HIGH QUALITY STEELS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON THAT DATE

G.P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

Independent Auditor's Report
ToThe Members of High Quality Steels Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **High Quality Steels Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associatewhich comprise the Consolidated Balance Sheet as at 31stMarch, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31stMarch, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethicsissued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Consolidated 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 consolidated financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Groupincluding its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Groupand of its associate are responsible for assessing the ability of the Group and of its associate entity 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 Group and or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls 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 Companyhas 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 by us and the audit evidence obtained by other auditors in terms of their reports, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate 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 consolidated 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 and the audit evidence obtained by other auditors in terms of their reports referred to in Other Matter paragraph below. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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

KOLKATA

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectivenessof such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company, its subsidiary companiesand its associate company which are companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

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

According to the information and explanation given to us, the Company has not paid/ provided for any managerial remuneration during the year.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Group did not have any pending litigations.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2019.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

iv.

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

(CA. Ajay Agrawal)
Partner
Membership No. 17643

Place of Signature: Kolkata
Date: 13th May, 2019

"Annexure A" to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31^{st} March, 2019, we have audited the internal financial controls over financial reporting of **High Quality Steels Limited** (hereinafter referred to as "the Holding Company"), its subsidiary companiesand its associate company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companiesbased on our audit and reports of other auditors. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements, whether due to fraud or error.

"Annexure A" to the Independent Auditor's Report (Contd.)

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its associate company.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its associate company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financ al control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those pol cies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companiesand associate company have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the interna financial controls over financial reporting, in so far as it relates to three subsidiary companiesand one associate company is based solely on the corresponding reports of auditors of such companies.

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

(CA. Ajay Agrawal)
Partner
Membership No. 17643

Place of Signature: Kolkata
Date: 13th May, 2019

HIGH QUALITY STEEL LIMITED

Consolidated Balance Sheet as at 31st March, 2019

(Rs. In Lakh)

	Particulars	Note No.	As on 31.03.2019	As on 31.03.2018
I	ASSETS :			
1	Non-current Assets			
	(a) Capital work-in-progress	3	904.32	904.32
	(b) Financial Assets			
	(i) Investments	3A	-	0.26
	(ii) Loans	4	216 20	76.76
	(c) Others		-	-
	(c) Deferred Tax Assets (Net)	5	39.36	39.36
	(d) Other Non current Assets		-	-
			1,159.88	1,020.70
2	Current Assets			
	(a) Financial Assets			
	(i) Trade receivables	6	96.51	157.60
	(ii) Cash & cash equivalents	7	14.18	26.00
	(iii) Other Financial Assets	8	16.72	11.34
	(b) Current Tax Assets (Net)	9	14.28	28.24
	(c) Other Current Assets	10	0.02	0.22
			141.71	223.40
	TOTAL ASSETS		1,301.59	1,244.10
II	EQUITY AND LIABILITIES:			
1	Equity			
	(a) Equity Share capital	11	30.27	30.27
	(b) Other Equity	12	(47.29)	18.07
	Total Equity attributable to Owners of the Parent		(17.02)	48.34
	(c) Non Controlling Interest		-	-
			(17.02)	48.34
2	Non-current Liabilities :			
	(a) Financial Liabilities			
	(i) Other financial liabilities	13	70.08	64.99
	(b) Provisions	14	114.56	106.47
			184.64	171.46
3	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	888.10	848.00
	(ii) Trade Payables	16	43.96	43.96
	(iii) Other financial liabilities	17	152.78	72.95
	(b) Other current liabilities	18	33.11	40.59
	(c) Provisions	19	16.02	18.80
			1,133.97	1,024.30
	TOTAL EQUITY AND LIABILITIES		1,301.59	1,244.10

The accompanying notes 1 to 36 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached

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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP No. 17643

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

Place : Kolkata
Dated : 13th May, 2019

HIGH QUALITY STEEL LIMITED

Consolidated Statement of Profit & Loss for the Year Ended 31st March, 2019

(Rs. In Lakh)

	Particulars	Note No.	For the year ended 31.03.2019	For the year ended 31.03.2018
I	Revenue From operations	20	629.01	571.64
II	Other income	21	20.18	2.02
III	**Total Income (I +II)**		649.19	573.66
IV	**EXPENSES**			
	Employee benefit expense	22	618.71	567.74
	Finance costs	23	88.87	81.46
	Other expenses	24	12.47	2.67
	Total expenses (IV)		720.05	651.87
V	**Profit/ (loss) before tax (III-IV)**		**(70.86)**	**(78.21)**
V	**Tax Expenses**	26		
	a) Current Tax		10.15	12.21
	b) Deferred Tax		-	10.84
VII	**Profit before share in net profit/(loss) of Associates for the year (V-VI)**		**(81.01)**	**(101.26)**
VIII	**Share in profit of Associates**		**(0.26)**	-
IX	**Profit/ (loss) for the year (VII-VIII)**		(81.27)	(101.26)
X	**Other comprehensive income**	25		
	items that will not be reclassified to profit or loss		15.90	25.17
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other comprehensive income		**15.90**	**25.17**
XI	**Total Comprehensive Income for the period**		**(65.37)**	**(76.09)**
XII	**Profit/(loss) for the period Attributable to:**		(81.27)	(101.26)
	Owners of the Parent		(81.27)	(101.26)
	Non-Controlling interest		-	-
XIII	**Other Comprehensive income Attributable to:**		**15.90**	**25.17**
	Owners of the Parent		**15.90**	**25.17**
	Non-Controlling Interest		-	-
XIV	**Total comprehensive income Attributable to:**		(65.37)	(76.09)
	Owners of the Parent		(65.37)	(76.09)
	Non-Controlling Interest		-	-
XV	**Earnings per equity share (Par Value of Rs.2.50 each)**	27		
	1) Basic		(6.69)	(8.36)
	2) Diluted		(6.69)	(8.36)

The accompanying notes 1 to 36 are an integral part of the Consolidated Financial Statements

As per our report of even date attached

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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP No. 17643

KOLKATA
CHARTERED ACCOUNTANTS

Place : Kolkata
Dated : 13th May, 2019

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

HIGH QUALITY STEELS LTD.
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN. U27101WB1964PLC026001
FINANCIAL YEAR 2018 - 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31/03/2019 (Rs In Lakh)

(a) Equity Share Capital

Particulars	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March 2018	30.27	30.27	30.27
For the year ended 31st March 2019	30.27	30.27	30.27

(b) Other Equity

Particulars	Reserves and Surplus		Item of Other Comprehensive Income	Total
	General Reserve	Retained earnings	Remeasurement of defined benefit Plan	
Balance as at 1st April, 2017	10.00	84.16	-	94.16
Profit for the year	-	(101.26)	-	(101.26)
Other Comprehensive Income for the year	-	-	25.17	25.17
Total Comprehensive Income for the year	-	(101.26)	25.17	(76.09)
Transfer from Other Comprehensive Income to Retained Earnings	-	25.17	(25.17)	-
Balance as at 31st March, 2018	10.00	8.07	-	18.07
Profit for the year	-	(81.26)	-	(81.26)
Other Comprehensive Income for the year	-	-	15.90	15.90
Total Comprehensive Income for the year	-	(81.26)	15.90	(65.36)
Transfer from Other Comprehensive Income to Retained Earnings	-	15.90	(15.90)	-
Balance as at 31st March, 2019	10.00	(57.29)	-	(47.29)

The accompanying notes 1 to 36 are an integral part of the Consolidated Financial Statements.

In terms of our Report of even date attached herewith

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

CA Ajay Agrawal
PARTNER
MEMBERSHIP NO.17643
7A, Kiran Shankar Roy Road
Kolkata - 700 001

Dated . 13th May, 2019

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

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 The Company has no manufacturing activity. Company's source of income is Manpower Supply and Business Auxiliary Services

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is Agarpara, Kolkata - 700 056.

The consolidated financial statements for the year ended 31st March, 2019 were approved by the Board of Directors and authorized for issue on 13th May, 2019

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.

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

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

1 GENERAL CORPORATE INFORMATION

e.) 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.

f.) 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

With effect from 1st April 2018, the Group has adopted Ind AS 115 'Revenue from Contracts with Customers' using the cumulative catch-up transition method, applied to contracts there were not completed as of 1st April 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant

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 auxiliary services

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.

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) 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

(vii) 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

1 GENERAL CORPORATE INFORMATION

(viii) 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.

(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

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

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, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(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) 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.

HIGH QUALITY STEEL LIMITED

Notes to Consolidated Financial Statement

(Rs. In Lakh)

Note	Particulars	As on 31.03.2019	As on 31.03.2018
Note 3	**Capital work-in-progress**		
	Balance as on date	904.32	904.32
	Addition during the year	-	-
		904.32	904.32
Note 3A	**Investments (Non-Current)**		
	In Associate (At Cost)		
(a)	Sigma Rail Systems Pvt. Ltd. (2599 Shares for Rs.10 each)	-	0.26
		-	0.26
Note 4	**Loans**		
	Unsecured considered good		
(a)	Loans to related parties	216.20	76.76
		216.20	76.76
Note 6	**Trade Receivables**		
	Unsecured considered good	96.51	157.60
		96.51	157.60
Note 7	**Cash and cash equivalents**		
(a)	Balances with banks		
	- In current accounts	12.39	18.11
(b)	Cash on hand	1.16	1.28
(c)	Others - Remittance in Transit/Cheques on Hand	0.63	6.61
		14.18	26.00
Note 8	**Other Financial Assets**		
	Interest accrued on Loans	16.40	0.88
	Advance to Employee	0.32	0.14
	Advance to Parties	-	10.32
		16.72	11.34
Note 9	**Current Tax Assets (Net)**		
	Advance Payment of Income Tax (net of provision)	14.28	28.24
		14.28	28.24
Note 10	**Other Current Assets**		
	Balances with Government Dept	0.02	0.22
		0.02	0.22
Note 11	**Equity Share Capital**		
	Authorised		
	1,60,00,000 Equity Shares of Rs. 2.50/- each (31st March 2018: 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 2018: 1,00,000 prefernce share of Rs. 100/- each)	100.00	100.00
	Issued		
	18,16,866 Equity Shares of Rs. 2.50/- each (31st March 2018: 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 2018: 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
		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.

(Rs. In Lakh)

Note	Particulars	As on 31.03.2019	As on 31.03.2018

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

	31.03.2019 No. of Equity Shares	31.03.2019 Amount (Rs. in lakh)	31.03.2018 No. of Equity Shares	31.03.2018 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. Shareholders holding more than 5% of equity shares:

	No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
Texmaco Infrastructure & Holdings Ltd.	12,10,622	100.00%	12,10,622	100.00%

Note	Particulars	As on 31.03.2019	As on 31.03.2018
Note 12	**Other Equity**		
	A. General reserve		
	Balance as per last account	10.00	10.00
		10.00	**10.00**
	B. Other Comprehensive Income		
	Remeasurements of the net defined benefit Plans		
	Balance as per last account	-	-
	Add: Other Comprehensive Income for the year	15.90	25.17
	Less: Transferred to Retained Earnings	(15.90)	(25.17)
		-	-
	C. Retained Earnings		
	Surplus at the beginning of the year	8.07	84.16
	Add : Profit for the year	(81.26)	(101.26)
	Add: Transferred from Other Comprehensive Income	15.90	25.17
		(57.29)	**8.07**
	Total (A + B + C)	**(47.29)**	**18.07**
Note 13	**Other Financial Liabilities (Non-Current)**		
	Liabilities for Expenses	0.87	1.95
	Amount Due to Employee	68.96	62.24
	Others Misc. Payable	0.25	0.80
		70.08	**64.99**
Note 14	**Provisions (Non Current)**		
	Provision for employee benefits		
	Leave	13.48	13.48
	Gratuity	101.08	92.99
		114.56	**106.47**
Note 15	**Borrowings**		
	Unsecured		
	Loans from related parties	888.10	848.00
		888.10	**848.00**
Note 16	**Trade payables**		
	Dues of Micro, small and medium enterprises	-	-
	Dues to creditors other than micro, small and medium enterprises	43.96	43.96
		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.

Note	Particulars	As on 31.03.2019	As on 31.03.2018
Note 17	**Other Financial Liabilities (Current)**		
	Interest Accrued on Loan	152.78	72.95
		152.78	**72.95**
Note 18	**Other current liabilities**		
	TDS and other taxes payable	22.65	30.84
	PF, ESI amount Paybie	10.46	9.75
		33.11	**40.59**
Note 19	**Provisions (Current)**		
	Provision for employee benefits		
	Leave	3.17	3.17
	Gratuity	12.85	15.63
		16.02	**18.80**

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

Notes to Financial Statements (Contd..)

Note 5 Deferred tax (Net)

As at March 31, 2019

(Rs. in Lakh)

Particulars	Opening Balance	Recognized in profit or loss	Closing Balance
	Amount	Amount	Amount
Tax effect of items constituting deferred tax assets			
Provision for Gratuity, Bonus, Leave etc.	39.36	-	39.36
Net deferred tax liability/ (assets)	**39.36**	-	**39.36**

As at March 31, 2018

(Rs. in Lakh)

Particulars	Opening Balance	Recognized in profit or loss	Closing Balance
	Amount	Amount	Amount
Tax effect of items constituting deferred tax assets			
Provision for Gratuity, Bonus, Leave etc.	50.20	(10.84)	39.36
Net deferred tax liability/ (assets)	**50.20**	**(10.84)**	**39.36**

HIGH QUALITY STEEL LIMITED

Notes to Consolidated Financial Statement

(Rs. In Lakh)

Note	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Note 20	**Revenue From operations**		
	Sale of services (Manpower Services)	629.01	571.64
		629.01	**571.64**
Note 21	**Other Income**		
(a)	**Interest Income**		
	From Others	19.43	0.96
(b)	**Other non-operating income**		
	Miscellaneous Income	0.06	0.02
	Provision & Excess Liabilities Written Back	0.69	1.04
		20.18	**2.02**
Note 22	**Employee benefit expenses**		
a)	Salaries ,Wages and Bonus	529.18	480.73
b)	**Contribution to provident and other funds**		
	i) Provident Fund and Pension Fund	66.56	63.29
	ii) Gratuity	21.21	21.99
c)	Staff Welfare Expenses	1.76	1.73
		618.71	**567.74**
Note 23	**Finance Costs**		
(a)	**Interest expenses**		
	Others	88.87	81.46
		88.87	**81.46**
Note 24	**Other Expenses**		
	Rates and Taxes excluding taxes on Income	0.12	0.09
	Payments to the Auditor		
	As Auditor	0.30	0.41
	For Tax Audit	0.12	0.12
	For Fees for Other Services (incl for issuing various certificates)	0.03	-
	Miscellaneous Expenses	1.58	1.94
	Sundry Debit Balance Adjusted/Written off	10.32	0.11
		12.47	**2.67**
Note 25	**Other Comprehensive Income**		
	Items that will not be reclassified to profit or loss		
	(i) Remeasurements of the defined benefit plans	15.90	25.17
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
		15.90	**25.17**

Notes to consolidated financial statements (Contd.)

Other Disclosures:

Note 27	EARNING PER SHARE:		31st March, 2019	31st March, 2018
	Amount used as numerator			
	Profit After Taxation (Rs. in Lakh)	(A)	(81.01)	(101.26)
	Weighted average number of shares outstanding used as denominator for computing Basic Earnings per share	(B)	12,10,622	12,10,622
	Weighted average number of shares outstanding used as denominator for computing Diluted Earnings per share	(C)		
	Nominal Value Per Share (Rs.)		2.50	2.50
	Basic Earning Per Share (Rs.)	(A/B)	(6.69)	(8.36)
	Diluted Earning Per Share (Rs.)	(A/C)	(6.69)	(8.36)

Note 28 Related party disclosures :

	Relationship	2018-2019	2017-2018
A.	Parties Where Control Exist	Associate Company: Sigma Rail Systems (P) Ltd.	Associate Company: Sigma Rail Systems (P) Ltd.
		Holding Company: Texmaco Infrastructure & Holdings Ltd.	Holding Company: Texmaco Infrastructure & Holdings Ltd.

RELATED PARTY TRANSACTIONS:

(Rs. in Lakh)

Transactions	Associate	Holding Company	Grand Total	Balance Outstanding as on 31.03.19
Sale of Services		25.11	25.11	0.91
	(-)	(15.63)	(15.63)	(1.87)
Loans and Advances:				
Texmaco Infrastructre & Holdings Ltd.	-	40.10	40.10	888.10
	(-)	(63.00)	(63.00)	(848.00)
Sigma Rail Systems Pvt.Ltd.	139.44		139.44	216.20
	(76.75)	(-)	(76.75)	(76.75)
Investments:				
Sigma Rail Systems Pvt.Ltd.	-	-	-	0.26
	(0.26)	(-)	(0.26)	(0.26)

Note 29 EMPLOYEE BENEFITS:

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.

HIGH QUALITY STEELS LTD.

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

CIN. U27101WB1964PLC026001

Details of Unfunded Defined Benefit Plans

(Rs. In Lakh)

	Transactions	Gratuity 2018-19	Gratuity 2017-18	Leave 2018-19	Leave 2017-18
I.	**Change in Benefit Obligation**				
	Liability at the beginning of the year	108.62	111.79	16.38	16.66
	Interest Cost	8.36	8.21	1.26	1.22
	Current Service Cost	12.85	13.79	2.62	3.17
	Past Service Cost (Non Vested Funds)	-	-	-	-
	Past Service Cost (Vested Funds)	-	-	-	-
	Benefits Paid	-		-	
	Actuarial (Gain) / Loss on Obligation	(15.90)	(25.17)	(4.03)	(4.67)
	Curtailments and Settlements		-	-	-
	Plan Amendment		-		
	Liability at the end of the year	**113.93**	**108.62**	**16.23**	**16.38**
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	-	-	-	
	Actuarial (Gain) / Loss on Obligation	(15.90)	(25.17)	(4.03)	(4.67)
	Fair Value of Plan Assets at the end of the year	-	-		-
	Total Actuarial (Gain) / Loss to be Recognised	**(15.90)**	**(25.17)**	**(4.03)**	**(4.67)**
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	113.93	108.62	16.23	16.38
	Fair Value of Plan Assets at the end of the year	-	-	-	-
	Difference	113.93	108.62	16.23	16.38
	Unrecognised Past Service Cost			-	-
	Amount Recognised in the Balance Sheet	**113.93**	**108.62**	**16.23**	**16.38**
V.	**Expenses Recognised in the Income Statement**				
	Current Service Cost	12.85	13.79	2.62	3.17
	Interest Cost	8.36	8.21	1.26	1.22
	Expected Return on Plan Assets	-			-
	Net Actuarial (Gain)/Loss to be recognised	(15.90)	(25.17)	(4.03)	(4.67)
	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	**5.31**	**(3.17)**	**(0.15)**	**(0.28)**
VI.	**Balance Sheet Reconciliation**				
	Opening Net Liability	108.62	111.79	16.38	16.66
	Expense as above	5.31	(3.17)	(0.15)	(0.28)
	Employer's Contribution	-	-	-	-
	Effect of Curtailment or Settlement	-			
	Benefits Paid	-	-	-	-
	Amount Recognised in the Balance Sheet	**113.93**	**108.62**	**16.23**	**16.38**
VII.	**Actuarial Assumption**				
	Discount Rate Current	7.60 %	7.70 %	7.60 %	7.70 %
	Rate of Return on Plan Assets		--	--	--
	Salary Escalation Current	5.00 %	5.00 %	5.00 %	5.00 %
	Normal Retirement Age (in years)	58	58	58	58
	Mortality Rates	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08
VIII.	Maturity Profile of Defined Benefit Obligation				
	Expected cash flows (valued on undiscounted basis)				
	Within the next 12 months	10.19	15.63	1.52	3.05
	Between 2 and 5 years	22.86	18.62	2.63	2.44
	Between 5 and 10 years	52.79	44.12	7.16	5.58
	Beyond 10 years	230.67	228.18	35.25	34.44
	Total expected payments	**316.52**	**306.55**	**46.56**	**45.51**
	The weighted average duration of defined benefit obligation (based on discounted cashflow) (in years)	12	11	11	10

AGRAWAL & CO. KOLKATA

Other Disclosures (Contd.)

Note 30 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, capital creditors and 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

Customer credit risk is managed by the respective marketing department subject to the Company's established policy procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on going basis. 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 10 as the Company does not hold any collateral as security.

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

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.

Foreign Currency Risk. A risk that the fair value or future value of the cash flows of forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export, import and foreign currency loan/ derivatives operating activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis

D. **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, Associates, Joint Ventures 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's investment in quoted equity instruments (other than above) is not material. For sensitivity analysis of Company's investments in equity instruments, refer Note No. 32(Fair Value)

Note 31 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

Note 32 Fair Value

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

KOLKATA

Note No.35 Previous year figure have been regrouped/rearranged/restated/recast wherever necessary to confirm this year classification.

Note No.36 Figures below Rs 500/- have been omitted for rounding-off. Rs.500/- and above have been rounded off to the next Rs.1000/-

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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP NO.017643

Place : Kolkata
Dated : 13th May, 2019

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

HIGH QUALITY STEELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON THAT DATE

G.P. AGRAWAL & CO.
CHARTERED ACCOUNTANTS

13th May, 2019

To

The Board of Directors,
High Quality Steels Limited
Belgharia
Kolkata - 700056

Dear Sir,

We are enclosing herewith 2 copies of your Statement of Profit and Loss for the year ended 31st March, 2019 and the Balance Sheet as on that date together with our Audit Reports thereon.

We have great pleasure in informing you that our appointment, if made, will be in accordance with the applicable provisions of the Companies Act, 2013 (the Act). In this connection we hereby certify that:

i) We are eligible for appointment and are not disqualified for appointment under the Act, the Chartered Accountants Act, 1949 and Rules and Regulations made therein.
ii) The proposed appointment is within the term allowed under the Act.
iii) The proposed appointment is within the limits laid down by or under the authority of the Act.
iv) There is no proceeding against the auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct.

Yours faithfully,
For G. P. Agrawal & Co.
Chartered Accountants
FR No. 302082E

(CA. Ajay Agrawal)
Partner
Membership No. 017643

AGRAWAL & CO. KOLKATA

Encl: As above

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, 2019, 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 a summary of the 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 Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('the Ind AS'), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, 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 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 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 financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the 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 preparation and presentation 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, read withrelevant 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 ability of the Company 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of theStandalone 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:

- Identify and assess the risks of material misstatement of the standalone 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 standalone 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 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 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.
   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,Statement of Changes in Equity and the Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account.

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, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2019 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".

vii. 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:

According to the information and explanation given to us, the Company has not paid/ provided for any managerialremuneration during the year.

viii. 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 did not have any pending litigations which requires disclosure in its Standalone Financial Statements.
b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company.

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

(CA. Ajay Agrawal)
Partner
Membership No. 17643

Place of Signature: Kolkata
Date: 13th May, 2019

"Annexure A" to the Auditor's Report

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of **High Quality Steels Limited** on the standalone financial statements for the year ended 31st March, 2019.

(i) The Company does not have any fixed assets and hence clause (i)(a), (i)(b) and (i)(c) of paragraph 3 of the Order are not applicable to the Company.

(ii) The Company's nature of operations does not require it to hold inventories. Accordingly, provisions of clause (ii) of paragraph 3 of the Order are not applicable to the Company.

(iii) The Company has granted unsecured loans to the Companies (wholly owned subsidiaries and other companies) covered in the register maintained under section 189 of the Act.

a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of loans granted by the company to the above mentioned parties are not, prima facie, prejudicial to the interest of the Company.

b) The schedule of repayment of Principal and Interest of the above loans has been stipulated and the Company is regular in receipt of the same.

c) There are no overdue amounts for more than ninety days in respect of recovery of principal and interest of the above loan.

(iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security, provisions of section 185 and 186 of the Act have been complied with.

(v) The Company has not accepted any deposit within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) According to the information and explanations given to us, the Company is a Servicing Company dealing with labour supply and hence the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

(vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of customs, goods and service tax, cess or any other statutory dues, to the extent applicable, have been regularly deposited with appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as at 31st March, 2019 for a period of more than six months from the date of becoming payable.

"Annexure A" to the Auditor's Report (Contd.)

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, goods and service tax, cess and other material statutory dues. Hence, provisions of clause (vii)(b) of paragraph 3 of the Order are not applicable to the Company.

viii) On the basis of our examination of records and according to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institution, bank or Government. The Company has not issued any debentures. Therefore, clause (viii) of paragraph 3 of the said order is not applicable to the Company.

(ix) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor taken any term loan during the year. Therefore, clause (ix) of paragraph 3 of the said order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.

(xii) The Company is not a Nidhi company. Therefore, clause (xii) of paragraph 3 of the said order is 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 financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.

"Annexure A" to the Auditor's Report (Contd.)

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

(CA. Ajay Agrawal)
Partner
Membership No. 17643

Place of Signature: Kolkata
Date: 13th May, 2019

KOLKATA

"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 March 31, 2019 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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.

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.

"Annexure B" to the Independent Auditor's Report (Contd.)

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 March 31, 2019, 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 ICAI.

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

(CA. Ajay Agrawal)
Partner
Membership No. 17643

Place of Signature: Kolkata
Date: 13th May, 2019

KOLKATA

HIGH QUALITY STEELS LTD.

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

CIN. U27101WB1984PLC026001

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Lakh)

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I	ASSETS			
1.	Non-current assets			
	Financial assets			
	(i) Investments	3	6.26	6.26
	(ii) Loans	4	1,231.52	1,086.08
(b)	Deferred tax assets (net)	5	39.36	39.36
(c)	Other non current assets		-	-
			1,277.14	1,131.70
(2)	Current assets			
(a)	Financial assets			
	(i) Trade receivables	6	96.50	157.59
	(ii) Cash and cash equivalents	7	10.86	12.14
	(iii) Others	8	202.93	104.44
(b)	Current tax assets (net)	9	14.28	28.24
(c)	Other current assets	10	0.02	0.22
			324.59	302.63
	TOTAL ASSETS		1,601.73	1,434.33
II	EQUITY AND LIABILITIES			
	EQUITY			
(a)	Equity share capital	11	30.07	30.07
(b)	Other equity	12	258.43	219.04
			288.50	249.11
	LIABILITIES			
	Non-current liabilities			
(a)	Financial liabilities			
	(i) Borrowings			
	(ii) Other financial liabilities	13	69.81	64.77
(b)	Provisions	14	114.57	106.48
			184.38	171.25
(2)	Current liabilities			
(a)	Financial liabilities			
	(i) Trade payables	15		
	Total outstanding dues of micro enterprises and small enterprises			-
	Total outstanding dues of creditors other than micro and small enterprises		43.95	43.96
	(ii) Borrowings	16	886.10	843.00
	(iii) Other financial liabilities	17	152.78	72.44
(b)	Other current liabilities	18	27.89	30.76
(c)	Provisions	19	[illegible]	[illegible]
			1,128.85	1,013.97
	TOTAL EQUITY and LIABILITIES		1,601.73	1,434.33

The accompanying notes 1 to 38 are an integral part of the standalone Financial Statements.

In terms of our report of even date attached

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

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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP No. 17643

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

Place : Kolkata
Dated : 13th May, 2019

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Lakh)

	Particulars	Note No.	Year Ended 31st March, 2019	Year Ended 31st March, 2018
I	Revenue from operations	20	629.01	571.65
II	Other Income	21	123.64	105.48
III	Total income (I + II)		752.65	677.13
IV	Expenses			
	Employee benefits expense	22	618.70	567.75
	Finance costs	23	88.71	81.20
	Other expenses	24	11.60	2.39
	Total expenses (IV)		719.01	651.34
V	Profit before tax (III - IV)		33.64	25.79
VI	Tax expense			
	(1) Current tax		10.15	12.21
	(2) Deferred Tax		-	10.84
			10.15	23.05
VII	Profit for the year (V - VI)		23.49	2.74
VIII	Other comprehensive income			
	A (i) Items that will not be reclassified to profit or loss			
	-- Remeasurements of the defined benefit plans		15.90	25.17
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
			15.90	25.17
	Total Comprehensive Income for the year (VII+VIII)		39.39	27.91
IX	Earnings per equity share (Par value of Rs. 2.50 each)	25		
	(1) Basic		1.94	0.23
	(2) Diluted		1.94	0.23

The accompanying notes 1 to 36 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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP No. 17643

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

Place : Kolkata
Dated : 13th May, 2019

HIGH QUALITY STEELS LTD
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN: U27101WB1964PLC026001
Cash Flow Statement for the year ended 31st March, 2019

(Rs. in Lakh)

	Year Ended 31st March, 2019	Year Ended 31st March, 2018
A. Cash Flow From Operating Activities:		
[illegible]	[illegible]	[illegible]
[illegible]		
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Operating Profit before Working Capital Changes	(0.54)	2.57
[illegible]		
[illegible]	85.39	(12.09)
[illegible]	38.90	75.56
Cash Generated from Operations	123.75	66.04
[illegible]	16.02	(21.88)
Net Cash Flow from Operating Activities	139.77	44.16
B. Cash Flow From Investing Activities:		
[illegible]	-	(0.26)
[illegible]	(145.44)	(76.75)
[illegible]	(40.10)	(61.00)
[illegible]	14.26	8.44
[illegible]	(171.28)	(129.57)
C. Cash Flow From Financing Activities:		
[illegible]	40.10	63.00
[illegible]	(8.87)	(8.26)
[illegible]	31.23	54.74
Net Change in Cash & Cash Equivalent (A+B+C)	(0.28)	(30.67)
Cash and Cash Equivalents - Opening Balance	12.14	42.81
Cash and Cash Equivalents - Closing Balance*	11.86	12.14

[illegible]

Notes

[illegible]

Change in liabilities arising from financing activities

[illegible]

	As at 31st March, 2018	Cash flows *	Others ^	As at 31st March, 2019
[illegible]	848.00	40.10		888.10
[illegible]	72.94		79.84	152.78
Total	920.94	40.10	79.84	1,040.88

	As at 31st March, 2017	Cash flows *	Others ^	As at 31st March, 2018
[illegible]	785.00	63.00		848.00
[illegible]			72.94	72.94
Total	785.00	63.00	72.94	920.94

[illegible]

[illegible]

(Rs. In Lakh)

	As at 31st March, 2019	As at 31st March, 2018
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	10.86	12.14

[illegible]

[illegible]

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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP No. 17643

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

Place : Kolkata
Date : 13th May, 2019

HIGH QUALITY STEELS LTD.

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

CIN. U27101WB1964PLC026001

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(a) Equity Share Capital

(Rs. In Lakh)

Particulars	Number	Amount (Rs.)
Equity Share of Rs. 2.50 each issued, subscribed and paid-up		
At the beginning of April 1, 2017	12,10,622	30.27
Changes in equity share capital during the year		
Balance as at the end of March 31, 2018	12,10,622	30.27
Changes in equity share capital during the year		-
Balance as at the end of March 31, 2019	12,10,622	30.27

(b) Other Equity

(Rs. In Lakh)

Particulars	Reserves & Surplus		Other Comprehensive Income	Total
	General Reserve	Retained earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1st April, 2017	10.00	180.93	-	190.93
Profit for the year	-	2.74		2.74
Other Comprehensive Income for the year	-		25.17	25.17
Total Comprehensive Income for the year	-	2.74	25.17	27.91
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings	-	25.17	(25.17)	-
Balance as at 31st March, 2018	10.00	208.83	-	218.83
Profit for the year	-	23.49	-	23.49
Other Comprehensive Income for the year		-	15.90	15.90
Total Comprehensive Income for the year	-	23.49	15.90	39.40
Transfer from other comprehensive income (remeasurement gain/loss net of tax) to retained earnings		15.90	(15.90)	
Balance as at 31st March, 2019	10.00	248.23	-	258.23

The accompanying notes 1 to 46 form an integral part of the Standalone Financial Statements

In terms of our report of even date attached

For G. P. Agrawal & CO.
Chartered Accountants
Firm Registration No: 302082E

CA. Ajay Agrawal
Partner
Membership No: 17643

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

Place : Kolkata
Dated : 13th May, 2019

HIGH QUALITY STEELS LTD.
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700058
CIN: U27101WB1964PLC026001

NOTES TO FINANCIAL STATEMENT

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.The Company has no manufacturing activity. Company's source of income is Manpower Supply and Business Auxiliary Services.

The financial statements for the year ended 31st March, 2019 were approved by the Board of Directors and authorized for issue on 13th May, 2019.

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.

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 its 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.

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

With effect from 1st April 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1st April, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant

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 auxiliary services
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.

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.

NOTES TO FINANCIAL STATEMENT

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) 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

(vii) 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.

(viii) 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

(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

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

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, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. 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

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NOTES TO FINANCIAL STATEMENT

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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(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) 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.

Notes to financial statements (Contd.)

Note 3	Investment (Non current)	As at 31st March, 2019		As at 31st March, 2018
				(Rs. in Lakh)
	Investment in Equity Instruments			
	Fully paid equity shares			
	In subsidiaries (At cost)			
	[illegible] Pvt. Ltd. (Wholly owned) (Unquoted) 20,000 (31.03.18: 20,000) Shares of Rs. 10 each	2.00		2.00
	[illegible] Pvt. Ltd. (Wholly owned) (Unquoted) 20,000 (31.03.18: 20,000) Shares of Rs. 10 each	2.00		[illegible]
	[illegible] Pvt. Ltd. (Wholly owned) (Unquoted) 20,000 (31.03.18: 20,000) Shares of Rs. 10 each	2.00		2.00
	In an Associate (At cost)			
	[illegible] (Associate) (Unquoted) [illegible] Shares of Rs. 10 each	0.26		[illegible]
	Total	6.26		6.26

Note 4	Loans	As at 31st March, 2019		As at 31st March, 2018
				(Rs. in Lakh)
	[illegible]			
	[illegible]	1,015.33		1,009.33
	[illegible] Associate Company	216.19		76.75
	Total	1,231.52		1,086.08

Note 6	Trade Receivable	As at 31st March, 2019		As at 31st March, 2018
				(Rs. in Lakh)
	[illegible]	96.50		157.59
	Total	96.50		157.59

Note 7	Cash and Cash Equivalents	As at 31st March, 2019		As at 31st March, 2018
				(Rs. in Lakh)
	[illegible]	[illegible]		[illegible]
	[illegible]	[illegible]		[illegible]
	[illegible]	0.37		[illegible]
	Total	10.86		12.14

Note 8	Other financial assets	As at 31st March, 2019		As at 31st March, 2018
				(Rs. in Lakh)
	Advances to employees and others	0.32		10.46
	Interest receivable	202.61		93.98
	Total	202.93		104.44

Note 9	Current Tax Assets (Net)	As at 31st March, 2019		As at 31st March, 2018
				(Rs. in Lakh)
	[illegible]	36.64		28.24
	[illegible] for Taxation	(22.36)		
	Total	14.28		28.24

Note 10	Other current assets	As at 31st March, 2019		As at 31st March, 2018
				(Rs. in Lakh)
	[illegible]	0.02		0.22
	Total	0.02		0.22

(Rs. in Lakh)

Note 11	Share Capital	As at 31st March, 2019		As at 31st March, 2018
	Authorised			
	[illegible] Equity Shares of Rs. 2.50/- each	400.00		400.00
	(31st March 2018: [illegible] Equity Shares of Rs. 2.50/- each)			
	[illegible] Preference shares of Rs. 100/- each	100.00		100.00
	(31st March 2018: [illegible] preference share of Rs. 100/- each)			
	Issued			
	18,16,[illegible] Equity Shares of Rs. 2.50/- each	45.42		45.42
	(31st March 2018: 18,16,[illegible] Equity Shares of Rs. 2.50/- each)			
	Subscribed and Paid up			
	[illegible]	30.27		30.27
	[illegible]			
	[illegible]			
	[illegible]			

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 number of equity shares held by the shareholders.

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

	31.03.2019		31.03.2018	
	No. of Equity Share	Amount (Rs. In Lakh)	No. of Equity Share	Amount (Rs. In Lakh)
[illegible]	12,10,622	30.27	12,10,622	30.27
[illegible]				-
[illegible]	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
[illegible]	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
[illegible] (Holding Company)	100	12,10,622	100	12,10,622

(Rs. in Lakh)

Note 12	Other equity	As at 31st March, 2019		As at 31st March, 2018	
	A. General Reserve				
	[illegible]		10.00		10.00
	Closing balance		10.00		10.00
	B. Other Comprehensive Income				
	[illegible]				
	[illegible]	15.90		25.17	
	[illegible]	(15.90)		(25.17)	
	Closing balance		-		-
	C. Retained Earnings				
	[illegible]	208.84		180.93	
	[illegible]	23.49		2.74	
	[illegible]	15.90		25.17	
	Closing balance		248.23		208.84
	Total Reserve & Surplus (A + B + C)		258.23		218.84

(Rs. in Lakh)

Note 13	Other Financial liabilities (Non current)	As at 31st March, 2019		As at 31st March, 2018
	[illegible]	0.60		1.74
	[illegible]	68.96		62.23
	[illegible]	0.25		0.80
	Total	69.81		64.77

Note 14	Provisions (Non current)	As at 31st March, 2019		As at 31st March, 2018
	[illegible] employee benefits			
	[illegible]	13.49		13.49
	[illegible]	101.08		92.99
	Total	114.57		106.48

(Rs. in Lakh)

Note 15	Trade payables	As at 31st March, 2019		As at 31st March, 2018
	[illegible] small and medium enterprises	-		-
	[illegible] other than micro, small and medium enterprises	43.96		43.96
	Total	43.96		43.96

(Rs. in Lakh)

Note:

[illegible] the status of vendors under Micro, Small and Medium Enterprises Development Act, [illegible] together with interest paid/payable under this Act have not been given.

Note 16	Borrowings (Current)	As at 31st March, 2019		As at 31st March, 2018
	[illegible]			
	[illegible]	888.10		848.00
	Total	888.10		848.00

(Rs. in Lakh)

Note 17	Other Financial liabilities (Current)	As at 31st March, 2019		As at 31st March, 2018
	[illegible]	152.78		72.94
	Total	152.78		72.94

(Rs. in Lakh)

Note 18	Other current liabilities	As at 31st March, 2019		As at 31st March, 2018
	[illegible]	17.53		[illegible]
	[illegible]	10.46		9.75
	Total	27.99		30.26

(Rs. in Lakh)

Note 19	Provisions (Current)	As at 31st March, 2019		As at 31st March, 2018
	[illegible] employee benefits			
	[illegible]	3.17		5.17
	[illegible]	12.85		13.64
	Total	16.02		18.81

(Rs. in Lakh)

Note 20	Revenue from operation:	Year ended 31st March, 2019		Year ended 31st March, 2018
	[illegible]	629.01		571.65
	Total	629.01		571.65

(Rs. in Lakh)

Note 21	Other Income	Year ended 31st March, 2019		Year ended 31st March, 2018
	Interest Income			
	[illegible] Others	122.89		104.42
	[illegible]	0.06		0.02
	[illegible]	0.69		1.04
	Total	123.64		105.48

(Rs. in Lakh)

Note 22	Employee Benefit Expenses	Year ended 31st March, 2019		Year ended 31st March, 2018
	Salary, Wages [illegible]	529.18		[illegible]
	Contribution to Provident and Other Funds			
	[illegible]	[illegible]		58.29
	[illegible]	21.21		22.00
	[illegible]			
	Staff Welfare Expenses	1.76		1.73
	Total	618.70		567.75

(Rs. in Lakh)

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(Rs. in Lakh)

Note 23	Finance Costs	Year ended 31st March, 2019		Year ended 31st March, 2018
	[illegible]			
	[illegible]	[illegible]		[illegible]
	Total	88.71		81.20

(Rs. in Lakh)

Note 24	Other expenses	Year ended 31st March, 2019		Year ended 31st March, 2018
	[illegible]	[illegible]		0.09
	[illegible]	[illegible]		0.42
	[illegible]	0.03		0.02
	[illegible] Charges	0.32		
	[illegible]	[illegible]		[illegible]
	Auditors Remuneration	0.45		0.53
	Legal Charges			[illegible]
	Postage & Telephones expenses	0.03		0.02
	Total	11.60		2.39

Note. Payment to the Auditor

[illegible]	[illegible]	0.30
[illegible]	[illegible]	0.12
[illegible]	[illegible]	[illegible]
	0.45	0.53

Note 25	EARNING PER SHARE:		31st March, 2019		31st March, 2018
	Amount used as numerator				
	[illegible]	(A)	23.49		2.74
	[illegible] Basic Earning	(B)	[illegible]		12,10,522
	[illegible]	(C)			
	[illegible]		[illegible]		[illegible]
	[illegible]	(A/B)	1.94		0.23
	[illegible]	(A/C)	1.94		0.23

Note 26 Related party disclosures:

	Relationship	2018-2019	2017-2018
A	Parties Where Control Exist	Subsidiaries: [illegible] [illegible] [illegible]	Subsidiaries: [illegible] Conclave (P) Ltd [illegible] [illegible] Builders (P) Ltd.
		Associate Company: [illegible]	Associate Company: [illegible] Rail Systems (P) Ltd
		Holding Company: [illegible]	Holding Company: [illegible] Infrastructure & Holdings Ltd.

RELATED PARTY TRANSACTIONS:

(Rs. in Lakh)

Transactions	Associate	Holding Company	Subsidiaries (Wholly Owned)	Grand Total	Balance Outstanding as on 31.03.19
Sale of Services		[illegible]		25.11	0.91
	[illegible]	[illegible]	[illegible]	(15.63)	(1.87)
Loans and Advances:					
[illegible]		[illegible]		40.10	888.10
	-	[illegible]	[illegible]	(63.00)	(848.00)
[illegible]	[illegible]		-	139.44	216.19
	[illegible]	[illegible]	[illegible]	(76.75)	(76.75)
[illegible]	-		[illegible]	2.00	338.44
	[illegible]	[illegible]	[illegible]	-	(336.44)
[illegible]	-		[illegible]	2.00	338.44
	[illegible]	-	[illegible]		(336.44)
[illegible] Conclave Pvt Ltd			[illegible]	2.00	338.44
	[illegible]	[illegible]	[illegible]	-	(336.44)
Investments:					
[illegible]					0.26
	[illegible]		-	(0.26)	(0.26)
[illegible]				-	2.00
			[illegible]	-	(2.00)
[illegible]				-	2.00
			[illegible]		(2.00)
[illegible]				-	2.00
	[illegible]				(2.00)

Note 27 EMPLOYEE BENEFITS:

1) [illegible] are charged on accrual basis to Statement of Profit and Loss.

2) Leave:

[illegible] 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, 2019

(Rs. In Lakh)

	Transactions	Unfunded Gratuity 2018-19	Unfunded Gratuity 2017-18	Unfunded Leave 2018-19	Unfunded Leave 2017-18
I.	Change in Benefit Obligation				
	Liability at the beginning of the year	108.62	111.79	16.38	16.66
	Interest Cost	8.36	8.21	1.26	1.32
	Current Service Cost	12.85	13.79	2.62	3.07
	[illegible]		-		
	[illegible]				
	Benefit Paid	-			-
	Actuarial (Gain)/Loss on Obligation	(15.90)	(25.17)	(4.03)	(4.67)
	[illegible]		-		
	[illegible]			-	-
	Liability at the end of the year	113.93	108.62	16.23	16.38
II.	Fair Value of Plan Assets				
	Fair Value of Plan Assets at the beginning of the year	-			-
	Expected Return on Plan Assets		-		
	Contributions		-	-	
	Benefit Paid	-			
	Actuarial (Gain)/Loss on Obligation	(15.90)	(25.17)	(4.03)	(4.67)
	Fair Value of Plan Assets at the end of the year		-		
	Total Actuarial (Gain) / Loss to be Recognised	(15.90)	(25.17)	(4.03)	(4.67)
III.	Actual Return on Plan Assets				
	[illegible]				
	[illegible]		-	-	-
	Actual Return on Plan Assets	-			
IV.	Amount Recognised in the Balance Sheet				
	Liability at the end of the year	113.93	108.62	16.23	16.38
	[illegible]				
	[illegible]	113.93	108.62	16.23	16.38
	[illegible]				-
	Amount Recognised in the Balance Sheet	113.93	108.62	16.23	16.38
V.	Expenses Recognised in the Income Statement				
	[illegible]	12.85	13.79	2.62	3.07
	[illegible]	8.36	8.21	1.26	1.32
	[illegible]		-		
	[illegible]	(15.90)	(25.17)	(4.03)	(4.67)
	[illegible]				
	[illegible]				
	[illegible]		-		-
	[illegible]	-	-	-	
	Expenses Recognised in the Statement of Profit and Loss	5.31	(3.17)	(0.15)	(0.28)
VI.	Balance Sheet Reconciliation				
	[illegible]	108.62	111.79	16.38	16.66
	[illegible]	5.31	(3.17)	(0.15)	(0.28)
	[illegible]		-	-	
	[illegible]		-		
	[illegible]				
	Amount Recognised in the Balance Sheet	113.93	108.62	16.23	16.38
VII.	Actuarial Assumption				
	Discount Rate Current	7.60%	7.70%	7.60%	[illegible]
	[illegible]				
	[illegible]	5.00%	5.00%	5.00%	5.00%

[illegible]

[illegible]

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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP NO.017643

Place : Kolkata
Date : 13th May, 2019

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973

HIGH QUALITY STEELS LTD.

Notes to Financial Statements (Contd..)

Note 5 Deferred tax (Net)

As at March 31, 2019

Particulars	Opening Balance	Recognized in profit or loss	Reclassified from equity to profit or loss	Recognized in other comprehensive income	Closing Balance
	Amount	Amount	Amount	Amount	Amount
Tax effect of items constituting deferred tax assets					
Provision for Gratuity, Bonus, Leave etc.	39.36				39.36
Net deferred tax liability/ (assets)	39.36	-	-	-	39.36

As at March 31, 2018

Particulars	Opening Balance	Recognized in profit or loss	Reclassified from equity to profit or loss	Recognized in other comprehensive income	Closing Balance
	Amount	Amount	Amount	Amount	Amount
Tax effect of items constituting deferred tax assets					
Provision for Gratuity, Bonus, Leave etc.	50.20	(10.84)			39.36
Net deferred tax liability/ (assets)	50.20	(10.84)	-	-	39.36

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

Note No. 28 Tax Expenses

(Rs. in Lakh)

Particulars	For the Year ended 31 March, 2019	For the Year ended 31 March, 2018
a) Tax Expense		
Current Tax		
Current tax on profits for the year	10.15	12.21
Adjustments for current tax of prior periods	-	-
Total current tax expense	10.15	12.21
Deferred Tax		
Decrease/(increase) in deferred tax assets	-	10.84
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expenses/(benefit)	-	10.84
Tax Expense	10.15	23.05

b) Reconciliation of tax expenses and the accounting profit multiplied by Indis'a tax rate

Particulars	31 March, 2019	31 March, 2018
Profit before tax	33.64	25.79
Tax at the Indian tax rate of 26.00% (previous year - 28.84%)	8.75	7.44
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Corporate social responsibility expenditure	-	
Disallowance of estimated expenditure to earn tax exempt income	-	-
Income from rented property (net)	-	-
Income from investment	-	
Income from investment - LTCG	-	-
Companies Act Depreciation	-	
Others	1.40	15.61
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
Income from dividend		
Income Tax Act Depreciation		-
Income from investment	-	-
Income from fair valuation of mutual funds	-	-
Income from rented property	-	-
Others	-	-
Tax effect of other adjustment	-	-
Income tax for earlier years	-	
Indexation benefit on Land/Mutual fund & GAAP differences	-	
Tax Expense	**10.15**	**23.05**

NOTES TO FINANCIAL STATEMENT

Note No 29 Financial Risk Management Objectives and policies-

The Company [illegible] Credit Risk, Liquidity Risk, Market Risk and Equity Price Risk.
[illegible] the Company is exposed to and how the Company manages the risk and the impact. The management [illegible] accordance with the Risk Management Policy of the company. The [illegible] management [illegible] risks and related risk management policies which are given as under

The Company's [illegible] liabilities comprise borrowings, capital creditors and 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 respective marketing department subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on-going basis. 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 10 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**- [illegible] at a reasonable price is defined as liquidity risks. The [illegible] funding as well as settlement management. In addition, processes and [illegible] management. Management monitors the Company's net liquidity position through rolling [illegible] cash flows.

[illegible] funding and flexibility through the use of cash credits, Term loans among [illegible]

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, [illegible] market changes.

Foreign Currency Risk- A risk that the fair value or future value of the cash flows of forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's [illegible] foreign currency [illegible] operating activities. The Company as per its risk management policy uses [illegible] foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

D **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 [illegible] whether those changes are caused by factors specific to the individual [illegible] instruments traded in the market is defined as Equity Price Risk.

The Company [illegible] shares [illegible] Associates, Joint Ventures and some of the group companies as part of [illegible] manages the equity [illegible] risk through placing limits on individual and total [illegible] based on the respective business plan of each of the companies. The [illegible] material. [illegible] analysis of Company's investment in equity instruments [illegible]

Note No 30 Capital Management

The Company's [illegible] managing capital [illegible] debt and equity is to safeguard the Company's ability to continue as a going [illegible] returns to shareholders and benefits for other stakeholders, while protecting and strengthening the Balance Sheet through the [illegible] balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it in taking into consideration the [illegible] conditions and strategic objectives of the Company.

Note No 31 Fair Value

Carrying amounts and fair values Fair Value through Profit & Loss (FVTPL) of financial instruments including their levels in the fair value hierarchy [illegible]

Financial instruments Accounting, Classification and Fair Value Measurement

A. Accounting classification and fair values

(Rs. In Lakh)

31st March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
Investments			6.26	6.26		6.26		6.26
Loans & Advances			1,231.52	1,231.52			1,231.52	1,231.52
Others				-		-	-	-
Financial Assets (Short Term)				-				-
Investments				-			-	-
Trade Receivables			96.50	96.50		-	96.50	96.50
Cash and cash equivalents			10.86	10.86			10.86	10.86
Bank Balances & Others			202.93	202.93			202.93	202.93
Loans & Advances				-				-
Total	-	-	1,548.07	1,548.07	-	6.26	1,541.81	1,548.07
Financial liabilities (Long Term)								
Borrowings				-				-
Other financial liabilities			69.81	69.81			69.81	69.81
Financial Liabilities (Short Term)								
Borrowings			888.10	888.10			888.10	888.10
Trade Payables			43.96	43.96			43.96	43.96
Other financial liabilities			152.78	152.78			152.78	152.78
				-				
Total			1,154.65	1,154.65	-	-	1,154.65	1,154.65

31st March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
Investments			6.26	6.26		6.26	-	6.26
Loans & Advances			1,086.08	1,086.08	-		1,086.08	1,086.08
Others								
Financial Assets (Short Term)				-				
Investments				-			-	-
Trade Receivables			157.59	157.59			157.59	157.59
Cash and cash equivalents			12.14	12.14			12.14	12.14
Bank Balances & Other			104.44	104.44			104.44	104.44
Loans & Advances				-				-
Total			1,366.51	1,366.52		6.26	1,360.25	1,366.51
Financial liabilities (Long Term)								
Borrowings				-				-
Other financial liabilities			64.77	64.77			64.77	64.77
Financial liabilities (Short Term)								
Borrowings	-		848.00	848.00			848.00	848.00
Trade Payable			43.96	43.96			43.96	43.96
Other financial liabilities			72.94	72.94		-	72.94	72.94
Total			1,029.67	1,029.67	-	-	1,029.67	1,029.67

[illegible]

B. Measurement of fair values

[illegible] 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. [illegible]

Level 3: [illegible] (unobservable inputs).

C. Valuation techniques

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

[illegible] short term borrowing from [illegible] due to short term maturities of these instruments.

[illegible] such as interest rates, specific country risk factors, individual credit [illegible] Based on this evaluation, allowances are taken into account for the expected [illegible]

[illegible] is estimated by discounting future cash flows [illegible]

HIGH QUALITY STEELS LTD.
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Note No.32 Information about Segment Working is given below :

(Rs. in Lakh)

	2018-19	2017-18
	Manpower Services	Manpower Services
Revenue (Net of Excise Duty and Cess)		
External Sales	629.01	571.65
Total Revenue	**629.01**	**571.65**
Result		
Segment Result	(0.53)	2.56
Unallocated Corporate Expenses	-	-
Operating Profit/(Loss)	**(0.53)**	**2.56**
Finance Costs (Interest Expense)	(88.71)	(81.20)
Interest Income	122.89	104.42
Total Profit/(Loss) before Tax	**33.64**	**25.79**
Provision for Current Tax	10.15	12.21
Provision for Deferred Tax	-	10.84
Net Profit/(Loss)	**23.49**	**2.74**
Other Information		
Segment assets	1,601.72	1,434.33
Unallocated Corporate assets	-	-
Total assets	**1,601.72**	**1,434.33**
Segment liabilities	1,313.22	1,185.22
Unallocated corporate liabilities	-	-
Total Liabilities	**1,313.22**	**1,185.22**

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	2018-19		2017-18
Supply of Manpower	629.01		571.65
Revenue from contract with customers	**629.01**		**571.65**

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	2018-19		2017-18
Trade Receivables (Refer Note No 6)	96.50		157.59
Advance from customers	-		-
Revenue recognised out of Contract Liabilities at beginning of the year	-		-
Revenue recognised out of Performance obligation performed during previous year	-		-

Note No.34 Standards Issued but not yet Effective

i) Ind AS 116

Ind AS 116 is effective for period beginning on or after 1st April 2019. It will replace previous lease standard Ind AS 17.

Ind AS 116 sets out the principles for recognition, presentation and disclosure of leases and requires lessees to account for all leases under a single on balance sheet model similar to accounting for finance leases under Ind AS 17.

Ind AS 116 requires lessees to recognize a 'right-of-use asset' and a 'lease liability' for almost all leasing arrangements. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. The lessor still has to classify leases as either finance or operating.

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation

ii) Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatment that are yet to be accepted by tax authorities and to reflect in the measurement of current and deferred taxes

The Company is evaluating the impact of the standard and amendment on the financial position and results of operation

iii) Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

iv) Plan Amendment, Curtailment or Settlement- Amendments to Ind AS 19

On 30th March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements

The amendments require an entity

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

Note No.35 Previous year figures have been regrouped/rearranged/restated/recast wherever necessary to confirm this year classification.

Note No.36 Figures below Rs.500/- have been omitted while rounding off. Rs.500/- and above have been rounded off to the next Rs.1000

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

CA. AJAY AGRAWAL
PARTNER
MEMBERSHIP NO.017643

Place : Kolkata
Dated : 13th May, 2019

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

A. K. NANDA
Director
DIN : 00201378

A. K. SINHA
Director
DIN : 07820983

R.R.SINGH
Director
DIN : 07820973