;
Step -2- Identify the performance obligations in the contract;
Step -3- Determine the transaction price;
Step -4- Allocate the transaction price to the performance obligations in the contract;
Step -5- Recognize the revenue when (or as) the Company satisfies a performance obligation.

The Company is engaged in the business of providing manpower and other business auxilary services.
a.Revenue from Operations:
Revenue from supply of manpower is recognised if the performance obligation for the same is satisfied. Performance obligation is satisfied over the period of time. The company measures its progress towards satisfaction of performance obligation by using output method as specified in the standard on the basis of number of labours and manhours provided.

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b.Other Income:

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Dividend Income is recognized as and when right to receive payment is established provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

Gain/(Loss) on sale of Current/ Non Current Investments are recognized at the time of redemption/sale and at fair value at each reporting period.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(vi) Employee Benefits

The Company's contribution to provident fund, pension fund, and employees' state insurance scheme are charged on accrual basis to Statement of Profit and Loss.

a. Short term benefits:

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Defined contribution retirement benefits :

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis- s-vis interest rate declared by the Employees' Provident Fund Organisation.

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c. Defined benefit retirement benefits:

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees.

Remeasurement, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognised in the balance sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to the Statement of Profit and Loss but recognised directly in the retained earnings. Past service costs are recognized in the Statement of Profit and Loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognized in the Statement of Profit and Loss are categorized as follows:
- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs

e. Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

(vii) Provisions and Contingent liabilities

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Contingent liability is a possible obligation that arises from past events and 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 is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized.

A Contingent asset is not recognised in the financial statements, however, is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(viii) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(ix) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a) Current income taxes

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

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b) Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

(x) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

(xi) Operating Segment

Operating segments are identified and reported taking into account the different risk and return, organizational structure and internal reporting system.

(xii) Cash and Cash Equivalents

The Company considers all liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xiii) Cash Flow Statement

Cash Flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company are segregated.

G. P. AGRAWAL & CO.
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CHARTERED ACCOUNTANTS

Notes to standalone financial statements (Contd.)

(Rs. in Lakh)

Note 3	Investment (Non- current)	As at 31st March, 2022		As at 31st March , 2021
	Investment in Equity Instruments			
	Fully paid equity shares			
	In subsidiaries (At cost)			
	Topflow Buildcon Pvt. Ltd. (Wholly owned) (Unquoted)	2.00		2.00
	20,000 (31st March 2021: 20,000) Shares of Rs. 10 each			
	Startree Enclave Pvt. Ltd. (Wholly owned) (Unquoted)	2.00		2.00
	20,000 (31st March 2021: 20,000) Shares of Rs. 10 each			
	Snowblue Conclave Pvt. Ltd. (Wholly owned) (Unquoted)	2.00		2.00
	20,000 (31st March 2021: 20,000) Shares of Rs. 10 each			
	In an Associate (At cost)			
	Sigma Rail Systems Pvt.Ltd. (Unquoted)	-		0.26
	Nil (31.03.2021: 2,599) Shares of Rs. 10 each			
				-
	Total	**6.00**		**6.26**
	Aggregate amount of unquoted investments	6.00		6.26
	Aggregate provision for diminution in value of investments	-		-

(Rs. in Lakh)

Note 4	Loans	As at 31st March, 2022		As at 31st March , 2021
	Unsecured, considered good			
	Loan to related Party (Refer Note 26 and 35(a))			
	Wholly-owned Subsidiaries	1,048.32		1,039.32
	Associate Company	-		390.78
	Loan to others	390.78		-
	Total	**1,439.10**		**1,430.10**

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HIGH QUALITY STEELS LTD.
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN: U27101WB1964PLC026001

Notes to standalone financial statements (Contd.)
Note 5 Deferred tax (Net)

As at March 31, 2022 (Rs. in Lakh)

Particulars	Opening Balance	Recognized in profit or loss	Reclassified from equity to profit or loss	Recognized in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax assets					
Provision for Employee Benefits etc.	46.20	0.79	-	(0.12)	46.87
Net deferred tax liability/ (assets)	**46.20**	**0.79**	**-**	**(0.12)**	**46.87**

As at March 31, 2021 (Rs. in Lakh)

Particulars	Opening Balance	Recognized in profit or loss	Reclassified from equity to profit or loss	Recognized in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax assets					
Provision for Employee Benefits etc.	47.39	4.79	-	(5.98)	46.20
Net deferred tax liability/ (assets)	**47.39**	**4.79**	**-**	**(5.98)**	**46.20**

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

(Rs. in Lakh)

Note 6	Trade Receivable	As at 31st March, 2022	As at 31st March , 2021
	Unsecured, considered good	53.60	130.34
	Total	**53.60**	**130.34**

As at 31st March, 2022:

Particulars	Outstanding for following periods from date of transaction							
	Unbilled	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good (net of allowance for expected credit loss)	-	-	53.60	-	-	-	-	53.60
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired		-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-

As at 31st March, 2021:

Particulars	Outstanding for following periods from date of transaction							
	Unbilled	Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good (net of allowance for expected credit loss)	-	-	61.49	-	-	-	-	61.49
(ii) Undisputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables- credit impaired		-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	68.85	68.85
(v) Disputed Trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables- credit impaired	-	-	-	-	-	-	-	-

G. P. AGRAWAL & CO. CHARTERED ACCOUNTANTS KOLKATA

(Rs. in Lakh)

Note 7	Cash and Cash Equivalents	As at 31st March, 2022		As at 31st March , 2021
	(a) Cash in hand	0.26		0.37
	(b) Balance with scheduled banks (in current accounts)	16.91		8.39
	Total	17.17		8.76

(Rs. in Lakh)

Note 8	Other financial assets	As at 31st March, 2022		As at 31st March , 2021
	Advance to employees and others	0.53		0.98
	Interest Receivable	600.60		465.62
	Total	601.13		466.60

(Rs. in Lakh)

Note 9	Current Tax Assets (Net)	As at 31st March, 2022		As at 31st March , 2021
	Advance Income Tax & TDS	58.57		46.79
	Less: Provision for Taxation	(51.18)		(26.78)
	Total	7.39		20.01

(Rs. in Lakh)

Note 10	Other current assets	As at 31st March, 2022		As at 31st March , 2021
	Balances with government department	0.04		0.35
	Other receivables	-		1.99
	Total	0.04		2.34

G. P. AGRAWAL & CO. CHARTERED ACCOUNTANTS KOLKATA

Note 11	Share Capital	As at 31st March, 2022		As at 31st March, 2021
	Authorised			
	1,60,00,000 Equity Shares of Rs. 2.50/- each (31st March 2021: 1,60,00,000 Equity Share of Rs. 2.50/- each)	400.00		400.00
	1,00,000 Preference Shares of Rs. 100/- each (31st March 2021: 1,00,000 Preference share of Rs. 100/- each)	100.00		100.00
	Issued			
	18,16,866 Equity Shares of Rs. 2.50/- each (31st March 2021: 18,16,866 Equity Share of Rs. 2.50/- each)	45.42		45.42
	Subscribed and Paid-up			
	12,10,622 Equity Shares of Rs. 2.50/- each fully paid-up (31st March 2021: 12,10,622 Equity Share of Rs. 2.50/- each) (The above shares are held by Texmaco Infrastucture & Holdings Ltd., the Holding Company and its Nominees)	30.27		30.27

Notes :

1. The Company has only one class of shares referred to as Equity Shares having par value of Rs.2.50.

2. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

3. Reconcliation of number of Issued, Subcsribed and Paid-up Capital

	31.03.2022		31.03.2021	
	No. of Equity Share	Amount (Rs. In Lakh)	No. of Equity Share	Amount (Rs. In Lakh)
No. of Shares at the beginning of the year	12,10,622	30.27	12,10,622	30.27
Add: Equity Shares issued during the year	-	-	-	-
No. of Shares at the end of the year	**12,10,622**	**30.27**	**12,10,622**	**30.27**

4. The name of Shareholder holding more than 5% of Equity Shares

Name of Shareholder	% of Holding	No. of Equity Shares held	% of Holding	No. of Equity Shares held
Texmaco Infrastructure & Holdings Ltd.	100	12,10,622	100	12,10,622

5. Shares held by holding/ultimate holding company and/or their subsidiaries/associates :

Name of Shareholder	% of Holding	No. of Equity Shares held	% of Holding	No. of Equity Shares held
Texmaco Infrastructure & Holdings Ltd. (Holding Company)	100	12,10,622	100	12,10,622

6.Shares held by promoters at the end of the year:

As at 31st March, 2022

Sl. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Texmaco Infrastructure & Holdings Limited	12,10,622	100.00	-
	Total	12,10,622	100.00	-

As at 31st March, 2021

Sl. No	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Texmaco Infrastructure & Holdings Limited	12,10,622	100.00	-
	Total	12,10,622	100.00	-

(Rs. in Lakh)

Note 12	Other equity	As at 31st March, 2022		As at 31st March, 2021	
	A. General Reserve				
	Opening balance		10.00		10.00
	Closing balance		**10.00**		**10.00**
	B. Retained Earnings				
	Surplus as at the beginning of the year	329.14		276.85	
	Add: Profit for the year	121.28		34.51	
	Add: Transfer from Other Comprehensive Income	0.35		17.78	
	Closing balance		450.77		329.14
	C. Other Comprehensive Income				
	As per Last Account	-		-	
	Add: Other Comprehensive Income for the year (Net of tax)	0.35		17.78	
	Less: Transferred to Retained Earnings	0.35		17.78	
	Closing balance		-		-
	Total Reserve & Surplus (A + B + C)		**460.77**		**339.14**

Nature and Purpose of Reserves:

A. General Reserve

General reserve is primarily created to comply with the requirements of section 123(1) of the Companies Act, 2013. This is a free reserve and can be utilised for any general purpose like issue of bonus shares, payment of dividend, buy back of shares etc.

B. Retained Earnings

Retained earnings represents the undistributed profit/amount of accumulated earnings of the Company.

C. Other Comprehensive Income

Other comprehensive income (OCI) represents re-measurement gain/(loss) of defined benefit obligation. This would not be re-classified to Statement of Profit and Loss.

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(Rs. in Lakh)

Note 13	Borrowings (Non-Current)	As at 31st March, 2022		As at 31st March, 2021
	Long Term Borrowings (Unsecured)			
	Loan from Holding Company (Interest @10.25%) (Refer Note 26)*	905.25		1,105.25
	Total	**905.25**		**1,105.25**

* Bullet repayment after 5 years w.e.f.31.03.2021

(Rs. in Lakh)

Note 14	Other Financial liabilities (Non current)	As at 31st March, 2022		As at 31st March, 2021
	Accrued Expenses	0.29		0.29
	Stale Cheques	0.07		0.07
	Total	**0.36**		**0.36**

(Rs. in Lakh)

Note 15	Provisions (Non current)	As at 31st March, 2022		As at 31st March, 2021
	Provision for Employee Benefits (Refer Note 27)			
	Leave	15.78		17.28
	Gratuity	154.99		134.66
	Total	**170.77**		**151.94**

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

Rs. In Lakh

Note 16	Trade payables	As at 31st March, 2022	As at 31st March, 2021
	Dues of Micro, small and medium enterprises	-	-
	Dues to creditors other than micro, small and medium enterprises	43.96	43.96
	Total	**43.96**	**43.96**
	Note: The Company on the basis of information available to it has not been able to verify the status of vendors under Micro, Small and Medium Enterprises Development Act, 2006 and hence discosure relating to amount unpaid as at the year end together with interest paid/payable under this Act have not been given.		

(ii)Trade Payables ageing schedule:

As at 31st March, 2022

Rs. In Lakh

Particulars	Unbilled	Not Due	Outstanding from date of transaction				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	43.96	43.96

As at 31st March, 2021

Rs. In Lakh

Particulars	Unbilled	Not Due	Outstanding from date of transaction				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
(iii) Disputed dues- MSME	-	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	43.96	43.96

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(Rs. in Lakh)

Note 17	Other Financial liabilities (Current)	As at 31st March, 2022		As at 31st March, 2021
	Interest accrued on Loan	458.81		342.60
	Accrued Expenses	0.38		0.32
	Amount due to Employees and Workmen	64.38		64.64
	Total	523.57		407.56

(Rs. in Lakh)

Note 18	Other current liabilities :	As at 31st March, 2022		As at 31st March, 2021
	TDS and Other Taxes Payable	15.70		15.72
	P.F. Pension Fund and E.S.I Payable	9.26		9.61
	Total	**24.96**		**25.33**

(Rs. in Lakh)

Note 19	Provisions (Current)	As at 31st March, 2022		As at 31st March, 2021
	Provision for Employee Benefits (Refer Note 27)			
	Leave	0.87		0.66
	Gratuity	10.52		6.14
	Total	**11.39**		**6.80**

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(Rs. in Lakh)

Note 20	Revenue from operation:	For the year ended 31st March, 2022		For the year ended 31st March, 2021
	Sale of Services (Job work) (Refer Note 33)	590.92		557.62
	Total	**590.92**		**557.62**

(Rs. in Lakh)

Note 21	Other Income	For the year ended 31st March, 2022		For the year ended 31st March, 2021
	Interest Income			
	On Loan	150.17		149.06
	On Others	-		0.07
	Net gain on sale of Non-Current Investments in Associate	208.70		-
	Miscellaneous Income	-		0.03
	Total	**358.87**		**149.16**

(Rs. in Lakh)

Note 22	Employee Benefits Expense	For the year ended 31st March, 2022		For the year ended 31st March, 2021
	Salary, Wages and Bonus	499.06		475.53
	Contribution to Provident and Other Funds	57.91		51.53
	Gratuity	25.69		23.90
	Staff Welfare expenses	1.73		2.09
	Total	**584.39**		**553.05**

(Rs. in Lakh)

Note 23	Finance Costs	For the year ended 31st March, 2022		For the year ended 31st March, 2021
	Interest Expenses			
	- Others	131.59		114.56
	Total	**131.59**		**114.56**

(Rs. in Lakh)

Note 24	Other expenses	For the year ended 31st March, 2022		For the year ended 31st March, 2021
	Rates and Taxes	0.15		0.12
	Miscellaneous Expenses	0.37		0.08
	Bank Charges	0.02		0.02
	Professional Charges	0.58		0.48
	Sundry Balance Written Off	68.85		-
	Auditors' Remuneration	0.50		0.42
	Postage & Telephones expenses	0.01		0.03
	Total	**70.48**		**1.15**
	Note: Payment to the Auditor			
	Audit Fees	0.50		0.42
		0.50		0.42

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Note 25	EARNING PER SHARE:		31st March, 2022		31st March, 2021
	Amount used as numerator				
	Profit After Taxation (Rs. In Lakh)	(A)	121.28		34.51
	Weighted average number of shares outstanding used as denominator for computing Basic Earnings per share (B)		12,10,622.00		12,10,622.00
	Weighted average number of shares outstanding used as denominator for computing Diluted Earnings per share	(C)	12,10,622.00		12,10,622.00
	Nominal Value Per Share (Rs.)		2.50		2.50
	Basic Earning Per Share (Rs.)	(A/B)	10.02		2.85
	Diluted Earning Per Share (Rs.)	(A/C)	10.02		2.85

Note 26	Related party disclosures:		
	Relationship	2021-2022	2020-2021
A.	Parties Where Control Exist	**Subsidiaries:** Snowblue Conclave (P) Ltd. Startree Enclave (P) Ltd. Topflow Buildcon (P) Ltd.	**Subsidiaries:** Snowblue Conclave (P) Ltd. Startree Enclave (P) Ltd. Topflow Buildcon (P) Ltd.
		Holding Company: Texmaco Infrastructure & Holdings Ltd.	**Holding Company:** Texmaco Infrastructure & Holdings Ltd.
B.	Entity in which significant influence	**Associate Company:** Sigma Rail Systems (P) Ltd. (Ceased to be associate w.e.f. 29.03.2022 **Others:** Texmaco Rail & Engineering Limited	**Associate Company:** Sigma Rail Systems (P) Ltd. **Others:** Texmaco Rail & Engineering Limited

RELATED PARTY TRANSACTIONS:

(Rs. in Lakh)

Transactions	Associate Company	Holding Company	Subsidiaries (Wholly Owned)	Others	Grand Total	Balance Outstanding as on 31.03.2022
Sale of Services						
Texmaco Rail & Engineering Ltd.	-	-	-	563.48	563.48	51.01
	(-)	(-)	(-)	(530.97)	(530.97)	(59.14)
Texmaco Infrastructre & Holdings Ltd.	-	27.44	-	-	27.44	2.60
	(-)	(26.65)	(-)	(-)	(26.65)	(2.35)
Borrowing:						
Texmaco Infrastructre & Holdings Ltd.	-	(200.00)	-	-	(200.00)	905.25
	(-)	(19.85)	(-)	(-)	(19.85)	(1,105.25)
Loans and Advances:						
Sigma Rail Systems Pvt.Ltd.	-	-	-	-	-	390.77
	(-)	(-)	(-)	(-)	-	(390.77)
Topflow Buildcon Pvt.Ltd.	-	-	3.00	-	3.00	349.44
	(-)	(-)	(3.00)	(-)	(3.00)	(346.44)
Startree Enclave Pvt.Ltd.	-	-	3.00	-	3.00	349.44
	(-)	(-)	(3.00)	(-)	(3.00)	(346.44)
Snowblue Conclave Pvt.Ltd.	-	-	3.00	-	3.00	349.44
	(-)	(-)	(3.00)	(-)	(3.00)	(346.44)
Investments:						
Sigma Rail Systems Pvt.Ltd.						-
						(0.26)
Topflow Buildcon Pvt.Ltd.						2.00
						(2.00)
Startree Enclave Pvt.Ltd.						2.00
						(2.00)
Snowblue Conclave Pvt.Ltd.						2.00
						(2.00)

Notes:

a) The transactions with related parties have been entered at an amount which is not materially different from that on normal commercial terms.
b) No amount has been written off/back during the year in respect of amount due to/from related parties.
c) The amount due from the related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.
d) Figure in brackets pertain to previous year.

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CHARTERED ACCOUNTANTS

As per Indian Accounting Standard - 19 " Employee Benefits", the disclosures of Employee Benefits are as follows:

1) The Company's contribution to Provident Fund and Employees' State Insurance Scheme are charged on accrual basis to Statement of Profit and Loss.

2) **Leave:**

Leave liability is accounted for based on actuarial valuation at the end of the year.

3) **Gratuity:**

Gratuity liability is accounted for based on actuarial valuation at the end of the year.

Defined Benefit Plans - As on March 31, 2022

(Rs. In Lakh)

	Transactions	Unfunded Gratuity 2021-22	Unfunded Gratuity 2020-21	Unfunded Leave 2021-22	Unfunded Leave 2020-21
I.	**Change in Benefit Obligation**				
	Liability at the beginning of the year	140.80	140.66	17.92	18.79
	Interest Cost	9.72	9.28	1.24	1.24
	Current Service Cost	15.97	14.61	2.34	2.83
	Past Service Cost (Non Vested Funds)	-	-	-	-
	Past Service Cost (Vested Funds)	-	-	-	-
	Benefits Paid	(0.51)	-	(0.65)	-
	Actuarial (Gain) / Loss on Obligation	(0.47)	(23.76)	(4.20)	(4.92)
	Curtailments and Settlements	-	-	-	-
	Plan Amendment	-	-	-	-
	Liability at the end of the year	**165.51**	**140.80**	**16.65**	**17.92**
II.	**Fair Value of Plan Assets**				
	Fair Value of Plan Assets at the beginning of the year	-	-	-	-
	Expected Return on Plan Assets	-	-	-	-
	Contributions	-	-	-	-
	Benefits Paid	(0.51)	-	(0.65)	-
	Actuarial (Gain) / Loss on Obligation	(0.47)	(23.76)	(4.20)	(4.92)
	Fair Value of Plan Assets at the end of the year	-	-	-	-
	Total Actuarial (Gain) / Loss to be Recognised	**(0.98)**	**(23.76)**	**(4.85)**	**(4.92)**
III.	**Actual Return on Plan Assets**				
	Expected Return on Plan Assets	-	-	-	-
	Actuarial Gain / (Loss) on Plan Assets	-	-	-	-
	Actual Return on Plan Assets	-	-	-	-
IV.	**Amount Recognised in the Balance Sheet**				
	Liability at the end of the year	165.51	140.80	16.65	17.92
	Fair Value of Plan Assets at the end of the year	-	-	-	-
	Difference	165.51	140.80	16.65	17.92
	Unrecognised Past Service Cost	-	-	-	-
	Amount Recognised in the Balance Sheet	**165.51**	**140.80**	**16.65**	**17.92**
V.	**Expenses Recognised in the Income Statement**				
	Current Service Cost	15.97	14.61	2.34	2.83
	Interest Cost	9.72	9.28	1.24	1.24
	Expected Return on Plan Assets	-	-	-	-
	Net Actuarial (Gain)/Loss to be recognised	(0.98)	(23.76)	(4.85)	(4.92)
	Past Service Cost / (Non Vested Benefit) to be recognised	-	-	-	-
	Past Service Cost / (Vested Benefit) to be recognised	-	-	-	-
	Effect of Curtailment or Settlement	-	-	-	-
	Curtailments and Settlements	-	-	-	-
	Expenses Recognised in the Statement of Profit and Loss	**24.71**	**0.14**	**(1.27)**	**(0.85)**
VI.	**Balance Sheet Reconciliation**				
	Opening Net Liability	140.80	140.66	17.92	18.79
	Expense as above	24.71	0.14	(1.27)	(0.85)
	Employer's Contribution	-	-	-	-
	Effect of Curtailment or Settlement	-	-	-	-
	Benefits Paid	-	-	-	-
	Amount Recognised in the Balance Sheet	**165.51**	**140.80**	**16.66**	**17.93**
VII.	**Actuarial Assumption**				
	Discount Rate Current	7.20%	6.90%	7.20%	6.90%
	Rate of Return on Plan Assets	--	--	--	--
	Salary Escalation Current	5.00%	5.00%	5.00%	5.00%

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HIGH QUALITY STEELS LTD.
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN: U27101WB1964PLC026001

Notes to standalone financial statements (Contd.)

Note No. 28 Tax Expenses		(Rs. in Lakh)
Particulars	**For the year ended 31st March, 2022**	**For the year ended 31st March, 2021**
a) Tax Expense		
Current Tax		
- Current tax on profits for the year	42.85	8.34
- Adjustments for current tax of prior periods	-	(0.04)
Total current tax expense	42.85	8.30
Deferred Tax	(0.79)	(4.79)
Total tax expense	**42.06**	**3.51**
b) Reconciliation of tax expenses and the accounting profit multiplied by Indis'a tax rate		
Profit before tax	163.33	38.02
Tax at the Indian tax rate of 25.168% (previous year - 25.168%)	41.11	9.57
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Employee Benefit Expense(Sec. 43B Liability)	6.02	(1.23)
Tax effect of other adjustment		
- Income tax for earlier years	-	(0.04)
- Others	(4.29)	-
Tax Expense	**42.85**	**8.30**

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Notes to standalone financial statements (Contd.)

Note No. 29 Financial Risk Management Objectives and policies-

The Company's activities expose it to Credit Risk, Liquidity Risk, Market Risk, and Equity Price Risk.
This note explains the source of risk which the Company is exposed to and how the Company manages the risk and the impact. The management of the company ensures that risks are identified, measured and mitigated in accordance with the Risk Management Policy of the company. The Board provides guiding principles on risk management and also review these risks and related risk management policies which are given as under.

The Company's financial liabilities comprise borrowings, trade and other payables. The company's financial assets include trade and other receivables, cash and cash equivalents, investments including investments in subsidiaries, loans & advances and deposits.

A. **Credit Risk-** A risk that counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss is defined as Credit Risk. The Company is exposed to credit risk from its operating and financial activities.

Customer credit risk is managed by the management subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. Outstanding customer receivables are regularly monitored. The Company estimates the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables disclosed in Note 6 as the Company does not hold any collateral as security. The Company has a practice to provide for doubtful debts as per its approved policy.

B. **Liquidity Risk-** A risk that the Company may not be able to settle or meet its obligations at a reasonable price is defined as liquidity risks. The Company's treasury department is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, Term loans among others.

C. **Market Risk-** A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

D. **Foreign Currency Risk**- The Company is not exposed to foreign current risk as it has no such transactions.

E. **Equity Price Risk-** A risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or by factors affecting all similar financial instruments traded in the market is defined as Equity Price Risk.

The Company generally invests in the equity shares of the Subsidiaries and Associates and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries and group companies based on the respective business plan of each of the companies. The Company has no investment in quoted equity instruments.

Note No. 30 Capital Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in taking into consideration the economic conditions and strategic objectives of the Company.

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Note No. 31 Fair Value

Carrying amounts and fair values of financial instruments measured at Fair Value through Profit & Loss (FVTPL) including their levels in the fair value hierarchy has been mentioned below.

Financial instruments- Accounting, Classification and Fair Value Measurement

A. Accounting classification and fair values

(Rs. In Lakh)

31st March 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Non current)								
- Loans	-	-	1,439.10	1,439.10	-	-	1,439.10	1,439.10
Financial Assets (Current)				-	-	-	-	-
- Trade Receivable	-	-	53.60	53.60	-	-	53.60	53.60
- Cash and cash equivalents	-	-	17.17	17.17	-	-	17.17	17.17
- Other financial assets	-	-	601.13	601.13	-	-	601.13	601.13
Total	**-**	**-**	**2,111.00**	**2,111.00**	**-**	**-**	**2,111.00**	**2,111.00**
Financial liabilities (Long Term)								
- Other Financial Liabilities	-	-	0.36	0.36	-	-	0.36	0.36
Financial liabilities (Short Term)								
- Borrowings	-	-	905.25	905.25	-	-	905.25	905.25
- Trade Payable	-	-	43.96	43.96	-	-	43.96	43.96
- Other Financial Liabilities	-	-	523.57	523.57	-	-	523.57	523.57
Total	**-**	**-**	**1,473.14**	**1,473.14**	**-**	**-**	**1,473.14**	**1,473.14**

31st March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Non current)								
- Loans & Advances	-	-	1,430.10	1,430.10	-	-	1,430.10	1,430.10
Financial Assets (Current)				-	-	-	-	-
- Trade Receivable	-	-	130.34	130.34	-	-	130.34	130.34
- Cash and cash equivalents	-	-	8.76	8.76	-	-	8.76	8.76
- Other financial assets	-	-	466.60	466.60	-	-	466.60	466.60
Total	**-**	**-**	**2,035.80**	**2,035.80**	**-**	**-**	**2,035.80**	**2,035.80**
Financial liabilities (Non current)								
- Other Financial Liabilities	-	-	0.36	0.36	-	-	0.36	0.36
Financial liabilities (Current)								
- Borrowings	-	-	1,105.25	1,105.25	-	-	1,105.25	1,105.25
- Trade Payable	-	-	43.96	43.96	-	-	43.96	43.96
- Other Financial Liabilities	-	-	407.56	407.56	-	-	407.56	407.56
Total	**-**	**-**	**1,557.13**	**1,557.13**	**-**	**-**	**1,557.13**	**1,557.13**

** The carrying value and the fair value approximates.*

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing and other similar items approximate their carrying value largely due to short term maturities of these instruments.

2) Long-term loans are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

3) The fair value of unquoted instruments, loans and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

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Notes to standalone financial statements (Contd.)

Note No.32 Information about Segment Working is given below :

The Directors have been identified as the Company's Chief Operating Decision Maker (CODM) as defined by Ind AS 108 - Operating Segments. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by Business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the Business Segment of the Company.

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The Company has identified only one business segment viz. Manpower Supply and presented the same in the financial statements on a consistent basis. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as " Unallocable".

Given the nature of business of the Company, it operates only in India. Hence, disclosure regarding geographical information of the segment is not applicable to the Company and therefore not disclosed in the financial statements.

The Company has three customers (previous year: two customer) which contributes 10% or more of total revenue of the Company. The Company recognized revenue amounting to Rs. 2.66 lakh and Rs. 53.10 lakh from each customer during the year ended 31st March, 2021 (Rs. 16.66 lakh and Rs.49.24 during the year ended 31st March, 2020).

Information in accordance with the requirements of the Indian Accounting Standard (Ind AS 108) on 'Segment Reporting' specified under the Act.

(Rs. in lakhs)

	2021-22			2020-21		
	Job work services	Unallocable	Total	Job work services	Unallocable	Total
Revenue						
External Sales	590.92	-	590.92	557.62	-	557.62
Total Revenue	590.92	-	590.92	557.62	-	557.62
Result						
Segment Result	(63.95)	208.70	144.75	3.45	-	3.45
Finance Costs (Interest Expense)	-	(131.59)	(131.59)	-	(114.56)	(114.56)
Interest Income	-	150.17	150.17	-	149.13	149.13
Total Profit/(Loss) before Tax	(63.95)	227.28	163.33	3.45	34.57	38.02
Provision for Current Tax	-	-	42.84	-	-	8.30
Provision for Deferred Tax	-	-	(0.79)	-	-	(4.79)
Net Profit/(Loss)	**(63.95)**	**227.28**	**121.28**	**3.45**	**34.57**	**34.51**
Other Information						
Segment assets	125.60	2,045.70	2,171.30	208.63	1,901.98	2,110.61
Segment liabilities	251.44	1,428.82	1,680.26	228.39	1,512.81	1,741.20

Note No.33 Disclosure of Information in accordance with Ind AS 115 "Revenue from contracts with customers":

a) Disaggregation of Revenue: **(Rs. In Lakh)**

Type of Services	2021-22	2020-21
Job work services	590.92	557.62
Revenue from contract with customers	590.92	557.62

b) The above mentioned revenue has been recognised based on performance obligation satisfied over a period of time.

c) Contract Balances: **(Rs. In Lakh)**

Particulars	2021-22	2020-21
Trade Receivables (Refer Note No.6)	53.60	130.34
Advance from customers	-	-
Revenue recognised out of Contract Liabilities at beginning of the year	-	-
Revenue recognised out of Performance obligation performed during previous year	-	-

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Note No.34 Recent Accounting Pronouncements:

New and revised standards adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below

Ind AS 103 – Reference to Conceptual Framework

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

Ind AS 16 – Proceeds before intended use

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

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

HIGH QUALITY STEELS LTD.
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN: U27101WB1964PLC026001

Notes to standalone financial statements (Contd.)

Note No.35 Additional regulatory information

a) **Loans or advances to specified persons:** **(Rs. in Lakh)**

Type of Borrower	31st March, 2022		31st March, 2021	
	Amount Outstanding	% of Total	Amount Outstanding*	% of Total
Promoters	-	-	-	-
Directors	-	-	-	-
KMP	-	-	-	-
Related party	1,048.32	72.85%	1,430.10	100%
Total	**1,048.32**	**72.85%**	**1,430.10**	**100%**

b) **Ratios:**
The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Sl.	Ratio	Numerator	Denominator	31-03-2022	31-03-2021	Variance
1	Current Ratio	Current assets	Current liabilities	1.12	1.30	-13.37%
2	Debt-Equity Ratio (Refer (i) below)	Total debt	Shareholder's equity	1.84	2.99	-38.38%
3	Debt Service Coverage Ratio (Refer (ii) below)	Earnings available for debt service ^1	Debt service (Principal and interest repayment)	2.44	1.30	87.89%
4	Return on Equity Ratio	Net Profits after taxes	Shareholder's equity	28%	10%	18.14%
5	Trade receivable turnover ratio	Revenue from operations	Average Trade Receivables	4.98	5.04	-1.31%
6	Trade payables turnover ratio	Purchase of services & other expenses	Average Trade Payables	13.29	12.58	5.67%
7	Net capital turnover ratio	Revenue from operations	Working capital	5.38	4.31	24.78%
8	Net profit ratio	Net Profits after taxes	Revenue from operations	20.52%	6.19%	14.34%
9	Return on Capital employed	Profit before tax and finance costs	Capital employed ^2	21.12%	10.35%	10.77%
10	Return on Investment (Refer (iii) below)	Income generated from investments	Average investment	34.05	0.00%	3404.59%

^1 Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments
^2 Tangible net worth + deferred tax liabilities + Long term borrowing

Reasons for variance:
i) The ratio has improved due to repayment of part borrowings.
ii) The ratio improved due to increase in profit upon sale of investment in an Associate.
iii) The increase in ratio is due to profit upon sale of investment in an Associate.

c) Disclosure required under Additional regulatory information as prescribed under paragraph WB to general instructions for preparation of Balance Sheet under Schedule III to the Companies Act, 2013 are not applicable to the Company except as disclosed in Para (i) and (ii) above.

Note 36: Figures below Rs.500/- have been omitted for rounding-off, Rs.500/- and above have been rounded off to the next Rs.1000/-.

Note 37: Previous year figure have been regrouped/rearranged/restated/recast wherever necessary to confirm this year classification.

As per our report of even date attached
For G. P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS
Firm's Registration No.302082E

Sunita Kedia

CA. SUNITA KEDIA
PARTNER
MEMBERSHIP No. 60162

G. P. AGRAWAL & CO. KOLKATA CHARTERED ACCOUNTANTS

Place : Kolkata
Dated : 17th May, 2022

For and on behalf of the Board of Directors of
HIGH QUALITY STEELS LIMITED

K. K. RAJGARIA
Director
DIN : 00381686

Amit Kumar Shaw

A K SHAW
Director
DIN : 09280485