

QUALITY SYNTHETIC INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2016

PARTICULARS	NOTES	As at 31.03.2016	As at 31.03.2015
INCOME			
Revenue from operations	13	48,840,149.00	10,610,000.00
Other income	14	14,726,156.40	16,451,814.16
Total Revenue		63,566,305.40	27,061,814.16
Expenses:			
Purchase of Stock-in-Trade	15	49,533,531.00	19,198,800.00
Changes in inventories of finished goods and Stock-in-Trade	16	(3,873,229.00)	(8,785,077.00)
Employee Benefits Expenses	17	1,142,047.00	959,047.00
Finance Cost	18	132,075.00	836,082.00
Deprecation and amortization expense	6	241,634.97	278,188.95
Other expenses	19	2,270,618.77	1,569,276.80
Total Expenses		49,446,677.74	14,056,317.55
Profit before exceptional and extraordinary items and tax		14,119,627.66	13,005,496.61
Exceptional & Extraordinary items		-	-
Profit before tax		14,119,627.66	13,005,496.61
Tax expense:			
(1) Current tax			
Provision for Current Tax		(2,858,752.74)	(2,762,895.40)
MAT Credit available/used		-	2,528,421.67
(2) Deferred tax			
		(2,724,219.00)	(6,696,234.00)
Profit/(Loss) for the period		8,536,655.92	6,074,788.88
Earning per equity share (Basic & Diluted):		1.55	1.10
Significant Accounting Policies and Other Notes	20		

As per our report of even date
For SALARPURIA & PARTNERS
FIRM REGN.NO.302113E
CHARTERED ACCOUNTANTS

-SD-
(KAMAL KUMAR GUPTA)
PARTNER
M.NO.89190
Place : New Delhi
DATE : 28/05/2016

-SD-
(A. K. SUREKA)
MANAGING DIRECTOR
DIN: 00060206

-SD-
(ARCHIT KATARUKA)
DIRECTOR
DIN:06897147

-SD-
(D.K.GUPTA)
CFO

-SD-
(RITU PODDAR)
ACS 35086
COMPANY SECRETARY

QUALITY SYNTHETIC INDUSTRIES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year Ended 31st March, 2016	Year Ended 31st March, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and extraordinary items	14,119,628	13,005,497
Adjustment for:		
Depreciation	241,635	278,189
Miscellaneous Expenditure written off	-	-
Interest received on Trade Deposit	(7,486,341)	(9,018,467)
Dividend received	(408,176)	(320,018)
Interest	132,075	636,082
Operating Profit before Working Capital Changes	6,598,820	4,781,283
Adjustments for:		
Trade and other receivables	(35,043,362)	(30,479,748)
Inventories	(3,873,229)	(8,785,077)
Trade payable	4,351,993	(9,421,236)
CASH GENERATED FROM OPERATIONS	(27,965,778)	(43,904,778)
Interest paid	(132,075)	(636,082)
Direct Tax paid (Net)	(3,985,332)	(2,164,890)
NET CASH FROM OPERATING ACTIVITIES	(32,083,185)	(46,905,750)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Purchase / Sale of Investments	363,400	36,190,000
Interest Received	7,486,341	9,018,467
Dividend Received	408,176	320,018
NET CASH FLOW FROM / USED IN INVESTING	8,257,917	45,528,485
CASH FLOW FROM FINANCIAL ACTIVITIES		
Borrowings(Net)	25,253,642	-
NET CASH FLOW from FINANCING ACTIVITIES	25,253,642	-
INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)	1,428,375	(1,377,265)
Cash and Cash Equivalents as at (Opening Balance)	2,448,919	3,826,185
Cash and Cash Equivalents as at (Closing Balance)	3,877,294	2,448,919

As per our report attached.

For **SALARPURIA & PARTNERS**

FIRM REGN.NO.302113E

CHARTERED ACCOUNTANTS

-SD-
(**KAMAL KUMAR GUPTA**)
PARTNER

Place : New Delhi
DATE : 28/05/2016

-SD-
(**A. K. SUREKA**)
MANAGING DIRECTOR
DIN: 00060206

-SD-
(**D.K.GUPTA**)
CFO

-SD-
(**ARCHIT KATARUKA**)
DIRECTOR
DIN : 06897147

-SD-
(**RITU PODDAR**)
ACS 35086
COMPANY SECRETARY

NOTES 12 : OTHER CURRENT ASSETS	as at 31-03-2016	as at 31-03-2015
Sundry Debtors	11,712,265.00	-
Mat Credit Entitlement	3,097,221.67	3,097,221.67
Income Tax Payments & Tax Deducted at Sources	3,449,025.00	2,131,563.00
	<u>18,258,511.67</u>	<u>5,228,784.67</u>
NOTES 13 : REVENUE FROM OPERATIONS	Year ended 31.03.2016	Year ended 31.03.2015
Sales of Quoted Shares	-	-
Sale of Unquoted Shares	48,840,149.00	10,610,000.00
	<u>48,840,149.00</u>	<u>10,610,000.00</u>
NOTES 14 : OTHER INCOME	Year ended 31.03.2016	Year ended 31.03.2015
Interest (Gross) [Tax deducted at Source Rs. 11,53,656,-]	7,486,341.00	9,018,467.00
Rent Received [Tax deducted at Source Rs.2,22,776/- (Rs.	1,955,250.00	3,249,000.00
Dividend	408,176.40	320,018.00
Profit on Sale of Long Term Investments	39,100.00	2,101,400.16
Income through VENTURE CAPITAL FUND (ASK Real Estate Special Opportunities Fund)		
- Interest (Gross)	4,701,905.00	1,437,125.00
- Dividend	132,932.00	132,894.00
- Short Term Capital Gain	2,452.00	192,910.00
	<u>4,837,289.00</u>	<u>1,762,929.00</u>
	<u>14,726,156.40</u>	<u>16,451,814.16</u>
NOTES 15 : PURCHASE OF STOCK IN TRADE	Year ended 31.03.2016	Year ended 31.03.2015
Unquoted Shares	49,533,531.00	19,198,800.00
	<u>49,533,531.00</u>	<u>19,198,800.00</u>
NOTES 16 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE	Year ended 31.03.2016	Year ended 31.03.2015
STOCKS AT COMMENCEMENT OF THE YEAR		
Shares & Securities	93,287,958.00	84,502,881.00
STOCKS AT CLOSE OF THE YEAR		
Shares & Securities	97,161,187.00	93,287,958.00
INCREASE / (DECREASE) IN STOCKS	<u>3,873,229.00</u>	<u>8,785,077.00</u>
NOTES 17 : EMPLOYEE BENEFIT EXPENSES	Year ended 31.03.2016	Year ended 31.03.2015
Salary Wages Bonus & Allowances	1,142,047.00	955,140.00
Staff and Labour Welfare	-	3,907.00
	<u>1,142,047.00</u>	<u>959,047.00</u>
NOTES 18 : FINANCE COST	Year ended 31.03.2016	Year ended 31.03.2015
Interest Paid		
To Others	132,075.00	836,082.00
	<u>132,075.00</u>	<u>836,082.00</u>
NOTES 19 : OTHER EXPENSES	Year ended 31.03.2016	Year ended 31.03.2015
Rent, Rates and Taxes	8,000.00	2,828.00
Traveling and Conveyance	5,407.00	67,183.00
Advertisement and Publicity	62,438.00	70,361.00
Propotionate administrative expenses by Venture Capital Fund	520,767.00	592,355.00
Bank Charges	114.50	-
Repairs and Maintenance	223,600.00	1,499.00
Consultancy and Professional Charges	328,500.00	55,590.00
Auditor's Remuneration :		
As Audit Fee	22,590.00	22,590.00
As Tax audit Fees	5,612.00	5,612.00
Rent paid	600,000.00	600,000.00
Listing Fees	419,200.00	53,989.00
Director's Meeting Fees	8,750.00	10,750.00
Miscellaneous Expenses	65,640.27	86,519.60
	<u>2,270,618.77</u>	<u>1,569,276.60</u>

Note: 20 : SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

A. 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 II to the Companies Act, 2013.

(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.

(i) 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.

B. OTHER NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

A. Claims against the Company not acknowledged as debts. Amount Unascertained (Amount Unascertained)

B. The Income tax department has carried out a search and seizer operation on 6th and 7 th August 2013. U/S 132 of the Income Tax Act, 1956 (Act)", the Income Tax Department have reassessed the Income from Assessment year ,2008-09, to 2014-15 u/s 143(3) r.w.s. 153A of the Act, and raised the following demands against which appeals have ben preferred before the Commissioner of Income Tax Appeals.

Assessment Year	Tax on Additional Income assessed disputed in Appeals	Interest on Additional Income assessed disputed in Appeals/Rectification	Amount of Demand net of prepaid taxes
2013-14	19,467,000	8,176,140	27,643,140

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 @ 0.30% as per Notification No-DNBR.PD.CC.No.002 / 03.10.001 / 2014-15 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 01.04.2015	Adjustment for the year	as on 31.03.2016
Depreciation	(2,808)	1,102	(1,706)
Unabsorbed Losses	5,325,258	(2,726,321)	2,599,937
Total	5,322,450	(2,724,219)	2,598,231

10. Earning per share :-

	Current year	Previous
Net Profit as per Profit & Loss	8,538,656	6,074,789