

**QUALITY SYNTHETIC INDUSTRIES LIMITED**

Statement of Profit and Loss for the year ended 31st March, 2014

PARTICULARS	NOTES	As at 31.03.2014	As at 31.03.2013
<b>INCOME</b>			
Revenue from operations	13	405,280.00	81,662,775.00
Other income	14	13,285,357.71	20,324,567.80
<b>Total Revenue ( + )</b>		<b>13,690,637.71</b>	<b>101,987,342.80</b>
<b>Expenses.</b>			
Purchase of Stock-in-Trade	15	18,084,145.00	59,900,000.00
Changes in inventories of finished goods and Stock-in-Trade	16	(16,394,600.00)	52,252,550.00
Employee Benefits Expenses	17	256,679.00	284,984.00
Finance Cost	18	1,163,178.00	2,475,774.00
Depreciation and amortization expense	5	282,298.00	298,747.00
Other expenses	19	1,675,074.63	907,937.14
<b>Total Expenses</b>		<b>5,066,774.63</b>	<b>116,119,992.14</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>8,623,863.08</b>	<b>14,132,649.34</b>
<b>Exceptional &amp; Extraordinary items</b>			
<b>Profit before tax ( - )</b>		<b>8,623,863.08</b>	<b>14,132,649.34</b>
<b>Tax expense:</b>			
<b>(1) Current tax</b>			
Provision for Current Tax		(1,816,394.00)	
MAT Credit available		1,816,394.00	
<b>(2) Deferred tax</b>		<b>2,270,069.00</b>	<b>1,475,305.00</b>
<b>Profit(Loss) for the period ( + )</b>		<b>10,893,932.08</b>	<b>(12,657,344.34)</b>
<b>Earning per equity share (Basic &amp; Diluted):</b>			
		1.98	2.54
<b>Significant Accounting Policies and Other Notes</b>			
	20		

As per our report of even date

For SALARPURIA &amp; PARTNERS

FIRM REGN.NO.302113E

CHARTERED ACCOUNTANTS




(KAMAL KUMAR GUPTA)

PARTNER

M.NO.89190

Place : New Delhi

DATE : 29.05.2014

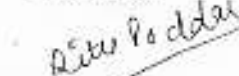


(A. K. SHREKA)

MANAGING DIRECTOR



(MOHAN LAL)



(RITU PODDAR)

ACS 35086

COMPANY SECRETARY



Term Loan from Tata Capital financial Services Limited is a joint loan in the name of M/s. Quality Synthetic Industries Ltd, Mr Akhil Kumar Sureka, Mr Vishnu Kumar Sureka, and Jolindra Steel & Tubes Ltd., all are Co-applicant. The loan is secured by way of equitable mortgage of Property at First Floor, 2nd Portion, Pramukh Plaza, Wing "A" Chakala Road, Chakala, Andheri (East), Mumbai owned by the company, and also personal guarantee of Mr Akhil Kumar Sureka, Managing Director & Mr. Vishnu Kumar Sureka, Shri Navneet Kumar Sureka. Since the loan was disbursed to/and utilised by the co-applicant M/s Jolindra Steel & Tubes Limited, hence, all the transaction related there to have been recorded in the financial statements of the said co-applicant. Balance outstanding as on 31.03.2014 is Rs.1,63,23,367 (Previous year Rs.NIL) and the installments due within the period of next 12 months are Rs.37,19,375 (previous year Rs. Nil)

NOTES 4 : TRADE PAYABLE	as at 31-03-2014	as at 31-03-2013
Sundry Creditors	35,462.00	69,427.00
	<u>35,462.00</u>	<u>69,427.00</u>

NOTES 5 : OTHER CURRENT LIABILITIES	as at 31-03-2014	as at 31-03-2013
Advance from Customers	25,026,660.00	38,200,000.00
Income Tax Deducted at Source	116,318.00	-
	<u>25,143,178.00</u>	<u>38,200,000.00</u>

NOTES 6 : PROVISIONS	As at 31st March 2014		As at 31st March 2013	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
For Income Tax	-	1,816,394.00	-	21,307.00
	-	<u>1,816,394.00</u>	-	<u>21,307.00</u>

NOTES 9 : LOANS AND ADVANCES (Unsecured, considered good)	As at 31st March 2014		As at 31st March 2013	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
Loans -				
- Considered Good	41,167,059.00	-	67,608,831.00	-
- Considered Doubtful	340,000.00	-	340,000.00	-
- Provision for Doubtful Loans	(340,000.00)	-	(340,000.00)	-
	<u>41,167,059.00</u>	-	<u>67,608,831.00</u>	-
Advances -				
(Recoverable in Cash or in kind or for value to be received)				
- For Capital Goods	31,050,710.00	-	30,575,050.00	-
- For Others	41,076,139.00	-	29,356,139.00	-
	<u>72,126,849.00</u>	-	<u>59,931,139.00</u>	-
Security & Other Deposits	13,900.00	-	13,900.00	-
	<u>113,307,808.00</u>	-	<u>126,551,870.00</u>	-

NOTES 10: INVENTORIES	as at 31-03-2014	as at 31-03-2013
(As per inventories taken, valued and certified by the management)		
Shares & Securities (As per Annexure)	84,502,881.00	68,108,281.00
	<u>84,502,881.00</u>	<u>68,108,281.00</u>

NOTES 11 : CASH AND CASH EQUIVALENT	as at 31-03-2014	as at 31-03-2013
Cash Balance in hand:		
As per books and certified	229,084.79	527,184.79
Balances with Scheduled Banks:		
In Current Accounts	3,597,100.00	3,863,119.92
	<u>3,826,184.79</u>	<u>4,390,304.71</u>

NOTES 12 : OTHER CURRENT ASSETS	as at 31-03-2014	as at 31-03-2013
Rent Receivable	3,285,522.00	-
Mat Credit Entitlement	2,385,194.00	588,800.00
Income Tax Payments & Tax Deducted at Sources	1,862,812.00	1,673,101.00
	<u>7,533,528.00</u>	<u>2,241,901.00</u>

NOTES 13 : REVENUE FROM OPERATIONS	Year ended 31.03.2014	Year ended 31.03.2013
Sales of Quoted Shares		
Sale of Unquoted Shares	405,280.00	81,862,775.00
	<u>405,280.00</u>	<u>81,862,775.00</u>

NOTES 14 : OTHER INCOME	Year ended 31.03.2014	Year ended 31.03.2013
Interest (Gross) [Tax deducted at Source Rs 8,36,580/- (Rs.4,03,079/-)]	6,380,513.00	4,030,796.00
Rent Received [Tax deducted at Source Rs 3,65,054/- (Rs. 3,65,054/-)]	3,249,000.00	3,249,000.00
Dividend	259,213.71	554,457.79
Profit on Sale of Investments	2,235,250.00	-



Handwritten signature or initials.

Surrogate value of Keraf Insurance Policy 11,680,000.00

Income through VENTURE CAPITAL FUND

(ASIF Real Estate Special Opportunities Fund)

Interest (Gross)	941,772.00		375,897.16	
Dividend	207,020.00		162,466.00	
Short Term Capital Gain	12,589.00	1,161,381.00	13,523.40	551,888.56
Miscellaneous Income				258,437.45
		<u>13,285,357.71</u>		<u>20,324,567.60</u>

**NOTES 15 : PURCHASE OF STOCK IN TRADE**

	Year ended 31.03.2014	Year ended 31.03.2013
Unquoted Shares	18,084,145.00	59,900,000.00
	<u>18,084,145.00</u>	<u>59,900,000.00</u>

**NOTES 16 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE**

	Year ended 31.03.2014	Year ended 31.03.2013
--	--------------------------	--------------------------

**STOCKS AT COMMENCEMENT OF THE YEAR**

Shares & Securities 68,108,281.00 120,360,831.00

**STOCKS AT CLOSE OF THE YEAR**

Shares & Securities 84,502,881.00 68,108,281.00

**INCREASE / (DECREASE) IN STOCKS**

16,394,600.00 (52,252,550.00)

**NOTES 17 : EMPLOYEE BENEFIT EXPENSES**

	Year ended 31.03.2014	Year ended 31.03.2013
Salary Wages Bonus & Allowances	256,100.00	264,600.00
Staff and Labour Welfare	579.00	20,384.00
	<u>256,679.00</u>	<u>284,984.00</u>

**NOTES 18 : FINANCE COST**

	Year ended 31.03.2014	Year ended 31.03.2013
Interest Paid		
To Financial Institutions	864,434.00	864,434.00
To Others	298,744.00	1,611,340.00
	<u>1,163,178.00</u>	<u>2,475,774.00</u>

**NOTES 19 : OTHER EXPENSES**

	Year ended 31.03.2014	Year ended 31.03.2013
Rent, Rates and Taxes	18,900.00	6,392.00
Traveling and Conveyance	82,399.00	57,926.00
Advertisement and Publicity	80,472.00	68,556.00
Proportionate administrative expenses by Venture Capital Fund	593,040.00	460,324.01
Bank Charges		3,483.16
Repairs and Maintenance	5,986.00	5,986.00
Consultancy and Professional Charges	171,208.00	182,500.00
<b>Auditor's Remuneration :</b>		
As Audit Fee	22,590.00	22,590.00
As Tax audit Fees	5,612.00	5,612.00
Not paid		
	<u>600,000.00</u>	
Printing Fees	25,281.00	40,342.00
Director's Meeting Fees	6,750.00	7,250.00
Bad Debts Written off		
Miscellaneous Expenses	64,826.63	48,665.97
	<u>1,675,074.63</u>	<u>907,937.14</u>



*[Handwritten Signature]*

*[Handwritten Signature]*

20 : SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING:

The accounts of the company have been prepared under the historical-cost convention in accordance with the generally accepted accounting principles and applicable accounting standards as adopted consistently by the company. The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis on going concern concept dividend income is accounted for on receipt basis.

b) FIXED ASSETS:

Fixed assets are stated at cost less depreciation.

c) DEPRECIATION:

Depreciation on fixed assets have been provided on written down method at the rates & basis, prescribed in Schedule XIV to the Companies Act, 1956

(d) INVESTMENTS:

Investments are stated at cost

(e) VALUATION OF INVENTORIES:

LOWER OF COST OR NET REALISABLE VALUE

(f) FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currency has been translated into Indian Rupees at the exchange rates prevailing at the date of transaction, any variation in receipt or payment has been adjusted in exchange gain/loss account. Liabilities outstanding as at year end are converted into the Indian Rupees at year end exchange rates.

(g) CONTINGENT LIABILITIES:

Disputed liabilities including claims by Taxation Authorities pending in appeals are treated as Contingent liabilities and are shown by way of notes.

(h) RETIREMENT BENEFITS:

Contributions are made to Recognised Provident Fund, Employees State Insurance Schemes and charged to revenue accounts, other benefits like Gratuity are not applicable to the Company as none of the employees has completed 5 years of continuous service

(ii) TAX ON INCOME :

Tax expenses for the relevant period comprises of current tax and deferred tax. Deferred Tax is recognized, subject to consideration of prudence, on all timing difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deferred tax liability is adjusted by applying the tax rates and tax laws applicable at the year-end

OTHER NOTES ON ACCOUNTS

CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

1 Claims against the Company not acknowledged as debts. 571,81,389  
Amount Unascertained 76718020  
(Amount Unascertained)  
2 All investments are long-term investments and have been valued at cost. The market value of quoted investments in certain shares has eroded due to the prevailing depressed market conditions, being temporary in nature, therefore, no provision has been made in the Books of Accounts.

3 Estimated value of capital commitments remaining to be executed and not provided for Rs. 574.25 Lacs (Rs 635.50 Lacs) advance paid against the same Rs 327.25 Lacs (Rs 545.99 Lacs)

4 In the opinion of the management, current assets, loans and advances will have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The balances of sundry debtors, sundry creditors and loans and advances are however, subject to confirmations and adjustments, if any

5 (i) The Contingent Provision against Standard Assets @ 0.25% as per Circular No-DNBS.PD.CC.No.207 / 03.02.002 / 2010-11 issued by RBI, made in earlier year is sufficient to meet the requirement as per the notification, hence no more provision is made during the year.

5 (ii) The company has exceeded the exposure norms prescribed by the Reserve Bank of India, for Loans and advances and for investments and borrowings, which has been due to clerical oversight and brought to notice after the close of the Previous financial year, the same has been corrected in due course till the signing of the balance sheet.

6 One ownership flat each at Mumbai, Delhi & Kolkata and building are yet to be registered in the name of the Company.

7 Security deposit include Kisan Vikas Patra of Rs.5000/- deposited with sales Tax Department.

8 In the opinion of the management, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The balances of Sundry Debtors, Sundry Creditors and Loans and Advances are however, subject to confirmations and adjustments, if any

9 The provision for deferred tax Liability / (Assets) has been made for adjustment for timing difference as detailed here under:-

Particulars	As on	Adjustment for the	As on
	01.04.2013	year	31.03.2014
Depreciation	(23,788)	1,639	(22,149)
Unabsorbed Losses	9,772,403	2,268,430	12,040,833
Total	9,748,615	2,270,069	12,018,684

10 Earning per share :-

	Current year	Previous
Net Profit as per Profit & Loss	10,893,932	(12,557,344)
Average No. of Equity Shares	5,500,000	5,500,000
Earning per share in Rupees	1.98	(2.30)

11 Comparative figures for the previous year have been re-grouped, re-cast and re-arranged wherever necessary and figures in brackets represent previous year figures

12 RELATED PARTY DISCLOSURE (AS IDENTIFIED BY THE MANAGEMENT), AS REQUIRED BY ACCOUNTING STANDARD 'AS-18' ARE GIVEN BELOW

i) LIST OF RELATED PARTY:



(i) Jotindra Steel & Tubes Ltd	(xiv) Vaishnodevi Properties Pvt. Ltd.
(ii) Bihari Ispat Udyog Limited	(xv) V.K. Flats Pvt. Ltd.
(iii) Srinarayan Raj Kumar Merchants Ltd.	(xvi) Dwarkadish Construction Pvt. Ltd.
(iv) Maunika Udyog Limited	(xvii) Bihariji Fancy Fibers & Fabrics Ltd.
(v) J.S.T. Engineering Services Ltd.	(xviii) Bhama Properties (P) Ltd.
(vi) Saroj Metal Works Private Ltd.	(xix) P.O. Metal Industries (P) Ltd.
(vii) Chakra Exports (P) Ltd.	(xx) Udayanchal Leasing Exports (P) Ltd.
(viii) Ram Forgings Pvt. Ltd.	(xxi) Puranmal Foods India (P) Ltd.
(ix) Subhlaxmi Properties (P) Ltd.	(xxii) Vee Emm Infocenter Pvt. Ltd.
(x) V.L. Estates (P) Ltd.	(xxiii) Bihariji Cylinders Pvt. Ltd.
(xi) Aakshi Exports (P) Ltd.	(xxiv) SKD Estates Pvt. Ltd.
(xii) Sri Narayan Steel Industries Pvt. Ltd.	(xxv) Deepak Hotels (P) Ltd.
(xiii) Sureka Tube Industries Pvt. Ltd.	(xxvi) SSKS BUILD WELL Pvt. Ltd.
	(xxvii) VBM Estates Pvt. Ltd.
(b) Key Management Personnel	A.K. Sureka (Managing Director)
	V.K. Sureka (Director)
(c) Relative of key Management Personnel	(with whom transaction have taken place during the year). Master Deepanshu Sureka
(d) Other related parties	Nil

ii. TRANSACTION WITH RELATED PARTIES

TYPE OF RELATED PARTY	DESCRIPTION OF	VOLUME OF TRANSACTION		AMOUNT OUTSTANDING	
		2012-13	2013-14	RECEIVABLE	PAYABLE
	Interest Received	2,130,046	135,244	-	-
	Interest Paid	1,048,800	5,490,244	-	-
	Rent Received (including Service Tax)	3,650,580	3,583,646	-	-
	Loan Taken	21,636,471	18,700,000	-	17,732,382
	Loan Taken Repaid	5,575,025	79,325,000	-	-
	Loan Given	2,504,680	7,266,335	19,574,837	-
	Loan given Received back	33,893,234	5,766,335	-	-
	Share Application Money (received back)	11,290,000	3,900,000	-	-
	Share Application Money Given	7,340,000	-	-	-
	Advances Given	-	4,650,000	-	-
	Advances given Received back	-	20,700,000	-	-
	Sale of Shares	3,792,480	17,500,000	-	-
	Purchase of Shares	-	22,000,000	-	-
Key Management Personnel	Director Sitting Fee	2,500	-	-	-
Relative of Key Management Personnel	Purchase of Shares	-	1,200,000	-	-
	Rent Paid	600,000	-	-	-
Other Related Parties	Nil	-	-	-	-

- NOTE : 1 In respect of above parties, there is no provision for doubtful debts As on 31<sup>st</sup> March, 2014 and no amount has been written off or written back during the year in respect of debts due from them.
- 2 Out of above certain transaction requires approval from members and Central Government, which is yet to be taken.

Additional Information

(i) Quantitative Details:

NAME OF THE ITEM TRADED	UNITS	OPENING STOCKS		PURCHASES		SALES LESS DISCOUNTS		CLOSING STOCKS	
		QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.
SHARES & SECURITIES	Nos.	1,458,175	(68,100,201)	1,213,614	18,084,145	4,000	405,220	2,667,789	94,502,581
		(1,812,030)	(120,350,831)	(5,900,000)	(59,500,000)	(6,344,425)	(81,562,775)	(1,458,208)	(68,100,201)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(i) C. I. F. Value of Imports	Nil	(Nil)
(ii) F. O. B. Value of Exports	Nil	(Nil)
(iii) Balancing at Foreign Exchange	Nil	(Nil)
(iv) Expenditure in Foreign Currency	Nil	(Nil)
(v) Receiptance on account of Dividend in Foreign Currency	Nil	(Nil)

As per our report of given date  
**For SALARPURIA & PARTNERS**  
 FIRM REGN NO. 302113E  
 Chartered Accountants

*(Signature)*  
 (JAYAL KUMAR GUPTA)  
 PARTNER

*(Signature)*  
 (A. K. SUREKA)  
 MANAGING DIRECTOR

*(Signature)*  
 (MOHAN LAL)  
 DIRECTOR

*(Signature)*  
 (RITU PODDAR)  
 ACS 35086  
 COMPANY SECRETARY

M.No. 89192

Place: New Delhi  
 DATE: 25.05.2014

