

QUALITY SYNTHETIC INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

PARTICULARS	NOTES	As at 31.03.2013	As at 31.03.2012
INCOME			
Revenue from operations	14	81,662,775.00	25,330,160.00
Other income	15	19,864,243.79	11,080,609.89
Total Revenue (+)		101,527,018.79	36,410,769.89
Expenses:			
Purchase of Stock-in-Trade	16	59,900,000.00	31,460,000.00
Changes in inventories of finished goods and Stock-in-Trade	17	52,252,550.00 -	7,533,886.00
Employee Benefits Expenses	18	284,984.00	258,767.00
Finance Cost	19	2,475,774.00	6,065,210.00
Deprecation and amortization expense	8	298,747.00	316,371.00
Other expenses	20	447,613.13	1,552,480.19
Total Expenses		115,659,668.13	32,118,942.19
Profit before exceptional and extraordinary items and tax		(14,132,649.34)	4,291,827.70
Exceptional & Extraordinary items		0.00	-
Profit before tax (-)		(14,132,649.34)	4,291,827.70
Tax expense:			
(1) Current tax		-	731,547.00
(2) Deferred tax		1,475,305.00 -	1,183,452.00
Profit/(Loss) for the period (+)		(12,657,344.34)	2,376,828.70
Earning per equity share (Basic & Diluted):		(2.30)	0.48
Significant Accounting Policies and Other Notes		21	

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 : 30.05.2013


(A. K. SUREKA)

MANAGING DIRECTOR


(MOHAN LAL)

DIRECTOR



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 31.03.2013 is Rs.1,15,68,649 (Previous year Rs.1,19,89,405) and the installments due within the period of next 12 months are Rs.5,05,357(previous year Rs.4,23,756)

From Life Insurance Corporation of India.

(Secured against keyman Insurance policy)

Interest accrued & due	-	-	6,591,500.00	-
	-	-	-	1,929,559.00
	-	-	6,591,500.00	1,929,559.00

Unsecured Loans

From Bodies Corporate

	-	41,313,133.00
	-	41,313,133.00
	-	47,904,633.00

NOTES 5 : TRADE PAYABLE

as at 31-03-2013

as at 31-03-2012

Sundry Creditors	69,427.00	35,712.00
	69,427.00	35,712.00

NOTES 6 : OTHER CURRENT LIABILITES

as at 31-03-2013

as at 31-03-2012

Advance from Customers	38,200,000.00	2,900,000.00
Income Tax Deducted at Source	-	567,017.00
	38,200,000.00	3,467,017.00

NOTES 7 : PROVISIONS

As at 31st March 2013

As at 31st March 2012

	As at 31st March 2013		As at 31st March 2012	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
For Income Tax	-	21,307.00	-	21,307.00
	-	21,307.00	-	21,307.00

NOTES 10 : LOANS AND ADVANCES

(Unsecured, considered good)

As at 31st March 2013

As at 31st March 2012

	As at 31st March 2013		As at 31st March 2012	
	LONG TERM	SHORT TERM	LONG TERM	SHORT TERM
Loans -				
- Considered Good	67,606,831.00	-	32,455,649.00	-
- Considered Doubtful	340,000.00	-	340,000.00	-
- Provision for Doubtful Loans	(340,000.00)	-	(340,000.00)	-
	67,606,831.00	-	32,455,649.00	-
Advances -				
(Recoverable in Cash or in kind or for value to be received)				
- For Capital Goods	30,575,000.00	-	61,500,000.00	-
- To Others	28,356,139.00	-	68,583,925.00	-
	58,931,139.00	-	130,083,925.00	-
Security & Other Deposits	13,900.00	-	13,900.00	-
	126,551,870.00	-	162,553,474.00	-

NOTES 11: INVENTORIES

as at 31-03-2013

as at 31-03-2012

(As per inventories taken, valued and certified by the management)

Shares & Securities (As per Annexure)

68,108,281.00	120,360,831.00
68,108,281.00	120,360,831.00

NOTES 12 : CASH AND CASH EQUIVALENT

as at 31-03-2013

as at 31-03-2012

Cash Balance in hand:

As per books and certified

527,184.79	607,587.79
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Balances with Scheduled Banks:

In Current Accounts

3,863,119.92	3,288,247.26
4,390,304.71	3,895,835.05

NOTES 13 : OTHER CURRENT ASSETS

as at 31-03-2013

as at 31-03-2012

Mat Credit Entitlement	568,800.00	568,800.00
Income Tax Payments & Tax Deducted at Sources	1,673,101.00	904,958.00
	2,241,901.00	1,473,758.00

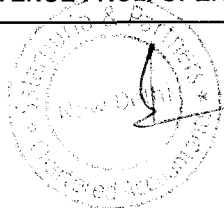
NOTES 14 : REVENUE FROM OPERATIONS

Year ended

Year ended

31.03.2013

31.03.2012



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Sales of Quoted Shares	-	330,160.00
Sale of Unquoted Shares	81,662,775.00	25,000,000.00
	<u>81,662,775.00</u>	<u>25,330,160.00</u>

NOTES 15 : OTHER INCOME	Year ended 31.03.2013	Year ended 31.03.2012
Interest (Gross) [Tax deducted at Source Rs.4,03,079/- (Rs.5,46,593/-)]	4,030,786.00	5,719,143.00
Rent Received [Tax deducted at Source Rs.3,65,064/- (Rs. 3,58,365/-)]	3,249,000.00	3,249,002.00
Dividend	554,457.79	346,051.80
Profit on transfer of rights in Capital Assets	-	1,766,413.09
Surrender value of keman Insurance Policy	11,680,000.00	-
Income through VENTURE CAPITAL FUND (ASK Real Estate Special Opportunities Fund)		
- Interest (Gross)	375,897.16	-
- Dividend	162,466.00	-
- Short Term Capital Gain	13,523.40	-
	<u>551,886.56</u>	-
Less : Cost of Fund	(460,324.01)	91,562.55
Miscellaneous Income	258,437.45	-
	<u>19,864,243.79</u>	<u>11,080,609.89</u>

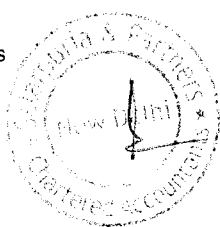
NOTES 16 : PURCHASE OF STOCK IN TRADE	Year ended 31.03.2013	Year ended 31.03.2012
Unquoted Shares	59,900,000.00	31,460,000.00
	<u>59,900,000.00</u>	<u>31,460,000.00</u>

NOTES 17 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE	Year ended 31.03.2013	Year ended 31.03.2012
STOCKS AT COMMENCEMENT OF THE YEAR		
Shares & Securities	120,360,831.00	112,826,945.00
STOCKS AT CLOSE OF THE YEAR		
Shares & Securities	68,108,281.00	120,360,831.00
INCREASE / (DECREASE) IN STOCKS	<u>(52,252,550.00)</u>	<u>7,533,886.00</u>

NOTES 18 : EMPLOYEE BENEFIT EXPENSES	Year ended 31.03.2013	Year ended 31.03.2012
Salary Wages Bonus & Allowances	264,600.00	233,500.00
Staff and Labour Welfare	20,384.00	25,267.00
	<u>284,984.00</u>	<u>258,767.00</u>

NOTES 19 : FINANCE COST	Year ended 31.03.2013	Year ended 31.03.2012
Interest Paid		
To Financial Institutions	864,434.00	574,966.00
To Others	1,611,340.00	5,490,244.00
	<u>2,475,774.00</u>	<u>6,065,210.00</u>

NOTES 20 : OTHER EXPENSES	Year ended 31.03.2013	Year ended 31.03.2012
Rent, Rates and Taxes	6,392.00	10,262.00
Traveling and Conveyance	57,926.00	62,733.00
Advertisement and Publicity	66,556.00	41,638.00
Bank Charges	3,483.16	25,556.95
Repairs and Maintenance	5,996.00	71,996.00
Consultancy and Professional Charges	182,500.00	1,072,345.00
Auditor's Remuneration :		
As Audit Fee	22,590.00	22,590.00
As Tax audit Fees	5,612.00	5,612.00
Commission paid	-	55,000.00
Listing Fees	40,342.00	19,302.50
Director's Meeting Fees	7,250.00	7,000.00
Bad Debts Written off	-	110,871.16
Miscellaneous Expenses	48,965.97	47,573.58
	<u>447,613.13</u>	<u>1,552,480.19</u>



NOTE - 8: FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION WRITTEN OFF				NET BLOCK	
	AS ON 31.03.2012	ADDITIONS DURING THE YEAR	SALES DURING THE YEAR	AS ON 31.03.2013	UP TO 31.03.2012	FOR THE YEAR	ADJUSTED ON SALES/	UP TO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
	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	219,175.00	4,498.00	-	223,673.00	85,454.00	89,952.00
OWNERSHIP FLAT	9,687,390.00	-	-	9,687,390.00	4,127,345.00	278,005.00	-	4,405,350.00	5,282,040.00	5,560,045.00
FURNITURE & FIXTURES	124,020.12	-	-	124,020.12	114,984.28	1,636.00	-	116,620.28	7,399.84	9,035.84
OFFICE EQUIPMENTS	225,849.60	-	-	225,849.60	185,499.21	5,613.00	-	191,112.21	34,737.39	40,350.39
COMPUTORS	241,225.00	-	-	241,225.00	235,356.59	-	-	235,356.59	5,868.41	5,868.41
INTANGIBLE ASSETS	35,048.00	-	-	35,048.00	3,064.00	2,796.00	-	5,860.00	29,188.00	31,984.00
AIR CONDITIONERS & FANS	112,930.00	-	-	112,930.00	91,497.50	2,981.00	-	94,478.50	18,451.50	21,432.50
VEHICLES	151,780.00	-	-	151,780.00	147,272.53	1,167.00	-	148,439.53	3,340.47	4,507.47
FIRE FIGHTING EQUIPMENTS	88,000.00	-	-	88,000.00	73,253.97	2,051.00	-	75,304.97	12,695.03	14,746.03
	11,043,969.72	-	-	11,043,969.72	5,197,448.08	298,747.00	-	5,496,195.08	5,547,774.64	5,846,521.64
	(11,008,922)	(35,048)	-	(11,043,970)	(4,881,077)	(316,371)	-	(5,197,448)	(5,846,522)	(6,127,845)

Note - 9 : INVESTMENTS - LONG TERM (AT COST)

NAME OF THE COMPANY	FACE VALUE	PAID UP VALUE	NUMBER OF SHARES		COST		QUOTED / UNQUOTED
			AS ON 31.03.2013	AS ON 31.03.2012	AS ON 31.03.2013	AS ON 31.03.2012	
			(Rs.)	(Rs.)	Qty.	Qty.	
SHARES AND SECURITIES:-							
Quoted							
BIHARIJI ISPAT UDYOG LIMITED	10/-	10/-	529,400	529,400	1,635,700	1,635,700	QUOTED
SUN STAR REALITY	10/-	10/-	12,000	-	240,000	-	QUOTED
Unquoted							
SAROJ METAL WORKS PRIVATE	10/-	10/-	200,000	200,000	2,000,000	2,000,000	UNQUOTED
AAA STEEL & ENERGY (INDIA)	10/-	10/-	20,000	20,000	5,000,000	5,000,000	UNQUOTED
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.	10/-	10/-	4,800	4,800	10,560,000	10,560,000	UNQUOTED
TAANZ FASHION INDIA PVT.LTD	100/-	100/-	40,000	-	4,000,000	-	UNQUOTED
MODGEN FASHION INDIA PVT.LTD	10/-	10/-	480,000	-	4,800,000	-	UNQUOTED
SYNERGY FRIGHTWAYS PVT.LTD	100/-	100/-	490	-	49,000	-	UNQUOTED
EUROSPA TERRY TOWELS	100/-	10/-	200,000	-	2,000,000	-	UNQUOTED
PURANMAL FOODS INDIA PVT.LTD	100/-	100/-	305,000	-	30,500,000	-	UNQUOTED
Mutual Funds							
ASK PRAVI PRIVATE	-	-	-	-	14,901,145	-	-
SHARE APPLICATION MONEY:-							
DEEPAK HOTELS PVT.LTD.	-	-	-	-	3,400,000	3,050,000	UNQUOTED
SSKS BUILDWELL PVT.LTD	-	-	-	-	6,500,000	6,500,000	UNQUOTED
JST ENGINEERING SERVICES LTD.	-	-	-	-	10,000,000	8,750,000	UNQUOTED
Grand Total			2,542,190	1,504,700	111,685,845	53,595,700	

Market Value of Quoted Investments : Rs. 2,209,300 (1,852,900)
 Book Value of Quoted Investments : Rs. 1,875,700 (1,303,200)

41,349,000



Note: 21 : 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 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.

(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:**

- 1 Claims against the Company not acknowledged as debts. Amount Unascertained (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 Loan and Investment made by the company has exceeded the exposure norms prescribed by the Reserve Bank of India, which has been a clerical oversight and brought to notice after the close of the 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 01.04.2012	Adjustment for the year	as on 31.03.2013
Depreciation	435,569	(459,357)	(23,788)
Unabsorbed Losses	7,837,741	1,934,662	9,772,403
Total	8,273,310	1,475,305	9,748,615

10 Earning per share :-

	Current year	Previous
Net Profit as per Profit & Loss	(12,657,344)	2,376,829
Average No. of Equity Shares	5,500,000	5,500,000
Earning per share in Rupees	(2.30)	0.43

- 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:



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