N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

To The Members of QUALITY IRON AND STEEL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **QUALITY IRON AND STEEL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place and adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in the paragraph 3 and 4 of the Order.

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

   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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

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

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

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

i. The Company does not have any pending litigations as on 31st March, 2015.

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

iii. There were no amount payable which is required to be transferred by the company to the Investor Education and Protection Fund.

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

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACC

G. K. Aggarwal
Partner
M. No. 086622
Dated: 25th April, 2015
Place: New Delhi

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (1) under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date for the year ended 31st March, 2015)

(i) The Company, during the year, does not own any fixed assets. Accordingly, paragraphs (i) (a) & (b) of the Order are not applicable.

(ii) The Company does not hold any inventories of finished goods, stores, spare parts and raw materials. Accordingly, paragraphs (ii) (a), (b) & (c) of the Order are not applicable.

(iii) According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraphs (iii) (a) & (b) of the order are not applicable.

(iv) There are no purchase of fixed assets, inventories and sale of services during the year. Accordingly, paragraph (iv) of the Order is not applicable.

(v) The Company has not accepted any deposits from the public to which the provision of Sections 73 to 76 or any other provision of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 apply.

(vi) As the Company has not yet commenced operation, therefore, para (vi) of the Order with regard to maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable.

(vii) (a) According to the information and explanations given to us, the Company has no liabilities for statutory dues including Income Tax, Investor Education and Protection Fund, Sales Tax etc., as applicable to the Company. Hence paragraphs (vii) (a), (b) and (c) of the Order are not applicable.

(viii) The accumulated losses of the Company is more than fifty percent of the net worth i.e. loss of ₹ 5,83,998/- as at 31st March, 2015. The company has incurred cash losses during the current financial year and in the immediately preceding financial year.

(ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans from banks and financial institutions or issued any debentures. Hence para (ix) of the order with respect to default in repayment of dues to bank, financial institution and debenture holders is not applicable.

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks/financial institutions. Accordingly, paragraph (x) of the Order is not applicable.

(xi) Based on information and explanations given to us by the management, the Company, during the year, has not taken any term loan from bank. Accordingly, paragraph (xi) of the Order is not applicable.

(xii) During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

G. K. Aggarwal
Partner
M. No. 086622
Dated: 25th April, 2015
Place: New Delhi

QUALITY IRON AND STEEL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	500,000	500,000
(b) Reserves and Surplus	2	(583,998)	(557,079)
(2) Current Liabilities			
(a) Short-Term Borrowings	3	426,850	426,850
(b) Other Current Liabilities	4	69,781	56,821
Total		**412,633**	**426,592**
II. ASSETS			
(1) Current Assets			
(a) Cash and Cash Equivalents	5	412,633	426,592
Total		**412,633**	**426,592**
Significant accounting policies and notes to the financial statements	7		

As per our report of even date attached.

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

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

G.K. Aggarwal
Partner
M. No. 086622
Place : New Delhi
Dated: 25th April, 2015

Tejasvi Bhargava
Director
DIN: 00011205

Tapasvi Bhargava
Director
DIN: 00011946

QUALITY IRON AND STEEL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
I. Other Income		-	-
Total Revenue		-	-
II. Expenses:			
Other expenses	**6**	26,919	9,272
Total Expenses		**26,919**	**9,272**
III. Loss before tax (I-II)		**(26,919)**	**(9,272)**
IV. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
V. Loss for the year		**(26,919)**	**(9,272)**
VI. Earning per equity share:			
Basic & Diluted		**(0.54)**	(0.19)
Significant accounting policies and notes to the financial statements	**7**		

As per our report of even date attached.

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

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

G.K. Aggarwal
Partner
M. No. 086622
Place : New Delhi
Dated: 25th April, 2015

Tejasvi Bhargava
Director
DIN: 00011205

Tapasvi Bhargava
Director
DIN: 00011946

QUALITY IRON AND STEEL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
A) CASH INFLOW / (OUTFLOW) FROM THE OPERATING ACTIVITIES		
Net Loss before tax and extra ordinary items	(26,919)	(9,272)
Operating Loss before working capital changes	**(26,919)**	**(9,272)**
Adjustment for :-		
Current liabilities	12,960	6,742
Cash inflow /(outflow) from operating activities	**(13,959)**	**(2,530)**
B) CASH INFLOW /(OUTFLOW) FROM FINANCING ACTIVITIES		
Unsecured loan	-	-
Cash inflow /(outflow) from financing activities	-	-
Net changes in cash and cash equivalent	(13,959)	(2,530)
Cash and Cash equivalent as at 31.03.2014 (Opening)	426,592	429,122
Cash and Cash equivalent as at 31.03.2015 (Closing)	**412,633**	**426,592**

Note-Previous year's figures have been regrouped / rearranged wherever considered necessary.

As per our report of even date attached.

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

G.K. Aggarwal
Partner
M. No. 086622
Place : New Delhi
Dated: 25th April, 2015

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Tejasvi Bhargava

Tejasvi Bhargava
Director
DIN: 00011205

Tapasvi Bhargava
Director
DIN: 00011946

QUALITY IRON AND STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars		As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
1. SHARE CAPITAL			
Authorised			
50,00,000 Equity Shares of ₹ 10/- each		50,000,000	50,000,000
		50,000,000	**50,000,000**
Issued, Subscribed & Fully Paid-Up			
50,000 Equity Shares of ₹ 10/- each		500,000	500,000
	Total Share Capital	**500,000**	**500,000**
(a) Reconciliation of the number of shares:			
Equity Shares			
Shares outstanding as at the beginning of the year		50,000	50,000
Shares outstanding as at the end of the year		**50,000**	**50,000**

(b) Share of the Company held by Holding Company :-

Name of Shareholders	No. of Shares As At 31st March, 2015	As At 31st March, 2015 % of holding	No. of Shares As At 31st March, 2014	As At 31st March, 2014 % of holding
Jindal Saw Limited	25,500	51	25,500	51
Total	**25,500**	**51**	**25,500**	**51**

(c) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	No. of Shares As At 31st March, 2015	As At 31st March, 2015 % of holding	No. of Shares As At 31st March, 2014	As At 31st March, 2014 % of holding
Jindal Saw Limited	25,500	51.00	25,500	51.00
Shri. P. R. Jindal	5,000	10.00	5,000	10.00
Smt. Arti Jindal	5,000	10.00	5,000	10.00
Shri Tejasvi Bhargava	4,000	8.00	4,000	8.00
Shri Tapasvi Bhargava	4,000	8.00	4,000	8.00
Smt. Anshu Bhargava	3,300	6.60	3,300	6.60
Smt. Preet Bhargava	3,200	6.40	3,200	6.40
Total	**50,000**	**100.00**	**50,000**	**100.00**

(d) Terms/Rights attached to Equity Shares

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

2. RESERVES AND SURPLUS		
Balance as per last financial statements	(557,079)	(547,807)
Add: Loss transferred from Statement of profit and Loss	(26,919)	(9,272)
Balance in Profit and Loss Account Carried Forward	**(583,998)**	**(557,079)**

N.C. AGGARWAL & CO. * CHARTERED ACCOUNTANTS * NEW DELHI

QUALITY IRON AND STEEL LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Particulars	As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
3. SHORT-TERM BORROWINGS		
Unsecured short-term borrowings		
From Related Party		
- Sh. Tejasvi Bhargava	426,850	426,850
Total Short- Term Borrowings	**426,850**	**426,850**
4. OTHER CURRENT LIABILITIES		
Others Payables	69,781	56,821
Total Other Current Liabilities	**69,781**	**56,821**
5. CASH AND CASH EQUIVALENTS		
Cash-in-hand	137	137
Balances with Bank		
In current account	412,496	426,455
Total Cash and Cash Equivalents	**412,633**	**426,592**

N.C. AGGARWAL & CO. CHARTERED ACCOUNTANTS NEW DELHI

QUALITY IRON AND STEEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Particulars	Year Ended 31st March, 2015 (₹)	Year Ended 31st March, 2014 (₹)
6. OTHER EXPENSES		
Legal and professional Fees	9,362	1,000
Auditors' Remuneration - As Audit Fees	6,742	6,742
Filing Fees	10,815	1,530
Total Other Expenses	**26,919**	**9,272**

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

QUALITY IRON AND STEEL LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

Note-7

1 **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013 as adopted consistently by the company. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis.

ii) TAXATION

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

DERERRED TAX

Deferred tax is accounted at the current rate of tax to the extent of temporary timing differences that originate in one year and are capable of reversal in one or more subsequent years. However, no deferred tax asset is created where there is no virtual certainty as to the sufficient future taxable profit.

2 Earning Per Share (EPS) Basic and Diluted computed in accordance with Accounting Standard 20 "Earning per Share"

Particulars	**Year Ended 31st March, 2015 (₹)**	Year Ended 31st March, 2014 (₹)
Loss for the year	**(26,919)**	(9,272)
Weighted Average No. of Shares	**50,000**	50,000
Earning per Equity Share (face value of ₹ 10/- each).		
Basic and Diluted	**(0.54)**	(0.19)

3 **RELATED PARTY TRANSACTIONS:-**

(A) List of Related Parties and Relationship

a) Holding Company

1 Jindal Saw Limited

b) Fellow Subsidiary Companies

1 Jindal ITF Limited
2 IUP Jindal Metals & Alloys Limited
3 Jindal Saw Holdings FZE
4 S. V. Trading Limited
5 Jindal Fittings Limited
6 Quality Iron and Steel Limited
7 Ralael Holdings Limited
8 Greenray Holdings Limited
9 Universal Tubes Accessories Private Limited
10 Jindal Saw Espana, S.L.
11 Jindal Tubular (India) Limited
12 JITF Urban Infrastructure Services Limited
13 JITF Shipyards Limited
14 JITF Infralogistics Limited
15 Jindal Saw USA, LLC
16 Jindal Intellicom Limited
17 JITF Water Infrastructure Limited
18 JITF Urban Infrastructure Limited
19 Jindal Rail Infrastructure Limited
20 JITF Waterways Limited

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

QUALITY IRON AND STEEL LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

21 JITF Coal Logistics Limited
22 JITF ESIPL CETP (Sitarganj) Limited
23 Timarpur-Okhla Waste Management Company Private Limited
24 JITF Water Infra (Naya Raipur) Limited
25 Jindal Saw Middle East FZC
26 Jindal Saw Gulf (L.L.C.)
27 Jindal Saw Italia S.P.A.
28 Intellicom Insurance Advisors Limited
29 JITF Shipping and Logistics (Singapore) Pte. Limited
30 JITF Urban Waste Management (Ferozepur) Limited
31 JITF Urban Waste Management (Jalandhar) Limited
32 JITF Urban Waste Management (Bathinda) Limited
33 Derwent Sand SARL
34 JITF Industrial Infrastructure Development Company Limited
35 Jindal Tubular U.S.A. LLC
36 World Transload & Logistics LLC
37 5101 Boone LLP
38 Tube Technologies INC
39 Helical Anchors INC
40 Boone Real Property Holding LLC
41 Drill Pipe International LLC

c) Joint Ventures

42 Jindal SAW Pipeline Solutions Limited
43 SMC- JWIL- JV
44 JWIL-Ranhill- JV
45 JWIL-SSIL-JV

d) Key Management Personnel

Sh. Tejasvi Bhargava - Director
Sh. Tapasvi Bhargava - Director
Sh. Sanjiv Garg - Director

(B) Transaction:

Particulars	**Relationship with the company**	**Nature of Transaction**	As At 31st March, 2015 (₹)	As At 31st March, 2014 (₹)
Sh. Tejasvi Bhargava	Director	Loan Payable	426,850	426,850

4 Previous year's figures have been regrouped/ rearranged wherever considered necessary.

5 Notes 1 to 5 are annexed and form integral part of Financial Statements.

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

G.K. Aggarwal
Partner
M. No. 086622
Place : New Delhi
Dated: 25th April, 2015

Tejasvi Bhargava
Director
DIN: 00011205

Tapasvi Bhargava
Director
DIN: 00011946