

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

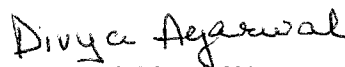
	Schedules	Year Ended 31stMar, 2011	Year Ended 31stMar, 2010
INCOME			
Sales & Services	9	2,145,270	2,326,755
Other Income	10	9,577,603	11,598,198
Increase / (Decrease) in Stocks	11	27,975,564	34,519,350
		<u>39,698,437</u>	<u>48,444,303</u>
EXPENDITURE			
Purchases		35,600,000	40,929,038
Employees' Remuneration and Benefits	12	413,526	274,927
Administration & Other Expenses	13	1,365,508	1,021,961
Interest: Other than Fixed Loans		4,580,814	1,641,317
Depreciation		331,947	352,026
		<u>42,291,795</u>	<u>44,219,269</u>
PROFIT FOR THE YEAR BEFORE TAX		(2,593,357)	4,225,034
Less : Provision for Taxation :			
For Current Tax	-	-	(585,864)
Less : Mat Credit Entitlement	-	-	568,800
For earlier year	-	-	(449,014)
For Mat Credit Entitlement for earlier year	-	-	154,748
Add : Adjustment for deferred Tax Assets		1,236,164	732,861
PROFIT FOR THE YEAR AFTER TAX AVAILABLE FOR APPROPRIATION		(1,357,193)	4,646,565
APPROPRIATION			
Transfer to RBI Fund for NBFC		-	930,000
Contingent Provisions against Standard Assets (Ref Note No.5,Sched 14)		431,000	-
Transfer to General Reserve		(1,788,193)	3,716,565
		<u>(1,357,193)</u>	<u>4,646,565</u>
Earning per Share - Basic & Diluted (Rs. Per Equity Share refer Note No.13 of Sch -14)		(0.25)	0.85


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


(DIVYA AGARWAL)
COMPANY SECRETARY


(A. K. SUREKA)
MANAGING DIRECTOR


(MOHAN LAL)
DIRECTOR

Place : New Delhi

Date : 30th May, 2011

Schedule - 9 : SALES**SALES**

Traded : Shares & Securities	<u>2,145,270</u>	<u>2,145,270</u>	<u>2,326,755</u>	<u>2,326,755</u>
		<u>2,145,270</u>		<u>2,326,755</u>

Schedule - 10 : OTHER INCOME

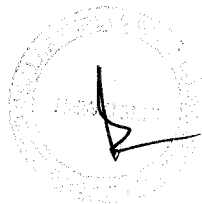
Interest (Gross) [Tax deducted at Source Rs.4,74,004/- (Rs.5,25,421)]	<u>5,234,839</u>	<u>5,598,878</u>
Rent Received [Tax deducted at Source Rs.3,58,364/- (Rs. 5,09,595)]	<u>3,249,000</u>	<u>3,249,000</u>
Dividend	<u>312,567</u>	<u>335,320</u>
Profit on Sale of Investments	-	<u>2,415,000</u>
Liabilities no Longer required written back	<u>781,197</u>	<u>-</u>
	<u>9,577,603</u>	<u>11,598,198</u>

Schedule - 11 : INCREASE / (DECREASE) IN STOCKS**STOCKS AT THE COMMENCEMENT OF THE YEAR**

Shares and Securities	<u>84,851,381</u>	<u>50,332,031</u>
	<u>84,851,381</u>	<u>50,332,031</u>

STOCKS AT THE CLOSE OF THE YEAR

Shares and Securities	<u>112,826,945</u>	<u>84,851,381</u>
	<u>112,826,945</u>	<u>84,851,381</u>
INCREASE / (DECREASE) IN STOCKS	<u>27,975,564</u>	<u>34,519,350</u>



Year Ended 31stMar, 2011	Year Ended 31stMar, 2010
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SCHEDULE - 12 : EMPLOYEE'S REMUNERATION AND BENEFITS

Salary, Wages, Bonus & Allowances	363,400	233,228
Staff and Labour Welfare	50,126	41,699
	<u>413,526</u>	<u>274,927</u>

SCHEDULE - 13 : MANUFACTURING AND OTHER EXPENSES

Rent, Rates and Taxes	15,366	6,902
Traveling and Conveyance	42,495	49,216
Advertisement and Publicity	34,242	30,215
Bank Charges	57,514	3,695
Repairs and Maintenance	5,996	5,996
Consultancy and Professional Charges	1,060,590	795,000
Auditor's Remuneration :		
As Audit Fee	22,590	22,590
As Tax audit Fees	<u>5,612</u>	<u>5,612</u>
Subscription and membership fee	-	33,092
Listing Fees	41,363	31,818
Director's Meeting Fees	7,750	7,500
Miscellaneous Expenses	57,835	16,170
Preliminary Expenses Written Off	14,155	14,155
	<u>1,365,508</u>	<u>1,021,961</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	Nil	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 The Company has made a Contingent Provision against Standard Assets @ 0.25% as per Circular No-DNBS.PD.CC.No.207 / 03.02.002 / 2010-11 issued by RBI, fo the amount of Rs.431000

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 01.04.2010	Adjustment for the year	as on 31.03.2011
Depreciation	(8,220,598)	(1,236,164)	(9,456,762)

10 Earning per share :-

	Current year	Previous
Net Profit as per Profit & Loss	(1,357,193)	4,646,565
Average No. of Equity Shares	5,500,000	5,500,000
Earning per share in Rupees	(0.25)	0.84

11 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. P D Sureka
- (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 31-03-2011	
		2010-11	2009-10	RECEIVABLE	PAYABLE
	Interest Received	57,689	948,787	-	-
	Interest Paid	3,888,203	1,001,941	-	-
	Rent Received	3,583,644	3,583,644	838,644	-
	Loan Taken	89,927,489	21,824,250	-	58,996,914
	Loan Taken Repaid	34,300,000	29,557,909	-	-
	Loan Given	25,190,452	20,672,091	1,100,707	-
	Loan given Received back	37,885,076	32,881,876	-	-
	Share Application Money given(received back)	(35,600,000)	44,350,000	-	-
	Purchase of Shares	30,600,000	1,814,150	-	-
Key Management Personnel	Sale of goods / shares	-	1,099,500		
Relative of Key Management Personnel	Sale of goods / shares	-	2,040,000		
	Salary	144,000	-		
Other Related Parties	Nil	-	-	-	-

- NOTE :
- In respect of above parties, there is no provision for doubtful debts As on 31st March, 2011 and no amount has been written off or written back during the year in respect of debts due from them.
 - Out of above certain transaction requires approval from members and Central Government, which is yet to be taken.

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 TRADED	UNITS	OPENING STOCKS		PURCHASES		SALES LESS DISCOUNTS		CLOSING STOCKS	
		QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT	QUANTITY	AMOUNT
			Rs.		Rs.		Rs.		Rs.
SHARES & SECURITIES	Nos.	1,077,201	84,851,381	806,000	35,600,000	30,790	2,145,270	1,852,411	112,826,945
		(1,275,322)	(52,332,031)	(258,389)	(40,929,038)	(456,510)	(2,326,755)	(1,077,201)	(84,851,381)



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PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(II) C. I. F. Value of Imports	Nil	(Nil)
(II) F. O. B. Value of Exports	Nil	(Nil)
(I) Earning in Foreign Exchange	Nil	(Nil)
(V) Expenditure in Foreign Currency	Nil	(Nil)
(V) Remittance on account of Dividend in	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 : 31.03.2011

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 : 366,737 **Total Assets** : 366,737

Source of Funds:

Paid-up Capital : 55,000 Reserves & surplus : 244,794
 Secured Loans : 7,946 Unsecured Loans : 58,997

Application of Funds:

Net Fixed Assets : 6,128 Investments : 56,763
 Net Current Assets : 294,389 Misc. Expenditure : -
 Accumulated Losses : Nil Deferred Tax Asset : 9,457

d) PERFORMANCE OF THE COMPANY

Turnover/Receipts : 11,723 Total Expenditure : 14,316
 Profit before Tax : (2,593) Profit After Tax : (1,357)
 Earning per Share in : (0.25) 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



(DIVYA AGARWAL)

COMPANY SECRETARY



(A. K. SUREKA)

MANAGING DIRECTOR



(MOHAN LAL)

DIRECTOR

Place : New Delhi

Date : 30th May, 2011



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	589.97	7.81
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposites*	Nil	Nil
	(g) Other Loans (Specify Nature)- Loan Secured against keyman insurance policy	79.46	72.54
	* 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		497.46
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		84.87
	(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:	1043.40						
	(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) Share Application Money	218						
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> </table>	Secured	Unsecured	Total			
Secured	Unsecured	Total						
1.	Related Parties **							
	(a) Subsidiaries	Nil Nil Nil						
	(b) Companies in the same group	Nil Nil Nil						
	(c) Other related parties	Nil 11.01 11.01						
2	Other than related parties	Nil 483.06 483.06						
	Total	Nil 494.06 494.06						
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	<table border="1"> <thead> <tr> <th align="center">Market Value</th> <th align="center">Break up Value or fair value or NAV</th> <th align="center">Book Value (Net of Provisions)</th> </tr> <tr> <th align="center">Rs.</th> <th align="center">Rs.</th> <th align="center">Rs.</th> </tr> </thead> </table>	Market Value	Break up Value or fair value or NAV	Book Value (Net of Provisions)	Rs.	Rs.	Rs.
Market Value	Break up Value or fair value or NAV	Book Value (Net of Provisions)						
Rs.	Rs.	Rs.						
1.	Related Parties **							
	(a) Subsidiaries	Nil Nil Nil						
	(b) Companies in the same group	750.93 750.93 1,078.44						
	(c) Other related parties	Nil Nil Nil						
2	Other than related parties	567.45 50.00 617.46						
	Total	1318.38 800.93 1695.90						
**	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:

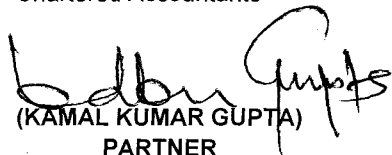
- 1 As defined in Paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 2 Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3 All accounting 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, 2011

