

# QUALITY SYNTHETIC INDUSTRIES LIMITED

## NOTICE

Notice is hereby given that the 35th Annual General Meeting of the Members of Quality Synthetic Industries Limited will be held on Thursday, the 30<sup>th</sup> September, 2010 at 2.30 P.M. at the Registered Office of the Company at Anand Jyoti Building, Room No. 107, 1<sup>st</sup> Floor, 41, Netaji Subhas Road, Kolkata-700 001 to transact the following business:-

### ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Accounts and Balance Sheet for the year ended 31<sup>st</sup> March, 2010 and the Reports of the Directors and Auditors thereon.
2. To appoint director in place of Shri O. P. Bhardwaj , who retires under Article 134 of the Articles of Association of the Company and, being eligible, offers himself for re-appointment.
3. To appoint director in place of Shri Yogesh Mathur , who retires under Article 134 of the Articles of Association of the Company and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and fix their remuneration.

### SPECIAL BUSINESS :

#### As an Ordinary Resolution (i):


“RESOLVED that Shri Mohan Lal, who vacates office as an Additional Director under Section 260 of the Companies Act, 1956 at this meeting, be and is hereby appointed a director of the company whose period of office will be liable to determination by retirement of directors by rotation.”

#### As an Ordinary Resolution (ii):

“RESOLVED that the re-appointment of Shri A. K. Sureka as Managing Director of the company w.e.f. 1<sup>st</sup> August, 2010 for a period of five years, who desired to render honourable services to the company hence dispensing with his claim to charge any remuneration therefor, as made by the Board of Directors, be and is hereby considered and approved.”

Room No.107, 1<sup>st</sup> Floor,  
Anand Jyoti Building,  
41, Netaji Subhas Road,  
Kolkata – 700 001

By Order of the Board  
Quality Synthetic Industries Ltd.

  
Akhil Kumar Sureka  
Managing Director

Date : 25<sup>th</sup> August, 2010

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member of the Company. A Proxy form is attached herewith.
2. The Register of members and share transfer books of the Company will remain closed from Monday, the 27<sup>th</sup> September, 2010 to Thursday, the 30<sup>th</sup> September, 2010 (both days inclusive).
- 3 Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is attached.

**EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956 attached to the Notice dated 25<sup>th</sup> August, 2010 convening the 35<sup>th</sup> Annual General Meeting)

**Special Business – Ordinary Resolution (i) :**

Shri Mohan Lal was appointed as an additional director of the company on 10<sup>th</sup> June, 2010 under Section 260 of the Companies Act, 1956 and he holds office till the Annual General Meeting but is eligible for re-appointment. The company has received a notice alongwith a deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956 from a member notifying his intention proposing candidature of Sh. Mohan Lal for the office of the director.

A brief resume of Sh. Mohan Lal, as required under clause 49(VI)(A) of the listing agreement is provided separately in the Corporate Governance Report enclosed to the Directors' Report. The directors recommend the appointment of Sh. Mohan Lal as a director of the company. Except Sh. Mohan Lal no other director is concerned or interested in the resolution.

**Special Business – Ordinary Resolution (ii):**

Your Board of Directors re-appointed Shri A. K. Sureka as Managing Director w.e.f. 1<sup>st</sup> August, 2010 for a period of five years who desired to render honourable services to the company hence dispensing with his claim to charge any remuneration therefor, subject to the approval of the shareholders in their meeting and as such the shareholders are requested to consider and pass the above stated resolution. Shri A. K. Sureka is very much suited to the aforesaid position since he has to his credit 12 years' experience related to the job in question. Except Shri A. K. Sureka, no other director is interested or concerned in the resolution.

By Order of the Board  
Quality Synthetic Industries Ltd.



Akhil Kumar Sureka  
Managing Director

Room No.107, 1<sup>st</sup> Floor,  
Anand Jyoti Buiding,  
41, Netaji Subhas Road,  
Kolkata – 700 001

Date : 25<sup>th</sup> August, 2010

# QUALITY SYNTHETIC INDUSTRIES LIMITED

## REPORT OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY

Your Directors have the pleasure in presenting the 35th Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS

	Rs. in Lacs	
	2009 – 10	2008 – 09
Gross Sales & Other Income	139.25	124.82
Gross Profit before Depreciation	45.77	37.78
Less : Depreciation	3.52	3.74
Profit before Tax	42.25	34.04
Less: Provision for Income Tax: Current Year	(5.86)	(2.40)
Less: MAT Credit Entitlement	5.69	-
For earlier year	(4.49)	-
For MAT Credit Entitlement for earlier year	1.55	-
Fringe Benefit Tax	-	(0.05)
Excess Provision for Income Tax in earlier year W/Back	-	8.11
Add:- Adjustment for Deferred Tax Assets	7.33	67.00
Profit after Tax Available for Appropriation	46.47	106.70
Transferred to RBI Reserve	9.30	7.00
Transferred to General Reserve	37.17	99.70

### DIVIDEND

In order to conserve the financial resources of the Company, the Directors have not recommended any dividend for the year under review.

### FIXED DEPOSITS

The company has not accepted any deposits from public and is not, therefore, required to furnish information in respect of outstanding Deposits as required under Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1988.

### DIRECTORS

In pursuance of Article 134 of the Articles of Association of the Company, Shri O. P. Bhardwaj and Shri Yogesh Mathur retire by rotation and, being eligible, offer themselves for re-appointment.

After the conclusion of 34<sup>th</sup> Annual General Meeting, Sh. Mohan Lal was appointed as an Additional Director who would act as an additional director till the ensuing Annual General Meeting wherein a resolution for his appointment as a director would be placed for which a notice from a shareholder has been received. Shri Puneet Saraf resigned from the directorship of the company and the Board of Directors do place on record their appreciation for the valuable services rendered by him during his tenure as a director of the company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required Under Section 217(2AA) of the Companies Act, 1956 (here-in-after known the "Act"), it is hereby affirmed that :-

- a) in preparation of annual accounts, all applicable accounting standards have been followed.
- b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under report and of the profit and loss of the Company for that period.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts on a going concern basis.

## **MANAGEMENT DISCUSSION & ANALYSIS**

A Public Limited Company in the name of Quality Investments Limited was got incorporated on 5<sup>th</sup> April, 1975 with registration certificate issued by the Registrar of Companies West Bengal vide Registration Certificate No.29956 of 1975 with seven subscribers to the Memorandum of Association with the object of financing business. The Certificate of commencement of business was also granted by ROC to the company on 5<sup>th</sup> May, 1975. Subsequently, the name of the company was changed to Quality Synthetic Industries Limited and a fresh Certificate of Incorporation was obtained on 8<sup>th</sup> March, 1988 with the object of taking up the business of financing and manufacturing.

The Company is a non-banking financial Company and was got registered with the Reserve Bank of India on 23.03.1998.

The Company is listed on Calcutta Stock Exchange and Delhi Stock Exchange and the quoted price at Calcutta Stock Exchange was of Rs.155.25 being th highest and Rs. 134.70 being the lowest during the financial year 2005-06.

The Company has started the business of real estate to purchase and sell the land and with this end in view, the Company has made an agreement to purchase the land. In this way, the company has diversified its activities from financing to development of real estate business.

It is a cash rich company and has earned substantial profits during the last three years. The management is hopeful that diversification in the real estate business will increase its profits substantially.

The recent growth in capital markets is expected to substantially enhance the value of the company's investment activity and its bottleline/projects.

## **RISKS & CONCERNS**

At Quality Synthetic Industries Limited, all key functions and divisions are independently responsible to monitor risk associated within their respective areas of operation such as financing and real estate. Financing and real estate businesses are subject to change of the Government policies.

## **AUDITORS**

M/s. Salarpuria & Partners, Chartered Accountants, who retire at the conclusion of this Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Directors recommend that they may be re-appointed as Auditors of the Company for the Financial Year 2010-2011 on such remuneration as is fixed by the Shareholders.

Auditors' observations are explained in various notes on the Accounts and therefore do not call for any further comments.

## CORPORATE GOVERNANCE

A detailed Report on Corporate Governance is given in Annexure-A to this report. The Auditors' Certificate relating to compliance of the conditions of Corporate Governance, as stipulated in clause-49 of the Listing Agreement with the Calcutta Stock Exchange where the shares of the Company are listed, is also enclosed.

## FOREIGN EXCHANGE EARNINGS AND OUT GO

Rs. in Lacs		
	2009 - 10	2008 - 09
a) F.O.B. Value of Exports	Nil	Nil
b) Earning in Foreign Exchange	Nil	Nil
c) Foreign Exchange out go	Nil	Nil

## CONSERVATION OF ENERGY

As the products manufactured by the Company do not fall in the list of industries announced by the Government of India, the information required to be furnished in the prescribed Form 'A' is not required to be given and as such the same is not furnished herewith.

## TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

Particulars of Technology Absorption  
Research and Development in Form 'B' Nil

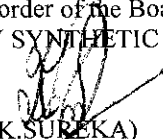
## EMPLOYEES

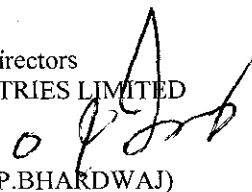
As there have been no employees during the year under review who were paid remuneration of Rs. 24,00,000 per annum or more, if employed through out the year or Rs. 2,00,000/- per month and more, if employed for the part of the year, the information as required Under Section 217 (2A) of the Companies Act 1956 is thus not called for.

## ACKNOWLEDGEMENT

Your Directors wish to express their gratitude to the Banks, Employees as well as customers for their timely help in smooth functioning of your Company. Your Directors also extend their thanks to all the Shareholders of the Company for their trust and confidence in the Board of Directors of the Company.

By order of the Board of Directors  
QUALITY SYNTHETIC INDUSTRIES LIMITED

  
(A.K.SUREKA)  
MANAGING DIRECTOR

  
(O.P.BHARDWAJ)  
DIRECTOR

Room No. 107, 1<sup>st</sup> Floor,  
Anand Jyoti Building,  
41, Netaji Subhas Road,  
KOLKATA - 700 001

Dated : 25<sup>th</sup> August, 2010

# QUALITY SYNTHETIC INDUSTRIES LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 1. The Company's Philosophy on Corporate Governance

The Board of Directors and Management believe in adopting and practicing principles of good Corporate Governance with a view to:-

- Safeguard shareholders' interest through sound business decisions, prudent financial management and high standard of business ethics; and
- Achieve transparency, accountability and integrity in the dealings and transactions of the Company.

### 2. Board of Directors

(i) Composition: -

The Board of Directors comprises of five Directors as under: -

S.No.	Name of Director	Brief Particulars	Category
Promoter Group			
1.	Shri A. K. Sureka	He is in business having 12 years' working experience in Steel Industry and joined the Board as Promoter Director w.e.f. 1st December, 2003.	Managing Director
Independent			
2.	Shri Anand Gupta	He is in business having 42 years' working experience in Steel Industry and joined the Board as an independent Director w.e.f. 1st March, 1979.	Non-executive
3	Shri O. P. Bhardwaj	He is B.Com. (Honours) and having 29 years' working experience in the Pipe Industry. He joined the Board as an independent Director w.e.f. 1 <sup>st</sup> December, 2003.	Non-executive
4.	Shri Mohan Lal	He is in service having 27 years' working experience in Steel Industry and joined the Board as an independent director w.e.f. 10 <sup>th</sup> June, 2010.	Non-executive
5.	Shri Yogesh Mathur	He is M.Com. and is in service having 21 years' working experience in LPG Cylinders manufacturing Plant and joined the Board as an independent Director w.e.f. 30 <sup>th</sup> December, 2005.	Non-executive

(ii) Board Meetings and attendance: -

Thirteen Board Meetings were held during the financial year ended on 31<sup>st</sup> March, 2010 and the gap between two Board Meetings did not exceed four months.

The dates on which Board meetings were held are as follows: -

S.No.	Date of Meeting	Board Strength	No. Of Directors Present
01.	08.04.2009	5	2
02.	16.04.2009	5	2
03.	24.04.2009	5	2
04.	30.06.2009	5	3
05.	09.07.2009	5	2
06.	31.07.2009	5	2
07.	15.08.2009	5	2
08.	03.09.2009	5	3
09.	07.10.2009	5	2
10.	31.10.2009	5	3
11.	12.12.2009	5	2
12.	08.01.2010	5	2
13.	30.01.2010	5	3

(iii) Attendance of each Director at the Board meetings and last Annual General Meeting (AGM) and the number of Companies and committees where he is Director/Member: -

Name of Director	Category of Directorship	Number of Board Meetings Attended	Attendance at the last AGM held on 30.09.2009	Number of Directorships in other Public Limited Companies	Number of Committee positions held in other Companies
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Shri A. K. Sureka	Executive	04	No	02	-
Shri Anand Gupta	Non-Executive	02	No	-	-
Shri O.P. Bhardwaj	Non-Executive	11	Yes	03	03
Shri Yogesh Mathur	Non-Executive	08	No	04	03
Shri Puneet Saraf*	Non-Executive	05	No.	02	03
Shri Mohan Lal**	Non-Executive	-	N.A.	03	06

\*Shri Puneet Saraf ceased to be director from 10<sup>th</sup> June, 2010.

\*\*Shri Mohan Lal was appointed as an Additional Director from 10<sup>th</sup> June, 2010. .

### 3. Audit Committee

The Audit Committee was Constituted in accordance with the code of Corporate Governance which consisted of three non-executive Directors namely Shri O. P. Bhardwaj, Shri Yogesh Mathur and Shri Puneet Saraf with Shri O. P. Bhardwaj as its Chairman upto 10<sup>th</sup> June, 2010 and thereafter Shri Mohan Lal took over from Sh. Puneet Saraf who ceased to be a director by resignation on that date.

- (i) The terms of reference of the Audit Committee are as per the guidelines set out in clause no. 49 of the Listing agreement with the Calcutta Stock Exchange where the shares of the Company are listed.
- (ii) The Audit Committee had Five Meetings during the financial year 2009-10 ended on 31<sup>st</sup> March, 2010 as per details thereof and the names of Directors who attended the said meetings, are as here-under:-

Details of the Audit Committee Meetings held during the financial year 2009-10 and attended by the Directors: -

Date of Meeting held	30.06.2009	31.07.2009	03.09.2009	31.10.2009	30.01.2010
Name of Director					
Shri O.P. Bhardwaj	Yes.	Yes.	Yes.	Yes.	Yes.
Shri Yogesh Mathur	Yes	No.	Yes	No.	Yes
Shri Puneet Saraf	No	Yes	No	Yes	No

### 4. Remuneration Committee

The Board has not constituted a Remuneration Committee as it is not mandatory. The same will be constituted as and when the need will arise.

### 5. Remuneration Policy

Sitting fees of Rs. 250/- for attending Board Meetings is paid to each of the Directors, who are not paid any remuneration.

Since Shri A.K. Sureka opted to be an Honorary Managing Director, no remuneration was paid to him during the financial year 2009-10 ended on 31<sup>st</sup> March, 2010.

- (ii) Sitting fees paid to Directors for meetings of the Board: -

Name of Director	Amount (Rupees)
Shri A.K. Sureka	1000/-
Shri Anand Gupta	500/-
Shri O.P. Bhardwaj	2750/-
Shri Yogesh Mathur	2000/-
Shri Puneet Saraf	1250/-
<b>Total</b>	<b>7500/-</b>

### 6. Code of Conduct for the Directors & Senior Managerial Personnel

In compliance to the provisions of Clause 49 of the Listing Agreement, the Board has laid down a code of conduct for all the Board Members and Senior Managerial Personnel and all Board Members and Senior Managerial Personnel have affirmed compliance of code of conduct as on 31<sup>st</sup> March, 2010 and a declaration to that effect duly signed by the Managing Director is attached and forms part of this report.



## 7. Investors'/ Shareholders' Grievance Committee

This Committee, was constituted in accordance with listing agreement, with a view to redress shareholders'/investors' complaints etc. relating to delay in transfer of shares, demat, non-receipt of annual accounts, delays in balance sheet, split, duplicate, transmission, etc. of the shares issued by the Company. This Committee consisted of two Non-executive Directors namely Shri Puneet Saraf and Shri O.P. Bhardwaj with Shri Puneet Saraf as Chairman upto 10<sup>th</sup> June, 2010 and thereafter Shri Mohan Lal took over from Sh. Puneet Saraf who ceased to be a director by resignation on that date.

Shri Yogesh Mathur was nominated as the Compliance Officer.

Number of pending transfers Nil

Number of Shareholders' Complaints received Nil

Number of Complaints not solved. Nil

## 8. General Body Meetings

Details of location and time of holding of last three Annual General Meetings:

AGM for the Financial Year Ended	Venue	Date	Time
2006-2007 32nd AGM	Room No. 107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata- 700001	25.08.2007	02.30 P.M.
2007-2008 33rd AGM	Room No. 107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata- 700001	30.09.2008	02.30 P.M.
2008-2009 34th AGM	Room No. 107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata- 700001	30.09.2009	02.30 P.M.

## 9. Brief Resume of Directors seeking re-appointment

(i) Shri O. P. Bhardwaj:-

Shri O. P. Bhardwaj is B. Com.(Honours) and having 29 years' working experience in the Pipe Industry. He joined the Board as an Independent Director of the Company w.e.f. 1<sup>st</sup> December, 2003. He is liable to retire by rotation at the ensuing Annual General Meeting and ,being eligible, offers for re-appointment.

(ii) Shri Yogesh Mathur:-

Shri Yogesh Mathur is M. Com. and is in service having 21 years working experience in LPG Cylinder Manufacturing Plant and joined the Board as an independent Director w.e.f. 30<sup>th</sup> December, 2005. He is liable to retire by rotation at the ensuing Annual General Meeting and ,being eligible, offers himself for re-appointment.

(iii) Shri Mohan Lal :-

Shri Mohan Lal is in service having 27 years' working experience in Steel Industry. He was appointed as an Additional Director on 10<sup>th</sup> June, 2010 by the Board of Directors under the provisions of Article No.121 of the Articles of Association of the company. Being an additional director, he holds office upto the date of Annual General Meeting. The company has received a notice under section 257 of the Companies Act, 1956 from a member proposing his name as a director of the company.

## 10. Disclosure

### (a) Materially Significant related party transactions

During the period, no transaction of material nature had been entered into by the Company with the management or their relatives that may have potential conflict with the interests of the Company.

### (b) Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There was no instance of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority as well as non-compliance of any matter related to the Capital Markets during the last three years.

## 11. Means of Communication

The quarterly and yearly results are published in English in widely circulating "The Financial Express" and in Bengali in "Kalantar" from Kolkata.

## 12. General Shareholder information

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- |   |  |
|---|--|
| AGM : Date, Time & Venue  | 35 <sup>th</sup> AGM to be held on Thursday, the 30 <sup>th</sup> September, 2010 at 2.30 P.M. at Room No. 107, 1 <sup>st</sup> Floor, Anand Jyoti Building, 41, Netaji Subhas Road, Kolkata - 700 001.                |
| • Financial Calendar (Tentative)  |  |
| Results for the quarter ending June 30, 2010  | 14 <sup>th</sup> August, 2010  |
| Results for the quarter ending September 30, 2010   | 14 <sup>th</sup> November, 2010  |
| Results for the quarter ending December 31, 2010  | 14 <sup>th</sup> February, 2011  |
| Results for the quarter ending March 31, 2011   | 15 <sup>th</sup> May, 2011   |
| • Date of Book Closure  | 27 <sup>th</sup> September, 2010 to 30 <sup>th</sup> September, 2010 (both days inclusive)   |
| • Stock Code – Physical<br>Demat ISIN Number for NSDL and CDSL.   | 27005 on Calcutta Stock Exchange<br>INE062F01011   |
| • High/Low of Market price of the Company's Shares traded on the Stock Exchange during the financial year ended 31 <sup>st</sup> March, 2010. | The Shares have not been traded during the Financial Year 2009 -10. The last quoted price was of Rs.134.70 per share as per transactions on Calcutta Stock Exchange on 31.03.2006.                                     |
| • Registrar & Transfer Agents   | M/s Beetal Financial & Computer Services Pvt. Ltd., "BEETAL HOUSE", 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi - 110 062.<br>Phone No. 011-29961281-82<br>Fax No. 011-29961284 |

Share Transfer System

All the transfers received are processed by the Registrar and Share Transfer Agent. Share Transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respect. In case the shares are transferred through Demat mode, the procedure is adopted as stated in Depositories Act, 1996.

Share holding pattern as on 31.03.10

Category	Nos. of Shares	Percentage
Promoters	17,49,130	31.81
Persons acting in concert	-	-
Mutual Funds & UTI	-	-
Banks, Financial Institution & Insurance Companies	-	-
FII's	-	-
Private Corporate Bodies	14,12,520	25.68
Indian Public	23,38,350	42.51
NRIs/OCBs	-	-
<b>Total</b>	<b>55,00,000</b>	<b>100.00</b>

Distribution of shareholding as on 31<sup>st</sup> March, 2010

NO. OF SHARES FROM - TO (1)	FOLIO		AMOUNT	
	Number (2)	% to Total (3)	Rs. (4)	% to Total (5)
00001 - 00500	432	66.16	2,14,650	0.39
00501 - 01000	07	1.07	60,000	0.11
01001 - 02000	44	6.74	5,68,000	1.03
02001 - 03000	13	1.99	3,73,050	0.68
03001 - 04000	11	1.68	4,06,050	0.74
04001 - 05000	09	1.38	4,24,890	0.77
05001 - 10000	51	7.81	43,02,100	7.82
10001 to above	86	13.17	4,86,51,260	88.46
<b>Total</b>	<b>653</b>	<b>100.00</b>	<b>5,50,00,000</b>	<b>100.00</b>

### Declaration of Managing Director

The Code of Conduct for the Directors and the Senior Managerial Personnel was adopted by the Board of Directors. All the Board Members and Senior Managerial Personnel have affirmed that they have complied with the Code of Conduct during the financial year ended on 31<sup>st</sup> March, 2010.

(A.K. Sureka)  
Managing Director

Place: Kolkata

Date : 25<sup>th</sup> August, 2010

# SALARPURIA & PARTNERS

## CHARTERED ACCOUNTANTS

### ANNEXURE TO THE REPORT OF THE DIRECTORS

#### CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF COROPORATE GOVERNANCE

ANNEXURE-A

To the Shareholders of **Quality Synthetic Industries Limited**

We have examined the compliance of conditions of Corporate Governance by **Quality Synthetic Industries Limited.**, for the period ended on 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending for a period exceeding one month against the company as per the records maintained by the Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR SALARPURIA & PARTNERS  
CHARTERED ACCOUNTANTS

PLACE : NEW DELHI

DATE : 30th May, 2010

  
(KAMAL KUMAR GUPTA)

PARTNER

M. No. 89190

# SALARPURIA & PARTNERS

## CHARTERED ACCOUNTANTS

### AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of Quality Synthetics Industries Limited as at 31<sup>st</sup> March, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the Books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



# SALARPURIA & PARTNERS

## CHARTERED ACCOUNTANTS

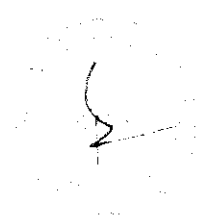
- (vi) In our opinion and to the best of our information and according to the explanation given to us, the said financial statements together with the Notes thereon appearing in **Schedule – 15** attached to the Balance Sheet give in the prescribed manner the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India;
- (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010,
- (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date, and
- (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For SALARPURIA & PARTNERS  
FIRM REGN.NO.302113E  
CHARTERED ACCOUNTANTS

  
(KAMAL KUMAR GUPTA)  
PARTNER  
M. No. 89190

Place: 1008, Chiranjiv Tower  
43, Nehru Place,  
New Delhi-110019

Date : 30.05.2010



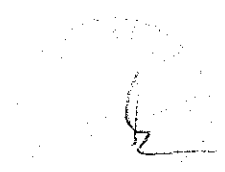
# SALARPURIA & PARTNERS

## CHARTERED ACCOUNTANTS

### ANNEXURE TO AUDITOR'S REPORT

(Referred to in paragraph (3) of our report of even date)

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
- c. During the year, the Company has disposed off Fixed assets of its Sikandrabad Unit.
- ii. a. The inventories of the company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii. a. The Company has given loan to 5 (Five) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 405.95 Lacs and the balance outstanding at the close of the year is Rs. 143.37 Lacs.
- b. In our opinion the rate of interest, wherever applicable and other terms and conditions of such loans given by the company are prima facie not prejudicial to the interests of the company.
- c. The loans given are recovered as stipulated.
- d. There is no over due amount of loans given to companies, firms or other parties listed in the register maintained U/s.301 of the Companies Act, 1956.
- e. The Company has taken unsecured loans from 2 (two) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 192.96 Lacs and the balance outstanding at the close of the year is Rs.NIL.
- f. In our opinion the rate of interest, wherever applicable and other terms and conditions of unsecured loans taken by the company are prima facie not prejudicial to the interests of the company.
- g. The company is regular in repayment of loans & interest thereon wherever applicable.



# SALARPURIA & PARTNERS

## CHARTERED ACCOUNTANTS

- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods & services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- v. a. According to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- vii. In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. According to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of Cost Records under Clause (d) of Sub-Section (1) of the Section 209 of the Companies Act, 1956.
- ix. a. Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Customs Duty, Excise Duty, Service Tax and cess have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.
- b. As at 31<sup>st</sup> March, 2010, according to the records of the Company, there are no disputed dues on account of sales tax, income tax, custom duty, wealth tax, excise duty, Service Tax and cess that have not been deposited at the close of the year under report. Except Deferred Credit Under UP Trade Tax shown as unsecured Loan Rs.7.88 Lacs.
- x. The Company has no accumulated losses as at 31<sup>st</sup> March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not defaulted in repayment of its dues to any financial institution, bank during the year.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

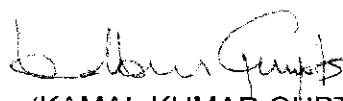


# SALARPURIA & PARTNERS

## CHARTERED ACCOUNTANTS

- xiii. The provisions of any special statute for Chit Fund and Nidhi Companies as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In respect of dealing/trading in shares, securities and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and other securities have been held by the Company in its own risk.
- xv. According to the information and explanations given to us, keeping in view the strategic investments the guarantees given by the company for loan taken by others from Banks and Financial Institutions are prima-facie not prejudicial to the interests of the company.
- xvi. The Company has not taken any term loan during the year, except Term Loan from ICICI Home Finance which is a joint loan in the name of M/s. Quality Synthetic Industries Ltd. and Shri Navneet Kumar Sureka, where Jotindra Steel & Tubes Ltd., is a 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, Authorised Signatory of the Company. Since the loan was disbursed to/and utilized by the co-applicant M/s Jotindra Steel & Tubes Limited, hence, all the transaction related there to have been recorded in the financial statements of the said co- applicant .
- xvii. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report.
- xx. During the period covered by our audit report, the Company has not raised any money by public issue.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For SALARPURIA & PARTNERS  
FIRM REGN.NO.302113E  
CHARTERED ACCOUNTANTS

  
(KAMAL KUMAR GUPTA)  
PARTNER  
M. No. 89190

1008, Chiranjiv Tower  
43, Nehru Place  
New Delhi-110019

Date : 30.05.2010

BALANCE SHEET AS AT 31ST MARCH ,2010

	Schedu les	As at 31st March, 2010 Rs.	As at 31st March, 2009 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS:</b>			
Share Capital	1	55,000,000	55,000,000
Reserves and Surplus	2	<u>246,151,352</u>	<u>241,504,787</u>
		301,151,352	296,504,787
<b>LOANS FUNDS:</b>			
Secured Loans	3	7,253,599	6,591,500
Unsecured Loans		<u>781,197</u>	<u>8,514,856</u>
		8,034,796	15,106,356
		<u>309,186,148</u>	<u>311,611,143</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	11,008,922	11,008,922
Less: Depreciation		<u>4,549,130</u>	<u>4,197,104</u>
Net Block		6,459,792	6,811,818
<b>INVESTMENTS</b>			
	5	92,363,200	170,013,200
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
Inventories	6	84,851,381	50,332,031
Sundry Debtors		72,371	72,371
Cash & Bank Balances		4,413,511	6,869,477
Loans & Advances		<u>139,345,312</u>	<u>95,800,884</u>
		228,682,575	153,074,763
Less:			
<b>CURRENT LIABILITIES &amp; PROVISIONS:</b>			
Current Liabilities	7	25,644,906	25,564,685
Provisions		<u>909,266</u>	<u>240,000</u>
		26,554,172	25,804,685
<b>NET CURRENT ASSETS</b>		202,128,403	127,270,078
<b>MISCELLANEOUS EXPENDITURE</b>			
Deferred Tax Assets (Net)	8	14,155	28,310
		8,220,598	7,487,737
		<u>309,186,148</u>	<u>311,611,143</u>


ACCOUNTING POLICIES & NOTES ON ACCOUNTS 14

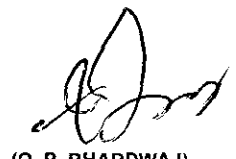
Schedules referred herein above form an integral part of the Balance Sheet.

As per our report attached.  
For Salarpuria & Partners  
FIRM REGN.NO.302113E  
Chartered Accountants

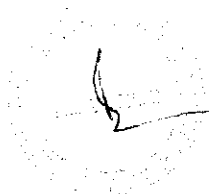
  
(KAMAL KUMAR GUPTA)  
PARTNER  
M.No. 89190

  
(DIVYA AGARWAL)  
COMPANY SECRETARY

  
(A. K. SUREKA)  
DIRECTOR

  
(O. P. BHARDWAJ)  
DIRECTOR

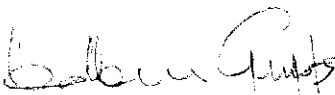
Place : New Delhi  
Date : 30th May, 2010




CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

	Year Ended 31st March, 2010	Year Ended 31st March, 2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extraordinary items	4,225,034	3,404,084
<b>Adjustment for:</b>		
Depreciation	352,026	373,721
Miscellaneous Expenditure written off	14,155	14,155
Profit on Sale of Investments	(2,415,000)	-
Interest received on Trade Deposit	(5,598,878)	(9,015,527)
Dividend received	(335,320)	(264,253)
Interest	1,641,317	318,823
<b>Operating Profit before Working Capital Changes</b>	<b>(2,116,666)</b>	<b>(5,168,997)</b>
<b>Adjustments for:</b>		
Trade and other receivables	(42,151,476)	125,050,327
Inventories	(34,519,350)	(23,533,299)
Trade payable	80,221	(1,025,044)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(78,707,274)</b>	<b>95,322,987</b>
Interest paid	(1,641,317)	(318,823)
Direct Tax paid (Net)	(1,035,017)	(1,813,228)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(81,383,605)</b>	<b>93,190,936</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(78,375)
Purchase / Sale of Investments	80,065,000	(113,750,000)
Interest Received	5,598,878	9,015,527
Dividend Received	335,320	264,253
<b>NET CASH FLOW FROM / USED IN INVESTING</b>	<b>85,999,198</b>	<b>(104,548,596)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Borrowings	(7,071,560)	11,231,074
<b>NET CASH FLOW from FINANCING ACTIVITIES</b>	<b>(7,071,560)</b>	<b>11,231,074</b>
<b>INCREASE IN CASH OR CASH EQUIVALENTS (A+B+C)</b>	<b>(2,455,967)</b>	<b>(126,585)</b>
Cash and Cash Equivalents as at (Opening Balance)	6,869,478	6,996,063
Cash and Cash Equivalents as at (Closing Balance)	4,413,511	6,869,478

As per our report attached.  
For **Salarpuria & Partners**  
FIRM REGN.NO.302113E  
Chartered Accountants

  
**(KAMAL KUMAR GUPTA)**  
PARTNER  
M.No. 89190  
Date : 30th May, 2010

  
**(DIVYA AGARWAL)**  
COMPANY SECRETARY

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

  
**(O. P. BHARDWAJ)**  
DIRECTOR

As at 31st March, 2010	As at 31st March, 2009
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**SCHEDULE - 1 : SHARE CAPITAL**

**AUTHORISED**

5,550,000 (55,50,000) Equity Shares of Rs.10/- each	<u>55,500,000</u>	<u>55,500,000</u>
<b>Issued, subscribed and paid up</b>		
5,500,000 (55,50,000) Equity Shares of Rs. 10/- each fully paid up in Cash	<u>55,000,000</u>	<u>55,000,000</u>
	<u><u>55,000,000</u></u>	<u><u>55,000,000</u></u>

**SCHEDULE - 2 : RESERVES & SURPLUS**

**GENERAL RESERVE**

Balance brought forward	133,306,398	123,336,510	
Add: Transfer from Profit & Loss Account	<u>3,716,565</u>	<u>9,969,888</u>	133,306,398

**SHARE PREMIUM ACCOUNT**

Balance brought forward	88,917,389		88,917,389
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**RBI RESERVE FUND for NBFC**

Balance brought forward	19,281,000	18,581,000	
Transfer from Profit & Loss Account	<u>930,000</u>	<u>700,000</u>	19,281,000
	<u><u>246,151,352</u></u>		<u><u>241,504,787</u></u>

**SCHEDULE - 3 : LOANS**

**Secured**

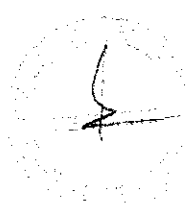
**Term Loan from ICICI Home Finance**

Term Loan from ICICI Home Finance is a joint loan in the name of M/s. Quality Synthetic Industries Ltd. and Shri Navneet Kumar Sureka, where Jotindra Steel & Tubes Ltd., is a 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, Authorised Signatoy of the Company. Since the loan was disbursed to/and utilised by the co-applicant M/s Jotindra 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 31.03.2010 is Rs. Rs.1,29,85,488 (Previous year Rs.1,35,14,577) and the installments due within the period of next 12 months areRs.24,04,968(previous year Rs.24,54,528)

From Life Insurance Corporation of India. (Secured against Key man Policies taken by the Company and Personal guarantee of one of the Director )	6,591,500	6,591,500
Interest accrued & due	<u>662,099</u>	
	<u><u>7,253,599</u></u>	<u><u>6,591,500</u></u>

**Unsecured**

From Body Corporate	-	7,733,659
Deferred Uttar Pradesh Trade Tax	<u>781,197</u>	<u>781,197</u>
	<u><u>781,197</u></u>	<u><u>8,514,856</u></u>



*[Handwritten Signature]*

*[Handwritten Signature]*

## SCHEDULE - 4 : FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION WRITTEN OFF				NET BLOCK	
	AS ON 31.03.2009	ADDITIONS DURING THE YEAR	SALES DURING THE YEAR	AS ON 31.03.2010	UP TO 31.03.2009	FOR THE YEAR	ADJUSTED ON SALES/	UP TO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	68,600.00	-	-	68,600.00	-	-	-	-	68,600.00	68,600.00
OTHER BUILDINGS	309,127.00	-	-	309,127.00	204,211.00	5,246.00	-	209,457.00	99,670.00	104,916.00
OWNERSHIP FLAT	9,687,390.00	-	-	9,687,390.00	3,202,420.00	324,251.00	-	3,526,671.00	6,160,719.00	6,484,970.00
FURNITURE & FIXTURES	124,020.12	-	-	124,020.12	107,572.28	2,977.00	-	110,549.28	13,470.84	16,447.84
OFFICE EQUIPMENTS	225,849.60	-	-	225,849.60	162,609.21	8,797.00	-	171,406.21	54,443.39	63,240.39
COMPUTORS	241,225.00	-	-	241,225.00	235,356.59	-	-	235,356.59	5,868.41	5,868.41
AIR CONDITIONERS & FANS	112,930.00	-	-	112,930.00	79,339.50	4,673.00	-	84,012.50	28,917.50	33,590.50
VEHICLES	151,780.00	-	-	151,780.00	140,707.53	2,867.00	-	143,574.53	8,205.47	11,072.47
FIRE FIGHTING EQUIPMENTS	88,000.00	-	-	88,000.00	64,887.97	3,215.00	-	68,102.97	19,897.03	23,112.03
	11,008,921.72	-	-	11,008,921.72	4,197,104.08	352,026.00	-	4,549,130.08	6,459,791.64	6,811,817.64
	(10,930,547)	-	-	(10,930,547)	(3,426,311)	(397,072)	-	(3,823,383)	(7,107,164)	(7,504,236)

## Schedule - 5 : INVESTMENTS - LONG TERM (AT COST)

NAME OF THE COMPANY	FACE VALUE	PAID UP VALUE	NUMBER OF SHARES		COST		QUOTED / UNQUOTED
			AS ON 31.03.2010	AS ON 31.03.2009	AS ON 31.03.2010	AS ON 31.03.2009	
			(Rs.)	(Rs.)	Qty.	Qty.	
<b>SHARES AND SECURITIES:-</b>							
SAROJ METAL WORKS PRIVATE LIMITED	10/-	10/-	200,000	200,000	2,000,000	2,000,000	UNQUOTED
AAA STEEL & ENERGY (INDIA) LTD.	10/-	10/-	20,000	20,000	5,000,000	5,000,000	UNQUOTED
V L ESTATES PVT. LTD. (40000 shares sold during the year)	10/-	10/-	-	400,000	-	4,000,000	UNQUOTED
BIHARIJI ISPAT UDYOG LIMITED	10/-	10/-	434,400	434,400	1,303,200	1,303,200	QUOTED
JOTINDRA STEEL & TUBES LTD.	10/-	10/-	250,000	250,000	12,500,000	12,500,000	UNQUOTED
MUKAND PREF120123	10/-	10/-	500	500	-	-	UNQUOTED
VEE EM INFO CENTRE PVT. LTD.	10/-	10/-	500,000	500,000	3,600,000	3,600,000	UNQUOTED
SKD ESTATES PVT.LTD. (7500 shares sold during the year)	10/-	10/-	4,800	12,300	10,560,000	27,060,000	UNQUOTED
<b>SHARE APPLICATION MONEY:-</b>							
DEEPAK HOTELS PVT.LTD.	-	-	-	-	6,550,000	10,500,000	UNQUOTED
IDEA INTERNATIONAL PVT.LTD.	-	-	-	-	-	30,000,000	UNQUOTED
SSKS BUILDWELL PVT.LTD	-	-	-	-	6,500,000	6,500,000	UNQUOTED
JST ENGINEERING SERVICES LTD.	-	-	-	-	44,350,000	67,550,000	UNQUOTED
Grand Total			1,409,700	1,817,200	92,363,200	170,013,200	

Market Value of Quoted Investments : Rs. 1,520,400 (1,520,400)

Book Value of Quoted Investments : Rs. 1,303,200 (1,303,200)

As at 31st March, 2010	As at 31st March, 2009
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**SCHEDULE - 6 : CURRENT ASSETS, LOANS AND ADVANCES**

**A. CURRENT ASSETS**

**INVENTORIES**

(As per Inventories taken, valued and certified by the Management)  
(As per Detailed list attached)

84,851,381	50,332,031
<u>84,851,381</u>	<u>50,332,031</u>

**SUNDRY DEBTORS**

(Unsecured, considered good )  
Outstanding for more than six months

72,371	72,371
<u>72,371</u>	<u>72,371</u>

**CASH AND BANK BALANCES**

**Cash in Hand**

(as per Books & Certified)

1,146,105	737,299
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**Balances with Scheduled Banks**

In Current Accounts

3,267,406	6,132,178
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<u>4,413,511</u>	<u>6,869,477</u>
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**B. LOANS AND ADVANCES**

(Unsecured, considered good unless otherwise stated)

**Loans -**

- Considered Good	42,147,959	30,536,400	
- Considered Doubtful	340,000	340,000	
- Provision for Doubtful Loans	<u>(340,000)</u>	<u>(340,000)</u>	30,536,400

**Advances -**

(Recoverable in Cash or in kind or for value to be received)

- For Capital Goods	90,541,864	58,950,000	
- To Others	<u>2,467,804</u>	<u>3,519,751</u>	62,469,751

Fringe Befit Tax

4,377

Securities Transaction Tax

361,235

Mat Credit Entitlement

723,548

Income Tax Payments & Tax Deducted at Sources

3,411,737

4,135,285

2,376,721

2,742,333

Security & Other Deposits

52,400

52,400

139,345,312

95,800,884

228,682,575

153,074,763

**SCHEDULE -7 : CURRENT LIABILITIES & PROVISIONS**

**A. CURRENT LIABILITIES**

Sundry Creditors

33,392

32,527

Advances & Deposits

25,500,000

25,500,000

Tax Deducted at Source

111,514

9,435

Interest accrued but not due on Loans

-

22,723

25,644,906

25,564,685

**B. PROVISIONS**

For Income Tax

909,266

240,000

909,266

240,000



PART OF SCHEDULE - 6 : DETAILS OF STOCK IN TRADE AS AT 31ST MARCH, 2010

NAME OF COMPANY	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
<b>A. QUOTED SHARES</b>								
Aravali Sec.& Fin.Ltd.	8,500	11,050	-	-	-	-	8,500	11,050
Adhunik Synthetic Ltd.	400	400	-	-	-	-	400	400
Bihariji Int.Ltd.	16,500	29,358	-	-	-	-	16,500	29,358
Chamble Fertilizers Ltd.	14,150	442,895	-	-	-	-	14,150	442,895
Escorts Ltd.	500	17,625	-	-	-	-	500	17,625
Global Foods Ltd.	200	1,600	-	-	-	-	200	1,600
Great East Shipping Ltd.	972	184,437	-	-	-	-	972	184,437
Great Offshore Ltd.	498	124,824	-	-	-	-	498	124,824
Gujart Narmada Vel Fet.Ltd.	4,838	437,839	-	-	-	-	4,838	395,748
IL&Fs Ltd.	101,420	528,398	-	-	-	-	101,420	528,398
Indo Rama Synthetics (India) Ltd.	4,832	98,814	-	-	-	-	4,832	98,814
Infomedia Synthetic Ltd.	3,249	184,543	-	-	-	-	3,249	184,543
Jai Parabolic Spring Ltd.	6,305	183,160	-	-	-	-	6,305	183,160
Jai Prakash Associated Ltd.	10,045	844,785	-	-	-	-	10,045	844,785
Jotindra Steel & Tubes Ltd.	439,800	879,600	-	-	439,800	1,099,500	-	-
Kamadgiri Synthetics Ltd.	94,400	1,170,560	-	-	1,710	102,255	92,690	1,149,356
Kothari Products Ltd.	652	103,342	-	-	-	-	652	103,342
Orkey Silk Mills Ltd.	99	183	-	-	-	-	99	183
Ranbaxy Lubricants Ltd.	1,250	207,000	-	-	-	-	1,250	207,000
Reliance Enterprises Ltd.	3	132	-	-	-	-	3	132
Reliance Petro Ltd.	1,000	95,100	-	-	-	-	1,000	95,100
Reliance Industries Ltd.	-	-	124	-	-	-	124	133,207
Shree Ram Mills Ltd.	2,000	106,000	-	-	-	-	2,000	106,000
Sri Narayan Rajkumar Merchants Ltd.	-	-	25,250	1,612,275	-	-	25,250	1,612,275
Tick well Commercial Ltd.	110,400	176,640	-	-	-	-	110,400	176,640
Tata Chemicals Ltd.	8,862	1,251,758	-	-	-	-	8,862	1,251,758
Tata Investment Corporation Ltd.	3,149	692,780	-	-	-	-	3,149	692,780
United Floor Mills Ltd.	12,672	12,672	-	-	-	-	12,672	12,672
Western Spring India Ltd.	5,000	23,350	-	-	-	-	5,000	23,350
<b>TOTAL "A"</b>	<b>851,696</b>	<b>7,808,845</b>	<b>25,374</b>	<b>1,612,275</b>	<b>441,510</b>	<b>1,201,755</b>	<b>435,560</b>	<b>8,611,432</b>
<b>B UNQUOTED SHARES</b>								
Admir Hotels Pvt. Ltd.	15,000	560,000	20,000.00	510,000.00	15,000	1,125,000	20,000	510,000
Bihariji fancy Fiber & Fabrics Ltd.	285,400	606,500	-	-	-	-	285,400	606,500
Deepak Hotels Pvt.Ltd.	40,000	11,193,650	-	-	-	-	40,000	11,193,650
Sureka Tubes Industries Pvt.Ltd.	7,500	750,000	-	-	-	-	7,500	750,000
Subh Laxmi Properties Pvt.Ltd.	-	-	100	2,613	-	-	100	2,613
Kumardhubi Engineering Works Ltd.	1,090	436	-	-	-	-	1,090	436
Magnum Products Pvt. Ltd.	10,636	3,722,600	-	-	-	-	10,636	3,722,600
Eco Friendly Hotels India Pvt.Ltd.	19,000	6,500,000	-	-	-	-	19,000	6,500,000
Idia International Pvt.Ltd.	37,500	13,400,000	75,000	30,000,000	-	-	112,500	43,400,000
Jyoti Strips Pvt.Ltd.	-	-	7,500	7,500,000	-	-	7,500	7,500,000
Vee Em Infocenter Pvt.Ltd	-	-	130,415	1,304,150	-	-	130,415	1,304,150
V.K. Flats Pvt.Ltd.	7,500	750,000	-	-	-	-	7,500	750,000
<b>TOTAL "B"</b>	<b>423,626</b>	<b>42,523,186</b>	<b>233,015</b>	<b>39,316,763</b>	<b>15,000</b>	<b>1,125,000</b>	<b>641,641</b>	<b>76,239,949</b>
<b>TOTAL "A"+"B"+</b>	<b>1,275,322</b>	<b>50,332,031</b>	<b>258,389</b>	<b>40,929,038</b>	<b>456,510</b>	<b>2,326,755</b>	<b>1,077,201</b>	<b>84,851,381</b>

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**QUALITY SYNTHETIC INDUSTRIES LTD.**

As at 31st  
March, 2010

As at 31st  
March, 2009

**Schedule - 8 : MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)**

**PRELIMINARY EXPENSES**

Balances brought Forward	28,310	42,465
Less: Written off during the year	14,155	14,155
	<u>14,155</u>	<u>28,310</u>
	<u>14,155</u>	<u>28,310</u>