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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIGH QUALITY STEELS LIMITED

Report on the Standalone Ind-AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **HIGH QUALITY STELS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss (including the statement of other comprehensive income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes



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evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order,2016 ("the order") issued by the Central Government of India in terms of Subsection (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:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (C) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and



K. N. GUTGUTIA & CO.

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- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best car our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from Nov 8,2016 to Dec 30, 2016. Based on audit procedures and relying on the management representation, we report that these are in accordance with the books of accounts maintained by the company. Refer Note 26 to the standalone Ind AS financial Statements.

Kolkata 16th MAY,2017 For K. N. Gutgutia & Co. Chartered Accountants

Firm Registration Number 304153E

Chartered Accountants

K. C. Sharma
Partner
Membership No.050819

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Annexure - A to the Independent Auditors' Report to the Members of High Quality Steels Limited as referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date

- I. The Company has no fixed assets and hence clause 3(i)(a) to (c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- II. The Company has no Inventory and hence clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- III. a) The Company has granted unsecured loan to the Companies(Wholly owned Subsidiaries) covered in the register maintained under section 189 of the Companies Act, 2013 which is not prejudicial to the interest of the Company.
 - b) The schedule of repayment of Principal and Interest of the above loan has been stipulated and the company is regular in receipt of the same.
 - c) There is no amount over due of more than 90 days in respect of recovery of principal and interest of the above loan.
- IV. In our opinion and according to the information given to us, in respect of loans, investments, guarantees and security provisions of section 185 and 186 of the Companies Act 2013 have been complied with.
- V. The Company has not received any deposits from the public in accordance with the provisions of section 73 to 76 of the Act and the rules formed there under and hence clause 3 (v) of the Companies (Auditor's Report) Order 2016 is not applicable to the company.
- VI. According to the information and explanation given to us, Company is a Servicing Company dealing with labor Supply and hence clause 3(vi) of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.
- VII. a)According to the information and explanations given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed statutory dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
 - b) According to the records of the Company, there is no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.
- VIII. There are no outstanding dues to a financial institution, Bank or debenture holders and hence clause 3(viii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- IX. The Company has not raised any money by way of Initial Public Offer or Further Public Offer (Including debt instruments) or term loan and hence clause 3(ix) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.



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- X. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind As financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers and employees has been noticed or reported during the course of our audit.
- XI. No managerial remuneration has been paid under section 197 of the Companies Act, 2013 and hence clause 3(xi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- XII. The Company is not a Nidhi Company, hence clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- XIII. All transactions of the company with the related parties are in compliance with sections 177 & 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Ind As financial statements etc., as required by the applicable accounting standards.
- XIV. The Company has not made any Preferential allotment or Private Placement of shares or fully or partly convertible debentures during the year under review and hence clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- XV. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence, clause 3 (xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- XVI. The Company is not a non-banking financial company and hence the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Accountants

Kolkata 16th MAY,2017 For K. N. Gutgutia & Co.

Chartered Accountants

Firm Registration Number 304153E

K. C. Sharma Partner

Membership No.050819



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ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS 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 at March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonal le 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 Ind AS 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.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Kolkata 16th MAY,2017



For K. N. Gutgutia & Co.

Chartered Accountants

Firm Registration Number 304153E

K. C. Sharma

Partner

Membership No.050819

	TICULARS	Note No.	As at 31-Mar-17	As at 31-Mar-16	(Figures in INF
)	ASSETS			01-Wal-16	1-Apr-15
	Non-current assets				
	(a) Financial assets				
	(i) Investments				
	(b) Other non-current assets	2	600,000	300,000	200.00
	(c) Deferred Tax Assets	3	100,932,858	90,432,858	300,00 90,432,85
	Current assets	4	5,020,096	4,056,042	2,956,27
	(a) Financial assets		106,552,954	94,788,900	93,689,13
					1,000,100
		5	14 562 604		
	(ii) Cash and cash equivalents (iii) Advance to Parties	6	14,563,624 4,281,601	22,878,852	28,510,810
	(b) Other current assets	7	1,053,787	624,104	707,945
	(T) Other current assets	8	1,856,998	4,651,162	4,662,162
	Non-current assets held for sale		21,756,010	(93,499)	23,397
	Assets of a disposal group held for sale		21,730,010	28,060,619	33,904,314
	of a disposal group field for sale				
	Total Assets				
	Total Addets		128,308,964	100 040 540	
	EQUITY AND LIABILITIES		120,000,004	122,849,519	127,593,446
	The state of the s				
	EQUITY				
	(a) Equity share capital				
	(b) Other equity	9	3,026,555	3,026,555	3,026,555
		10	19,093,351	18,848,086	18,249,361
	LIABILITIES		22,119,906	21,874,641	21,275,916
	Non-current liabilities				21,270,910
	(a) Financial liabilities				
	(i) Other financial liabilities excluding provisions	11			
	(ii) Provision for Employees Benefit	12	78,500,000	78,500,000	88,500,000
	Current E-1 Str	'2	10,438,986	8,470,997	6,683,119
	Current liabilities		88,938,986	86,970,997	95,183,119
	(a) Financial liabilities				
	(i) Other financial liabilities excluding provisions (b) Other current liabilities	13	4 205 705		
	(b) Other current liabilities	14	4,395,765	4,398,789	4,395,765
	(c) Provisions for Employees Benefit	15	10,448,063	7,834,717	5,282,825
	Liabilition of the discount	Г	2,406,244	1,770,375	1,455,821
	Liabilities of the disposal group held for sale		17,250,072	14,003,881	11,134,411
	Total Equity & Liabilities	_			
		L	128,308,964	122,849,519	127,593,446
	Significant Accounting Policies and notes to the financial statem				
	statem	ients 1			

As per our report of even date attached

For K. N. GUTGUTIA & CO. CHARTERED ACCOUNTANTS Firm Regn. No. 304153E

Sharme SHARMA)

(K. C. SHARMA)

PARTNER

MEMBERSHIP NO. 50819
6C, Middleton Street,

Kolkata - 700 071

Dated : 16th May, 2017



A. K. NANDA

A. K. SINHA

R.R.SINGH

CIN. U27101WB1964PLC026001 STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

	No.	31-Mar-17	Period Ende
Revenue from operations		<u> </u>	31-Mar-16
Other income	16	92,372,905	63,875,1
Table	17	9,343,789	9,3
l otal income (I + II)		101 716 604	62 004 5
Expenses		= 101,710,094	63,884,5
Expenses for Services			
Employee benefits expenses	18		7,805,2
	19		55,038,8
Strict expenses	20		188,6
		101,331,257	63,032,6
Profit/(loss) before exceptional items and tax (III - IV)		205 407	
		385,437	851,8
· rong(1055) before tax (V - VI)		385.437	851,85
Tax expense			001,00
(1) Current tax		4.050.000	
		1,053,000	1,371,00
	21	(113.021)	(18,10
, , , , , , , , , , , , , , , , , , ,		(964,054)	(1,099,76
P. S.W.		(24,075)	253,13
		409,512	598,72
Profit/ (Loss) from discontinued operations (after tax) (X - XI)			
Profit / (Loss) for the period (IX + XII)		409 512	F00 704
Other comprehensive income		100,012	598,72
(i) Items that will not be reclassified to profit or loss			
(ii) Items that will be reclassified to profit or loss		(164,247)	
		(164 247)	-
Total comprehensive income for the period (XIII + XIV)			
		245,265	598,725
Earnings per equity share (for continuing operations) (Per value of Rs.2.50	each)		
(1) Basic		0.20	0.49
			0.49
Earnings per equity share (for discontinued operations) (Per value of Rs.2	50 each)		0.40
(1) Basic			
Earnings per equity share (for discontinued and continuing operations) (P ϵ	r value of Rs.2.50 each)		
(1) Dasic		0.20	0.49
		0.20	0.49
cant Accounting Policies and notes to the financial statements	1		0.10
As per our report of even date attached			
		/ /	
		1/1/1/1	3.
			ny
Firm Regn. No. 304153E			A. K. NANDA
	Expenses Expenses for Services Employee benefits expenses Finance costs Other expenses Profit/(loss) before exceptional items and tax (III - IV) Exceptional items Profit/(loss) before tax (V - VI) Tax expense (1) Current tax (2) Income Tax for Earlier Year (3) Provision for Income-tax/(Written back) (4) Deferred Tax Profit/(Loss) from continuing operations (VII - VIII) Profit/(Loss) from discontinued operations Profit/(Loss) from discontinued operations Profit/(Loss) from discontinued operations Profit/(Loss) from discontinued operations Profit/(Loss) from the period (IX + XII) Other comprehensive income (i) Items that will not be reclassified to profit or loss Items that will be reclassified to profit or loss Total comprehensive income for the period (XIII + XIV) Earnings per equity share (for continuing operations) (Per value of Rs.2.50 (1) Basic (2) Diluted Earnings per equity share (for discontinued operations) (Per value of Rs.2.50 (1) Basic (2) Diluted Earnings per equity share (for discontinued and continuing operations) (Per value of Rs.2.50 (1) Basic (2) Diluted Earnings per equity share (for discontinued and continuing operations) (Per value of Rs.2.50 (1) Basic (2) Diluted Earnings per equity share (for discontinued and continuing operations) (Per value of Rs.2.50 (1) Basic (2) Diluted Earnings per equity share (for discontinued and continuing operations) (Per value of Rs.2.50 (3) Profit/(Loss) from discontinued and continuing operations) (Per value of Rs.2.50 (4) Profit/(Loss) from discontinued and continuing operations) (Per value of Rs.2.50 (5) Diluted Earnings per equity share (for discontinued and continuing operations) (Per value of Rs.2.50 (6) Diluted Earnings per equity share (for discontinued and continuing operations) (Per value of Rs.2.50 (7) Diluted Earnings per equity share (For discontinued and continuing operations) (Per value of Rs.2.50 (8) Diluted Earnings per equity share (For discontinued operations) (Per value of Rs.2.50 (9) Diluted Earnings p	Other income 17 Total income (I + II) Expenses Expenses 18 Expenses 19 Cother expense 19 Cother expenses 19 Cother	Total income (I + II) 17

(K. C. SHARMA)

PARTNER
MEMBERSHIP NO. 50819
6C, Middleton Street,
Kolkata - 700 071

Dated: 16th May, 2017

Chartered OO Accountants

A. K. SINHA

R.R.SINGH

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Figures in INR)

A. CASH FLOW FROM OPERATING ACTIVITIES: Net Profit before Tax and Exceptional Items Interest Paid Interest Received	FOR THE YEAR ENDED 31/03/2017 385,437 8,052,896 (9,269,375)	FOR THE YEAR ENDED 31/03/2016 851,857
Operating Profit before Working Capital Changes & Exceptional items Adjustments for:	(831,042)	851,854
Trade Receivables & Current Assets Trade Payables & Current Liabilities Cash Generated from Operations Direct Taxes paid Net Cash Flow from Operating Activities (A) B. CASH FLOW FROM INVESTING ACTIVITIES:	9,962,106 5,049,933 14,180,997 (939,979) 13,241,018	5,642,958 4,657,348 11,152,160 (1,236,004) 9,916,156
Non-Current Investments Un-Secured Loan Repaid/Received Un-Secured Loan given Interest received Net Cash used in Investing Activities (B)	(300,000) - (10,500,000) 9,269,375 (1,530,625)	(10,000,000) - 3 (9,999,997)
C. CASH FLOW FROM FINANCING ACTIVITIES: Interest paid Net Cash used in Financing Activities (C) Net Changes in Cash & Cash Equivalent (A+B+C) Cash & Cash Equivalent - Opening Balance	(8,052,896) (8,052,896) 3,657,497 624,104	(83,841)
Cash & Cash Equivalent - Closing Balance * Represent Cash and Bank Balances as indicated in Note No.6	4,281,601 *	707,945 624,104

Note:- 1. The above Cash Flow Statement has been prapared under the "Indirect Method" as set out in Ind As-7 (Statement of Cash Flow).

2. Previous year's figures are regrouped/rearranged wherever necessary.

For K. N. GUTGUTIA & CO. CHARTERED ACCOUNTANTS Firm Regn. No. 304153E

Domys (K. C. SHARMA)

(K. C. SHARMA)

PARTNER

MEMBERSHIP NO. 50819
6C, Middleton Street,

Kolkata - 700 071

Dated: 16 TH MAY, 2017

Challered 200 Accountants

A. K. NANDA

A. K. SINHA

R.R.SINGH

HIGH QUALITY STEELS LTD.

C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN. U27101WB1964PLC026001
FINANCIAL YEAR 2016 - 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31/03/2017

(Rs. In INR)

(a) Equity Share Capital

Equity Share of Rs.2.50 each issued, subscribed and paid-up	Number	Amount (Rs.
At the beginning of April 1, 2015 Changes in equity share capital during the year Balance as at the end of March 31, 2016 Changes in equity share capital during the year Balance as at the end of March 31, 2017	1,210,622 - 1,210,622	3,026,555 3,026,555
	1,210,622	3,026,55

(b) Other Equity

Particulars	Reserve	s and Surplus	Items of other comprehensive income	Total
Balance at the beginning of the	Capital Redemption Reserve	Retained earnings	other comprehensive income	rotar
Balance at the beginning of the reporting period (01/04/2015) Fair Value of Investment as per Ind AS at the beginning of the reporting period (01/04/2015)		18,249,361	-	18,249,36
income for the year		18,249,361		18,249,36
Fair Value of Investment as per Ind AS		598,725.00		598,725.00
Balance at the end of the reporting period (31/03/2016)	-	40.040.000		
Fair Value of Investment as per Ind AS ncome for the year	-	18,848,086	-	18,848,086
Balance at the end of the reporting period (31/03/2017)	_	409,512	(164,247)	245,265
	•	19,257,598	(164,247)	19,093,351

For K. N. GUTGUTIA & CO. CHARTERED ACCOUNTANTS Firm Regn. No. 304153E

(K. C. SHARMA)

PARTNER

MEMBERSHIP NO. 50819

6C, Middleton Street,

Kolkata - 700 071

Dated: 16th May, 2017

Chattered & Accountants

A. K. NANDA

A. K. SINHA

R.R.SINGH

HIGH QUALITY STEELS LTD.
C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056
CIN. U27101WB1964PLC026001
Notes on accounts
Note No.

	2 F	inancial assets - Non-current nvestment <u>In Wholly-owned Subsidiaries</u>	31-Mar-17	31-Mar-16	31-Mar-15
		At Cost Less Provision for Other than Temporary Diminution Other than Trade (Unquoted)			
		Qty P.Y. F.V			
		20000 10000 10 Topflow Buildcon Pvt. Ltd.			
		20000 10000 10 Startree Enclave Pvt. Ltd.	200,000	100,000	400.000
		20000 10000 10 Snowblue Conclave Pvt. Ltd.	200,000	100,000	100,000
			200,000	100,000	100,000
	3 01	ther Non-current assets	600,000	300,000	100,000
	0 01				300,000
		<u>Loans to Wholly-owned Subsidiaries</u> Startree Enclave Pvt. Ltd.			
1		Snowblue Conclave Pvt. Ltd.	33,644,286	30,144,286	
1		Topflow Buildcon Pvt.Ltd.	33,644,286	30,144,286	30,144,286
			33,644,286	30,144,286	30,144,286
	4 De	eferred Tax Assets (net)	100,932,858	90,432,858	30,144,286 90,432,858
		Provision for Deferred Tax			30,432,656
		Total of Deferred Tax	5,020,096	4,056,042	
	5 Tra		5,020,096	4,056,042	2,956,274
	ıra	ade Receivable		4,000,042	2,956,274
		(Un-secured considered good)	14,563,624		
		Exceeding six months Below six months	6 004 500	22,878,852	28,510,810
		below six months	6,884,523 6,884,52 7,679,101 15,994,32	•	6,884,523
			14,563,624	22,878,852	21,626,287
6	Cas	sh and cash equivalents	-,-,	22,070,052	28,510,810
		Cash in hand	* 400 400		
		Cheques in hand	108,108	62,669	75,839
		Balance with Scheduled Banks (in Current Accounts)	14,000 4,159,493	90,000	304,431
			4,281,601	471,435	327,675
7	Oth	ners : Advances to party	1,201,001	624,104	707,945
		Contractor's			
		Padmabati Fluid Tech Engineers			
		Labour Inspector, Barrackpore	20.000	2,343,836	2,343,836
		Krishi Vikas Engineering	32,000	32,000	32,000
		Nishok Realties Private Limited	1,000,000	1,261,289	1,261,289
		Advance to Employee Others Advances	8,699	1,000,000	1,000,000
		Cities Advances	13,088	3,199 10,838	14,199
			1,053,787	4,651,162	10,838
8	Othe	er current assets		.,,	4,662,162
		Advance Tax & Tax Deducted at Source- Net of Provisions			
		Advance Income Tax & Tax Deducted at Source	2,909,998 * 1,277,501		050.000
		Less :- Provision for Income Tax	<u>1,053,000</u> 1,856,998 1,371,000		956,397 933,000 23,397
			1,856,998	(93,499)	
9		re Capital		(00,400)	23,397
		norised			
	1,00,	,00,000 Equity Shares of Rs.2.50/- each	40,000,000	40,000,000	
		,000 Preference Shares of Rs.100/- each	10,000,000	40,000,000 10,000,000	40,000,000
	Issue		,	10,000,000	10,000,000
	18,16	6,866 Equity Shares of Rs.2.50/- each	4540405		
		scribed & Paid-up	4,542,165	4,542,165	4,542,165
	12.10	0,622 Equity Shares of Rs.2.50/- each fully paid-up			
	(the a	above shares held by Texmaco Infrastucture & Holdings Ltd.,	3,026,555	3,026,555	2 000 555
	the H	folding Company and its Nominees)	3,026,555	3,026,555	3,026,555 3,026,555
	Notes	<u>s :-</u>			

- The Company has only one class of shares referred to as Equity Shares having par value of Rs.2.50.
- 2. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company,after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

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

	31.03	31.03.2017		.2016
No of Shares at the least in the	No. of Equity Share	Amount (in Rs.)	No. of Equity Share	Amount (in Rs.)
No. of Shares at the beginning of the year Add: Equity Shares issued during the year	1210622	3026555.00	1210622	3026555.0
No. of Shares at the end of the year	1210622	3026555.00	1210622	3026555.0

4. The name of Shareholder holding more than 5% of Equity Shares Name of Shareholder % of Holding % of Holding No. of Equity No. of Equity Shares held 1210622 Shares held 1210622 TEXMACO INFRASTRUCTURE & HOLDINGS LTD. 100 100



	10	Other equit						
			Opening balance					
			Add: Credited during the year		1,000,000		1,000,000	500,000
			Closing balance			1,000,000		500,000 1,000,000
		P. Damasa				1,000,000	1,000,000	1,000,000
		b. Remeasi	rement of Benefit Plan					
			As per Last Account Addition/deduction during the year					
			Closing balance		(164,247	7) (164,247)		
						(164,247)		
		C. SURPLU						
		In statement	of Profit and loss :					
			Opening balance		17,848,086		47.040.004	
			Add: Profit after tax as per statement of profi	fit and loss	409,512		17,249,361 598,725 17,848,086	17,363,191
			Less: Transferred to General Reserve Closing balance				<u>598,725</u> 17,848,086	<u>386,170</u> 17,749,361
			ordering balance			18,257,598	17,848,086	500,000 17,249,361
			Total Reserve & Surplus (A + B)			40.000		17,243,301
						19,093,351	18,848,086	18,249,361
	11	Non-current Financial lia						
			cial liabilities excluding provisions					
			Unsecured Loan from Holding Company					
			200 Paris			78,500,000	78,500,000	88,500,000
						78,500,000	78,500,000	88,500,000
	12	Provisions						
			Provision for Employee Benefits					
			Leave			1,348,659	4 404 00-	
			Gratuity			9,090,327	1,121,385 7,349,612	878,123
						10,438,986	8,470,997	5,804,996 6,683,119
		Current liabil						0,003,119
	13	Financial liab	ilities					
	13	Other Financ	ial liabilities excluding provisions Sundry Creditors					
			Retention Money			3,506,256	3,506,256	3,506,256
						889,509	892,533	889,509
						4,395,765	4,398,789	4,395,765
	14	Other current						
			TDS & Other Taxes Payable			1,204,625	93,166	50.000
			Outstanding Expenses Amount due to Employees & Workmen			127,875	27,000	52,007 27,000
			P.F, Pension Fund & E.S.I Payable			8,034,968	6,564,842	4,286,480
			Stale Cheques			1,068,544	1,138,756	898,153
						12,051 10,448,063	10,953	19,185
8	15	Provisions (Short-Term)			10,440,063	7,834,717	5,282,825
			Provision for Employee Benefits					
			Leave			317,412	1999	
			Gratuity			2,088,832	262,233 1,508,142	226,738
						2,406,244	1,770,375	1,229,083 1,455,821
	16	Revenue from	operation:				1,7.10,070	1,455,621
			Sale of Services			02 272 005		
						92,372,905 92,372,905	63,875,129 63,875,129	
•	7	Other Income				,-,-,-,-	03,673,129	
			Interest Income					
			From Others			0.000.077		
			Misc. Income			9,269,375 7,444	3	
			Liability No Longer Required, now written back	(66,970	120	
						9,343,789	9,271 9,394	
1	8 1	Employee Ben	efit Expenses				-,,,,,	
			Salary, Wages & Bonus					
				Salary				
				Wages	72,125,509	4:	3,671,689	
				Bonus	2,918,135		2,692,492	
			(Neora) Contribution to Provident & Other Funds	Leave	39,928	75,083,572	46,973 46,411,154	
		F	Provident Fund, Pension Fund & E.S.I.					
				s Cont.to P.F.	1,375,157		1 224 200	
				s Cont.to Pen.Fund	3,120,963		1,224,300 2,745,528	
				s Cont.to E.S.I.	2,241,483		2,012,470	
			P.F.Admin Pratuity	nistration Charges	326,027	7,063,630	<u>363,868</u> 6,346,166	
			rovision for Leave Encashment			2,157,158	1,823,675	
			taff Welfare expenses			286,068 190,878	289,157	
						190,878 84,781,306	168,681	
19) F	inance Costs				.,. 5 1,000	55,038,833	
	-		nterest Expenses					
			others			8 052 906		
		NI.				8,052,896 8,052,896		
20	0	Other expenses				0,002,000	•	
			ates & Taxes liscellaneous Expenses			12,850	10,500	
			ank Charges			164,712	124,001	
						21,103		
								COLLEGE



	Contractor's Advance Written-off	31-Mar-17	31-Mar-16
	S.Tax Reverse Charges (Expenses)	3,605,125	31-14141-10
	Auditors' Remuneration	12,000	-
	Bad Debts Written-off	55,020	E4 400
	Legal Charges	- 1,020	54,132
	Postage & Telephones expenses	80,000 900	
	Note. Payment to the Auditor (Including Service Tax) a) Audit Fees	3,951,710	188,633
	b) Tax Audit Fees	30,000	30,000
	c) Other Services	13,800	13,680
		11,220	10,452
21 Exces	Daniel de la constant	55,020	54,132
Zi Exces	ss Provision for Income-tax (Written-back)	113,021	18.100

22 (A) Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

(Rs. In INR)

	O. PARTICULARS	Opening Balan	ce Sheet as at Ap	oril 1 2015	Delene		
			Effect of	7111 1, 2010	Balance S	heet as at Marc	h 31, 2016
		IGAAP	transaction to	Ind AS	IGAAP	Effect of transaction to	
	ASSETS				IGAAP	Ind AS	Ind AS
1)	Non-current assets						
(a)	Financial assets						
(ω)	(i) Investments						
(b)	Other non-current assets	300,000		300,000	300,000		
(c)		90,432,858		90,432,858	90,432,858	-	300,00
()	Deferred Tax Assets	2,956,274		2,956,274			90,432,85
2)		93,689,132	_	93,689,132	4,056,042	-	4,056,042
2)	Current assets			93,009,132	94,788,900		94,788,900
(a)	Financial assets						
	(i) Trade receivables	28,510,810		28,510,810	00 070 050		
	(ii) Cash and cash equivalents	707,945		707,945	22,878,852		22,878,852
(h)	(iii) Advance to Parties	4,662,162		4,662,162	624,104		624,104
(b)	Other current assets	23,397		23,397	4,651,162		4,651,162
		33,904,314	-	33,904,314	(93,499) 28,060,619		(93,499
	Total Assets			00,004,014	20,000,019	•	28,060,619
	Total Assets	127,593,446	-	127,593,446	122,849,519		400 040 540
	EQUITY AND LIABILITIES			, , , , , ,	122,040,010	•	122,849,519
	EQUITY						
(a)	Equity share capital	3,026,555					
(b)	Other equity	18,249,361	-	3,026,555	3,026,555		3,026,555
		21,275,916		18,249,361	18,848,086	-	18,848,086
	LIABILITIES	- 1,2,0,010		21,275,916	21,874,641	-	21,874,641
	Non-current liabilities						
	Financial liabilities						
	(i) Other financial liabilities excluding provisions	88,500,000		88,500,000	70 500 000		
ν.	(ii) Provision for Employees Benefit	6,683,119		6,683,119	78,500,000		78,500,000
	Current liabilities			0,003,119	8,470,997		8,470,997
(a)	Financial liabilities						-
(h)	Other financial liabilities excluding provisions	4,395,765		4,395,765	4 200 700		
	Other current liabilities	5,282,825		5,282,825	4,398,789 7,834,717	-	4,398,789
C)	Provisions for Employees Benefit	1,455,821		1,455,821	1,770,375	-	7,834,717
		106,317,530	-	106,317,530	100,974,878	-	1,770,375 100,974,878
	Total Equity & Liabilities	127,593,446		127,593,446	400 040 742		
	The previous GAAP figures have been reclassified to			121,593,446	122,849,519	-	122,849,519

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note. In terms of our Report of even date attached herewith.

B Reconciliation statement of Profit & Loss as previously reported under IGAAP to Ind AS

SL.NO	PARTICULARS	Year ende	ed 31st March, 20	(Rs. In INR)
		, our chac	Effect of	716
			transaction to	
		IGAAP	Ind AS	Ind AS
. 1	Revenue from operations	63,875,129	-	63,875,129
П	Other Income	9,394		9,394
Ш	Total Income	63,884,523		63,884,523
IV	Expenses			
	Expenses for Services	7,805,200.00		
	Employee benefits expenses	55,038,833.00	-	7,805,200.00
	Finance costs	33,036,633.00		55,038,833.00
	Other expenses	400 000 00		
	Total expenses (IV)	188,633.00	-	188,633.00
	(10)	63,032,666.00	-	63,032,666.00
٧	Profit/(loss) before tax	851,857.00		851,857.00
VI	Tax Expenses			
	Current Tax Income Tax for Earlier Year	1,371,000.00		1,371,000.00
	Provision for income tax Written back			-
	Deferred Tax	(18,100.00)		(18,100.00)
		(1,099,768.00)		(1,099,768.00)
		253,132.00	-	253,132.00
VII	Profit/(loss) for the period after tax	598,725.00		598,725.00
VIII	Other comprehensive income			
IX ·	total comprehensive income for the period	598,725.00		598,725.00



The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note. In terms of our Report of even date attached herewith.

Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31.03.2016

There are no material adjustments of transition to the Statement of Cash flows to conform to Ind AS presentation for the year ended 31.03.2016

23. EARNING PER SHARE:

Basic Earning Per Share	(Rs.)	31-03-2017 (<u>in Rs.)</u> 0.20	31-03-2016 (in Rs.) 0.49
Diluted Earning Per Share	(Rs.)	0.20	0.49
Nominal Value Per Share	(Rs.)	2.50	2.50

Earnings per share is calculated by dividing the net profit / loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period, as below:

	2016-2017 (Rs.)	2015-2016 (Rs.)
Profit After Taxation	245265	598725
Weighted Average Number of Shares outstanding during the year	1210622	1210622

24 Related party disclosures :

	Relationship	Parties Where Control Exist - 2016- 2017	Parties Where Control Exist - 2015-2016
A.	Key Management Personnel		2013 2010
В.	Subsidiaries	Topflow Buildcon (P) Ltd.	Snowblue Conclave (P) Ltd. Startree Enclave (P) Ltd. Topflow Buildcon (P) Ltd.
C.	Holding Company Group Company Where	l exmaco Infrastructure & Holdings	Texmaco Infrastructure & Holdings Ltd.
D.	Control Exists		- 14

RELATED PARTY TRANSACTIONS:

Transactions	Others Where Control Exists	Key Management Personnel	Holding Company	Subsidiaries (Wholly Owned)	Grand Tota
Remuneration paid		-			
	()	()			-
Sale of Services		()	() 1963600,00	()	(
	()	()	The second secon	-	1963600.00
Dividend Received			(1624049.00)	()	(1624049.00
3. 3.17	()	()	- ()		
Dividend Paid		()	()	()	()
	()	()			
Loans taken during the Year		()	()	()	()
and the real					0.00
Loans and Advances:	()	()	()	()	()
and the contract of					
-5 -			-	3,500,000.00	3500000.00
1	()	()	()	()	()
				3,500,000.00	3500000.00
	()	()	()	()	()
				3,500,000.00	3500000.00
Investments:	()	()	()	()	()
	- ()			100,000.00	100000.00
	()	()	()	()	()
				100,000.00	100000.00
	()	()	()	()	()
. 13- 2- 1-	-			100,000.00	100000.00
	()	()	()	()	()

25. EMPLOYEE BENEFITS:

- The Company's contribution to Provident Fund and Employees' State Insurance Scheme are charged on accrual basis to Statement of Profit & Loss. 1)
- Leave:
- Leave liability is accounted for based on actuarial valuation at the end of the year
- 3)
- Gratuity:
 Gratuity liability is accounted for based on actuarial valuation at the end of the year.



Defined Benefit Plans - As on March 31, 2017

	Transactions	Unfunded Gratuity 2016-17		Unfunded 15- Leave 2016-	Unfunded Leave 2015
1.	Change in Benefit Obligation	2010-17	16	17	16
	Liability at the beginning of the year	000000			
	Interest Cost	8857754.00	7034079.00	1383618.00	1104861.00
	Current Service Cost	695334.00	545141.00	108614.00	85627.00
	Past Service Cost (Non Vested Funds)	1461824.00	1300268.00	341553.00	287651.00
	Past Service Cost (Vested Funds)	-			207031.00
	Benefits Paid				-
	Actuarial (Gain) / Loss on Obligation			(3615.00)	
	Curtailments and Settlements	164247.00	(21734.00)	(164099.00)	(94521.00)
	Plan Amendment		-	1.000.00	(94321.00)
	Liability at the end of the year		-		
II.	Fair Value of Plan Assets	11179159.00	8857754.00	1666071.00	1383618.00
	Fair Value of Plan Assets at the harder			1000071.00	1303018.00
	Expected Return on Plan Assets		-	-	
	Contributions		-		
	Benefits Paid		-		
	Actuarial (Gain) / Loss on Obligation	-	_		
	Fair Value of Plan Assets at the and act	164247.00	(21734.00)	(164099.00)	(94521.00)
	Total Actuarial (Gain) / Loss to be Recognised	-			(94321.00)
III.	Actual Keturn on Plan Assets	164247.00	(21734.00)	(164099.00)	(94521.00)
	Expected Return on Plan Assets			1.2.2.0.00)	(34321.00)
	Actuarial Gain / (Loss) on Plan Assets	-			
	Actual Return on Plan Assets		-		-
V.	Amount Recognised in the Balance Sheet	-	-		
1	Liability at the end of the year			-	
1	Fair Value of Plan Assets at the	11179159.00	8857754.00	1666074.00	
1	Fair Value of Plan Assets at the end of the year Difference	-	0007734.00	1666071.00	1383618.00
1	Unrecognised Past Service Cost	11179159.00	8857754.00	1666071.00	
r	Amount Recognised in the Balance Sheet	-	0007704.00	1000071.00	1383618.00
<i>'</i> .	Expenses Beautiful III the Balance Sheet	11179159.00	8857754.00	1666071.00	
· -	Expenses Recognised in the Income Statement Current Service Cost		0001104.00	1000071.00	1383618.00
-	Interest Cost	1461824.00	1300268.00	0.1100000000000000000000000000000000000	
-	Expected Return on Plan Assets	695334.00	545141.00	341553.00	287651.00
H	Not Astronial (O in)			108614.00	85627.00
-	Net Actuarial (Gain)/Loss to be recognised	164247.00	(21734.00)	(10100000	
\vdash	Past Service Cost / (Non Vested Benefit) to be recognised		(21734.00)	(164099.00)	(94521.00)
H		-			
-	Effect of Curtailment or Settlement			-	
-	Curtailments and Settlements			-	
	Expenses Recognised in the Statement of Profit and Loss	2321405.00	4000000		
1.	Edidice Sheet Reconciliation	2321405.00	1823675.00	286068.00	278757.00
_	Opening Net Liability	0057754.00			
_	Expense as above	8857754.00	7034079.00	1383618.00	1104861.00
	Employer's Contribution	2321405.00	1823675.00	286068.00	278757.00
	Effect of Curtailment or Settlement	-			
	Benefits Paid				
	Amount Recognised in the Balance Sheet	44470450.00		(3615.00)	
11.	Actuarial Assumption	11179159.00	8857754.00		1383618.00
	Discount Rate Current			-	3010.00
	Rate of Return on Plan Assets	7.34 %	7.85 %	7.34 %	7.85 %
	Salary Escalation Current				7.00 70
	· Janon	5.00 %	5.00 %	5.00 %	5.00 %

26 Details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016

Particulars	CDN	-1.	
Closing cash in hand as on 08.11.2016	SBNs	Other denomination notes	Total
Add:- Permitted Receipts	1114500.00	13881.00	1128381.00
Less:- Permitted Payments		444000.00	444000.00
Less:- Amount deposited in Banks		398020.00	398020.00
	1114500.00	-	1114500.00
Closing cash in hand as on 30.12.2016		59861.00	59861.00

As per our report of even date attached

For K. N. GUTGUTIA & CO. CHARTERED ACCOUNTANTS Firm Regn. No. 304153E

Ghame (K. C. SHARMA)
PARTNER
MEMBERSHIP NO. 50819
6C, Middleton Street,
Kolkata - 700 071

Dated : 16th May, 2017

Chartered Accountants A. K. NANDA

A. K. SINHA

R.R.SINGH DIRECTORS

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

Note No. 27 Tax Expenses

Particulars	(Figure in IN		
a) Tax Expense	31 March, 2017	31 March, 201	
Current Tax		a. 611, 201	
- Current tax on profits for the year			
- Adjustments for current tax of prior periods	1.052.000		
- Total current tax expense	1,053,000 (113,021)	1,371,00	
	939,979	(18,10	
Deferred Tax	009,979	1,352,90	
- Decrease/(increase) in deferred tax assets			
- (Decrease/increase in deferred tax liabilities	(964,054)	(1,000,70	
- Total deferred tax expenses/(henefit)	-	(1,099,76	
Fax Expense	(964,054)	(1,099,76	
	(24,075)	253,13	
p) Reconciliation of tax expenses and the accounting profit multiplied by Indis'a tax rate		200,10	
Profit before tax			
ax at the Indian towards at on any or			
ax at the Indian tax rate of 30.9% (previous year - 30.9%)	385,437	851,85	
ax effect of amounts which are not deductible (taxable) in calculating taxable income - Corporate social responsibility expenditure	119,100	263,22	
- 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			
ax effect of amounts which are deductible (non-taxable) in calculating taxable income - Income from dividend			
- Income from dividend			
- Income Tax Act Depreciation			
- Income from Investment			
Income from fair valuation of mutual funds			
Income from rented property			
Others			
x effect of other adjustment	(30,154)	8,008	
	(113,021)	(18,100)	
« Expense		(10,100)	
	(24,075)	253,132	

For K. N. GUTGUTIA & CO. CHARTERED ACCOUNTANTS Firm Regn. No. 304153E

Shamp

(K. C. SHARMA) PARTNER MEMBERSHIP NO. 50819 6C, Middleton Street, Kolkata - 700 071

Dated: 16th May, 2017

A. K. NANDA

A. K. SINHA

R.R.SINGH

HIGH QUALITY STEELS LTD. C/O TEXMACO LTD., AGARPARA WORKS, KOLKATA-700056 CIN. U27101WB1964PLC026001 FINANCIAL YEAR 2016 - 2017

NOTES TO THE FINANCIAL STATEMENTS:

NOTE - 1

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.

B FIRST-TIME ADOPTION (i) Overall Principle

These Financial Statements of High Quality Steels Limited for the year ended March 31, 2017 have been prepared in accordance with IndAS. For the purposes of transition to Ind AS, prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and Companies (Indian Accounting Standards) Amendment

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles. The accounting policies set out in Note E have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note A and B. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note D (ii).

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.

(ii) Exemptions availed on first time adoption of Ind AS 101

Ind AS 101 allows first- time adopters certain exemptions from the retrospective application of certain requirements under IndAS. The Company has accordingly applied the following exemptions.

- Deemed cost for investment in subsidiaries: Ind AS 101 provides a one time option to a first time adopter either to measure its investment in subsidiaries as per previous GAAP carrying value or at fair value on the date of transaction. The Company has elected to measure its investment in subsidiaries as per previous GAAP Carrying Value. Estimates: An entity's estimates in accordance with Ind AS at the date of transaction to Ind AD shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that these estimates where in Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in confirmity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transaction as this was not required under

Investments in fixed maturity plan and other Mutual Funds carried at Fair Value through Profit & Loss.

(iii) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value, the provision of Companies Act,2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance to accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(iv) 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. Accounting estimate could change from year to year. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, these effects are disclosed in the notes to financial statements.

SIGNIFICANT ACCOUNTING POLICIES

(i) Financial Instrument

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

a) 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'



A financial asset which is not classified in any of the above categories are subsequently fair valued through profit & loss.



c) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

(ii) Revenue Recognition

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.

(iii) Provisions & 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.

(iv) 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.

(v) Cash & 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.

(vi) Taxation

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is calculated at current statutory Income Tax Rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred Tax assets/ liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/

Minimum Alternative Tax (MAT) credit is recognized as an assets only when and to the extent there is a convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT Credit became eligible to be recognized as an assets in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit & Loss. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

(vii) 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.

(viii) 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.

For K. N. GUTGUTIA & CO. CHARTERED ACCOUNTANTS Firm Regn. No. 304153E

(K. C. SHARMA)

PARTNER

MEMBERSHIP NO. 50819

6C, Middleton Street,

Kolkata - 700 071

Dated : 16th May, 2017



A. K. NANDA

A. K. SINHA

R.R.SINGH