

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	Year Ended 31stMar, 2010	Year Ended 31stMar, 2009
INCOME			
Sales & Services	9	2,326,755	1,416,625
Other Income	10	11,598,198	11,065,354
		<u>13,924,953</u>	<u>12,481,979</u>
EXPENDITURE			
Increase / (Decrease) in Stocks	11	(34,519,350)	(23,533,299)
Purchases		40,929,038	29,122,600
Employees' Remuneration and Benefits	12	274,927	183,174
Manufacturing & Other Expenses	13	1,021,961	2,612,875
Interest: Other than Fixed Loans		1,641,317	318,823
Depreciation		352,026	373,721
		<u>9,699,919</u>	<u>9,077,894</u>
PROFIT FOR THE YEAR BEFORE TAX		4,225,034	3,404,084
Less : Provision for Taxation :			
For Current Tax	(585,864.00)		(240,000)
Less : Mat Credit Entitlment	<u>568,800.00</u>	(17,064)	-
For ealier year		(449,014)	-
For Mat Credit Entitlment for earlier year		154,748	-
Fringe Benefit Tax			(5,474)
Excess Provision for Income Tax in ealier year w/back		-	811,367
Add : Adjustment for deferred Tax Assets		732,861	6,699,910
PROFIT FOR THE YEAR AFTER TAX AVAILABLE FOR APPROPRIATION		<u>4,646,565</u>	<u>10,669,887</u>
APPROPRIATION			
Transfer to RBI Fund for NBFC		930,000	700,000
Transfer to General Reserve		3,716,565	9,969,887
		<u>4,646,565</u>	<u>10,669,887</u>
Earning per Share - Basic & Diluted (Rs. Per Equity Share refer Note No.13 of Sch -14)		0.84	1.94
ACCOUNTING POLICIES & NOTES ON ACCOUNTS	14		

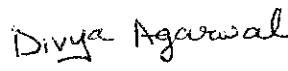
Schedules referred herein above form an integral part of the Profit And Loss Account.


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


(KAMAL KUMAR GUPTA)
PARTNER
M.No. 89190

Place : New Delhi

Date : 30th May, 2010


(DIVYA AGARWAL)
COMPANY SECRETARY


(A. K. SUREKA)
MANAGING DIRECTOR


(O. P. BHARDWAJ)
DIRECTOR



Schedule - 9 : SALES**SALES**

Traded : Shares & Securities

2,326,755 2,326,755 1,416,625 1,416,6252,326,755 1,416,625**Schedule - 10 : OTHER INCOME**

Interest (Gross) [Tax deducted at Source Rs.5,25,421/- (Rs.19,42,866)]

5,598,878 905,527

Rent Received [Tax deducted at Source Rs.5,09,595/- (Rs. 4,33,855)]

3,249,000 1,647,324

Dividend

335,320 264,253

Profit on Sale of Investments

2,415,000 -

Miscellaneous Receipts

- 138,25011,598,198 2,955,354**Schedule - 11 : INCREASE / (DECREASE) IN STOCKS****STOCKS AT THE COMMENCEMENT OF THE YEAR**

Shares and Securities

50,332,031 26,798,73250,332,031 26,798,732**STOCKS AT THE CLOSE OF THE YEAR**

Shares and Securities

84,851,381 50,332,03184,851,381 50,332,031**INCREASE / (DECREASE) IN STOCKS**34,519,350 23,533,299

QUALITY SYNTHETIC INDUSTRIES LTD.

Year Ended 31stMar, 2010	Year Ended 31stMar, 2009
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SCHEDULE - 12 : EMPLOYEE'S REMUNERATION AND BENEFITS

Salary, Wages, Bonus & Allowances	233,228	203,600
Staff and Labour Welfare	41,699	31,910
	<u>274,927</u>	<u>235,510</u>

SCHEDULE - 13 : MANUFACTURING AND OTHER EXPENSES

Key Man insurance premium on LIC Policy	-	1,686,480
Rent, Rates and Taxes	6,902	4,581
Traveling and Conveyance	49,216	42,725
Advertisement and Publicity	30,215	23,684
Bank Charges	3,695	9,217
Repairs and Maintenance	5,996	10,624
Consultancy and Professional Charges	795,000	689,000
Auditor's Remuneration :		
As Audit Fee	22,590	22,590
As Tax audit Fees	5,612	5,612
Subscription and membership fee	33,092	-
Listing Fees	31,818	25,811
Director's Meeting Fees	7,500	8,500
Miscellaneous Expenses	16,170	69,897
Preliminary Expenses Written Off	14,155	14,155
	<u>1,021,961</u>	<u>2,612,876</u>



Schedule - 14 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 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 and interest on "Kisan Vikas Patra" which are 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:

i) 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) EXCISE DUTY:

Liability for Excise Duty in respect of finished goods and scrap not cleared from factory premises for sale is accounted for at the time of clearance from the factory premises. The policy has however, no impact on operating results and net current assets of the Company.

(h) CONTINGENT LIABILITIES:

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

(i) 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.

(j) 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.

2 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(i) Claims against the Company not acknowledged as debts.

Amount
Unascertained

Amount
Unascertained

(ii) Letter of Guarantee issued by bank

Rs.8,20,000

Rs.8,20,000

3 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.

4 Estimated value of capital commitments remaining to be executed and not provided for Rs. 635.75 Lacs(Rs.589.50 Lacs) advance paid against the same Rs.515.60 Lacs .

5 i) The Fixed assts in respect of Sikandrabad unit which was acquired by the company during the financial 2000-2001 from M/s. JCL International Limited (JCL), on "Slump Sale basis" and as Going Concern on "as is where is basis", has been sold/disposed off during the year.

ii) M/s JCL International Ltd. (JCL) had made an application for deferment of sales Tax under U.P. Trade Tax Act. The final sanction of deferment is still pending. On the basis of legal opinion obtained, JCL has not made payment of U.P. Trade Tax collected from December, 1999 to March, 2000 amounting, to Rs. 25,52,774 for which exemption is expected, after which the amount of deferment will be converted into interest free Loan payable after 10 years. Therefore, as per the terms and conditions of the "Agreement to Sell dated 06-05-2001" with JCL, the aforesaid Liability has been accounted for in the Books of Company. However under an Interest waiver scheme of the UP State Government the company has been settled for Rs. 15,24,074 the liability for the financial year 1999-2000 during the year. The Balance amount will be adjusted after settlement of the dues for subsequent years

iii) Similarly, U.P. Trade Tax collected from 19.04.2000 onwards has also been treated as Deferment Liability of U.P. Trade Tax and shown under "Unsecured Loan". The permission from U.P. Trade Tax Authorities is yet to be obtained. The liability for subsequent year are still pending.

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

i) LIST OF RELATED PARTY:

(a) Where control exists:-

(i) Jotindra Steel & Tubes Ltd.	(xiv) Vaishnodevi Properties Pvt. Ltd.
(ii) Quality Synthetic Industries Ltd	(xv) V.K. Flats Pvt. Ltd.
(iii) J.S.T. Engineering Services Ltd.	(xvi) Dwarkadish Construction Pvt. Ltd.
(iv) Aakshi Exports (P) Ltd.	(xvii) Srinarayan Raj Kumar Merchants Ltd.
(v) Bihariji Ispat Udyog Limited	(xviii) Bihariji Fancy Fibers & Fabrics Ltd.
(vi) Saroj Metal Works Private Ltd.	(ixx) Bhama Properties (P) Ltd.
(vii) Chakra Exports (P) Ltd.	(xx) P.D. Metal Industries (P) Ltd.
(viii) Ram Forgings Pvt. Ltd.	(xxi) Udayanchal Leasing Exports (P) Ltd.
(ix) Radha Estate (P) Ltd.	(xxii) Vee Kay Surgicals Pvt. Ltd.
(x) Subhlaxmi Properties (P) Ltd.	(xxiii) Vee Emm Infotecenter Pvt. Ltd.
(xi) V L Estates (P) Ltd.	(xxiv) Bihariji Cylinders Pvt. Ltd.
(xii) Sri Narayan Steel Industries Pvt. Ltd.	(xxv) SKD Estates Pvt. Ltd.
(xiii) Sureka Tube Industries Pvt. Ltd.	(xxvii) Puranmal Foods India (P) 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).

: Mr. N.K. Sureka & Mrs. Prem Lata Sureka
: Nil

(d) Other related parties

: Nil

ii) TRANSACTION WITH RELATED PARTIES

TYPE OF RELATED PARTY	DESCRIPTION OF THE TRANSACTION	VOLUME OF TRANSACTIONS		AMOUNT OUTSTANDING AS ON 31-03-2010	
		2009-10	2008-09	RECEIVABLE	PAYABLE
	Interest Received	948,787	8,573,987	948,787	-
	Interest Paid	1,001,941	-		
	Rent Received	3,583,644	1,647,324	463,364	-
	Loan Taken	21,824,250	12,012,401	-	-
	Loan Taken Repaid	29,557,909	2,236,048	-	-
	Loan Given	20,672,091	124,230,647	12,924,582	-
	Loan given Received back	32,881,876	290,243,902	-	-
	Share Application Money	44,350,000	78,050,000	-	-
	Sale of goods Fixed Assets / Scrap	-	1,416,625	-	-
	Purchase of Shares	1,814,150	-	-	-
Key Management	Sale of goods / shares	1,099,500	-		
	Purchase of Shares	-	-		
Relative of Key Management	Sale of goods / shares	2,040,000	-		
	Salary	-	-		
	Purchase of Shares	-	-	-	-
Other Related Parties	Nil				
		-	-	-	-

NOTE 1 In respect of above parties, there is no provision for doubtful debts As on 31st March, 2010 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.

10 The provision for deferred tax Liability / (Assets)

Particulars		as on 01.04.2009	Adjustment for the year	as on 31.03.2010
Depreciation		(7,487,737)	(732,861)	(8,220,598)

11 Earning per share :-

	Current year	Previous
Net Profit as per Profit &	4,646,565	10,669,887
Average No. of Equity	5,500,000	5,500,000
Earning per share in	0.84	1.94

12 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.

13 Additional Information

(i) Quantitative Details:

NAME OF THE ITEM TRADE	UNITS	OPENING STOCKS		PURCHASES		SALES LESS DISCOUNTS		CLOSING STOCKS	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
			Rs.		Rs.		Rs.		Rs.
SHARE S & SECUR	Nos.	1,275,322	50,332,031	258,389	40,929,038	456,510	2,326,755	1,077,201	84,851,381
		(1,597,936)	(26,798,732)	(82,136)	(29,222,600)	(404,750)	(1,416,625)	(1,275,322)	(50,332,031)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(II) C. I. F. Value of Imports	Nil	(Nil)
(III) F. O. B. Value of Exports	Nil	(Nil)
(IV) Earning in Foreign Exchange	Nil	(Nil)
(V) Expenditure in Foreign Currency	Nil	(Nil)
(VI) Remittance on account of Dividend in Foreign	Nil	(Nil)

16 BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

a) REGISTRATION DETAILS

Registration No.	:	29956	State Code	:	21
Balance Sheet Date	:	31.03.2010			

b) CAPITAL RAISED DURING THE YEAR (RUPEES IN THOUSANDS)

Public Issue	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

c) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (RUPEES IN THOUSANDS)

Total Liabilities	:	309,186	Total Assets	:	309,186
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Source of Funds:

Paid-up Capital	:	55,000	Reserves & surplus	:	246,151
Secured Loans	:	7,254	Unsecured Loans	:	781

Application of Funds:

Net Fixed Assets	:	6,460	Investments	:	92,363
Net Current Assets	:	202,128	Misc. Expenditure	:	14
Accumulated Losses	:	Nil	Deferred Tax Asset	:	8,221

d) PERFORMANCE OF THE COMPANY

Turnover/Receipts	:	13,925	Total Expenditure	:	44,219
Profit before Tax	:	4,225	Profit After Tax	:	4,647
Earning per Share in	:	0.84	Dividend Rate	:	Nil

e) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

ITEM CODE (ITC CODE)	PRODUCT DESCRIPTION
N.A.	SHARES & SECURITIES

Signature to Schedules 1 to 14

As per our report of even date

For SALARPURIA & PARTNERS

FIRM REGN.NO.302113E

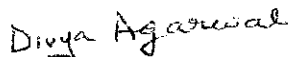
Chartered Accountants


(KAMAL KUMAR GUPTA)
PARTNER


M.No. 89190

Place : New Delhi

Date : 30th May, 2010



(DIVYA AGARWAL)
COMPANY SECRETARY



(A. K. SUREKA)
MANAGING DIRECTOR



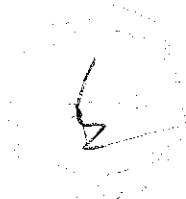
(O.P. BHARDWAJ)
DIRECTOR

Schedule to the balance sheet of a non-banking financial company as required in terms of paragraph 9bb of non banking financial companies prudential norms (reserve bank) directions, 1998

SL. NO	PARTICULARS	(RS. IN LACS)	
		AMOUNT OUTSTANDIN	AMOUNT OVERDUE
	LIABILITIES SIDE :		
1	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	(a) DEBENTURES : Secured	Nil	Nil
	: Unsecured (Other than failing within the meaning of public deposits)*	Nil	Nil
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-corporate Loans and Borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposites*	Nil	Nil
	(g) Other Loans (Specify Nature)- Deferred Sales Tax	7.81	Nil
	* Please see Note 1 below		
2	Break up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	Nil	Nil
	(c) Other public deposits	Nil	Nil
	*Please see Note 1 below		
	ASSETS SIDE :		AMOUNT OUTSTANDING
3	Break up of Loans and Advances including bills receivables [other than those included in (4) below]:		
	(a) Secured		Nil
	(b) Unsecured		424.88
4	Break up of Leased Assets and stock on hire and hypothecation loan counting towards EL/HP activities:		
	(i) Lease assets including lease rentals under		
	(a) Financial Lease		Nil
	(b) Operating Lease		Nil
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on Hire		Nil
	(b) Repossessed Assets		Nil
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loan where assets have been		Nil
	(b) Loan other than (a) above		Nil
5	Break up of Investments :		
	Current Investments		
	1. Quoted:		
	(i) Shares : (a) Equity		86.11
	(b) Preference		Nil
	(ii) Debentures and Bonds		Nil
	(iii) Units of Mutual Funds		Nil
	(iv) Government Securities		Nil
	(v) Others (please specify)		Nil



SL. NO	PARTICULARS	(RS. IN LACS)																					
	ASSETS SIDE :	AMOUNT OUTSTANDING																					
2.	Unquoted:	762.40																					
	(i) Shares : (a) Equity	Nil																					
	(b) Preference	Nil																					
	(ii) Debentures and Bonds	Nil																					
	(iii) Units of Mutual Funds	Nil																					
	(iv) Government Securities	Nil																					
	(v) Others (please specify)	Nil																					
	Long Term Investments																						
1.	Quoted:	13.03																					
	(i) Shares : (a) Equity	Nil																					
	(b) Preference	Nil																					
	(ii) Debentures and Bonds	Nil																					
	(iii) Units of Mutual Funds	Nil																					
	(iv) Government Securities	Nil																					
	(v) Others (please specify)	Nil																					
2.	Unquoted:	336.60																					
	(i) Shares : (a) Equity	Nil																					
	(b) Preference	Nil																					
	(ii) Debentures and Bonds	Nil																					
	(iii) Units of Mutual Funds	Nil																					
	(iv) Government Securities	Nil																					
	(v) Others (please specify)	574																					
	Share Application Money																						
6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:																						
	Please see Note 2 below																						
	Category	Amount net of provisions																					
		<table border="1"> <thead> <tr> <th align="center">Secured</th> <th align="center">Unsecured</th> <th align="center">Total</th> </tr> </thead> <tbody> <tr> <td>1. Related Parties **</td> <td></td> <td></td> </tr> <tr> <td>(a) Subsidiaries</td> <td align="center">Nil</td> <td align="center">Nil</td> </tr> <tr> <td>(b) Companies in the same group</td> <td align="center">Nil</td> <td align="center">Nil</td> </tr> <tr> <td>(c) Other related parties</td> <td align="center">Nil</td> <td align="center">129.25</td> </tr> <tr> <td>2 Other than related parties</td> <td align="center">Nil</td> <td align="center">292.23</td> </tr> <tr> <td align="right">Total</td> <td align="center">Nil</td> <td align="center">421.48</td> </tr> </tbody> </table>	Secured	Unsecured	Total	1. Related Parties **			(a) Subsidiaries	Nil	Nil	(b) Companies in the same group	Nil	Nil	(c) Other related parties	Nil	129.25	2 Other than related parties	Nil	292.23	Total	Nil	421.48
Secured	Unsecured	Total																					
1. Related Parties **																							
(a) Subsidiaries	Nil	Nil																					
(b) Companies in the same group	Nil	Nil																					
(c) Other related parties	Nil	129.25																					
2 Other than related parties	Nil	292.23																					
Total	Nil	421.48																					
	1. Related Parties **																						
	(a) Subsidiaries	Nil																					
	(b) Companies in the same group	Nil																					
	(c) Other related parties	129.25																					
	2 Other than related parties	292.23																					
	Total	421.48																					
7	Investor group-wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted):																						
	Please see Note 3 below																						
	Category	Market Value																					
		Break up Value or fair value or NAV																					
		Book Value (Net of Provisions)																					
		Rs.																					
		Rs.																					
		Rs.																					
	1. Related Parties **																						
	(a) Subsidiaries	Nil																					
	(b) Companies in the same group	1106.93																					
	(c) Other related parties	Nil																					
	2 Other than related parties	643.70																					
	Total	1750.63																					
		1156.93																					
		1772.15																					
	** As per Accounting Standard of ICAI(Please See)																						
	* Cost or market value whichever is lower.																						






QUALITY SYNTHETIC INDUSTRIES LIMITED

SL. NO	PARTICULARS	(RS. IN LACS)
8	Other Information	AMOUNT OUTSTANDING
	i) Gross Non-Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	Nil
	ii) Net Non-performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	Nil
	iii) Assets acquired in satisfaction of debt	Nil

Notes:

- 1 As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3 All accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and breakup/ fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

As per our report attached.

For **Salarpuria & Partners**

FIRM REGN.NO.302113E

Chartered Accountants


(KAMAL KUMAR GUPTA)

PARTNER

M.No. 89190

Place : New Delhi

Date : 30th May, 2010

