

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Monday, the 30th day of September, 2013 at the Registered Office of the Company at "Centre Point", 21, Hemanta Basu Sarani, Room No.230, 2nd Floor, Kolkata-700 001 at 11.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Bijay Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Amit Jajodia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

M/s. Arun Jain & Associates, Chartered Accountants of 2B, Grant Lane, 2nd Floor, Room No-74, Kolkata - 700 012 retire from the office of the Auditors and being eligible offer themselves for re-appointment.

Special Business:

5. To appoint Mr. Prakash Kumar Jajodia as a Whole time Director of the Company

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (as amended from time to time) to the said Act and as per Article of Association of the Company and in terms of the recommendation of Remuneration Committee and as approved by the Board, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Prakash Kumar Jajodia as a Whole time Director of the Company w.e.f. 01.10.2013 for the period of 5 years.

RESOLVED FURTHER that the remuneration and perquisites as set out in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to make the terms and conditions and remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof be and is hereby approved.

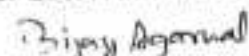
RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Regd. Office:

Centre Point,
21, Hemanta Basu Sarani,
2nd Floor, Room No - 230,
Kolkata-700 001

Dated : 30th May, 2013

By Order of the Board
For Quest Financial Services Ltd.



Director

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 and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
 2. Members holding share in dematerialized form are requested to bring their Depository Account No. and Client I. D. No. for identification.
 3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares shall remain closed from 21st September, 2013 to 30th September, 2013. (Both days inclusive).
 4. Electronic Clearing Services (ECS) Facility :-
 - a. To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the Company provides ECS facility to the members. The ECS facility is available at locations identified by the Reserve Bank of India, from time to time and covers most of the cities and towns.
 - b. Members holding shares in the physical form may furnish their details in the prescribed form, which can be obtained from the Registrars & Share Transfer Agents of the Company.
 - c. Members holding shares in the electronic form may furnish their details in the prescribed form, which can be obtained from their respective Depository Participants.
- Members are requested to notify to the Company, change of address, if any, with pin code quoting reference of their folio number/DP ID and Client ID to our Registrar & Share Transfer Agent i.e. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata 700 001. Phone Nos. 033-2235-7271/70.
5. In case, the mailing address mentioned in this Annual Report is without the PIN CODE, members are requested to kindly inform their PIN CODE immediately.
 6. Non- Resident Indian Shareholders are requested to inform the Company immediately:
 - a. the change in residential status on return to India for permanent settlement.
 - b. the particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
 7. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the members in respect of shares held by them. Members holding shares in physical form may furnish their details in the prescribed form, which can be obtained from the Company/ Registrar and Share Transfer Agent. Members holding shares in electronic form may furnish their details in the prescribed form which can be obtained from the respective depository participant.
 8. Members who are holding shares in identical order or names in more than one folio are requested to send the Company/Registrar and Share Transfer Agent, the details of such folios together with the Share Certificates for consolidating their holdings in one such folio.
 9. Members are requested to quote their Folio number/DP I.D. and Client I.D. in all correspondence.
 10. A Member or his Proxy is requested to produce at the entrance of the Meeting Hall, attendance Slip forwarded to the member duly completed and signed by the member.
 11. Members are requested to note that trading in securities of the Company are compulsorily in dematerialised form only. Hence members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with National Securities Depositories Ltd. (NSDL) and Central Depositories Services (I) Ltd. (CDSL) for Demat facilities.
 12. In case of joint holders attending the meeting, only such joint holder who is higher in the order of the name will be entitled to vote.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956

Subject to necessary approval by the Members in the General Meeting, the Board of Directors of the Company in its Meeting held on 30th May, 2013, recommended appointment of Mr. Prakash Kumar Jajodia as a Whole time Director of the Company for a period of five years with effect from October 1, 2013 to September 30, 2018.

Mr. Prakash Kumar Jajodia is an intermediate in commerce and he has more than 17 years of experience in the field of finance, Stock-broking, embroidery, textiles and garments.

Taking into account the present effective capital of the Company as per Schedule XIII of the Companies Act, 1956, the company can pay remuneration of Rs. 15,000/- per month to the executive directors, subject to the approval of the members in the ensuing Annual General Meeting. As such the proposed remuneration shall be within the limit provided under the above schedule. The company solicits the consent of share holders by way of special resolution within limit provided under schedule XIII of the Companies Act, 1956

The Board of Directors of the Company has subject to the provisions of Sections 198, 269, 309, and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII of the said Act and as per Article of Association of the Company, appointment of Mr. Prakash Kumar Jajodia as Whole time Director for a period of five years with effect from October 1, 2013, on the terms and conditions detailed hereunder.

Period of Appointment: 5 years with effect from 1st October, 2013.

2. Mr. Prakash Kumar Jajodia shall carry out such duties and exercise such powers as may be entrusted to him from time to time by the Board.

3. Remuneration:

A. SALARY

Rs. 15, 000/- (Rupees Fifteen Thousand Only) per month.

Annual increase will be effective 1st April every year and quantum will be decided by the Board of Directors

B. PERQUISITES & ALLOWANCES: As detailed below:

2. Medical reimbursement

- i. The expenses incurred for self and family including Premium payable for Mediclaim Insurance.
- ii. Major hospitalization expenses for him and his family which are not payable under Mediclaim Insurance Policies
- iii. Expenses incurred for self medical treatment or for any member of his family outside India. The expenditure incurred for the travel and stay abroad including for one attendant, subject to the condition that the expenditure on medical treatment and stay abroad will be allowed only to the extent permitted by the Reserve Bank of India and also subject to the permission, if any required, of any Authority under Companies Act, 1956 or any other Act, 1956.

Explanation: "Family means the spouse, dependent children and dependent parents of the appointee."

4. Entertainment Expenses

The Whole time Director shall be reimbursed actual entertainment expenses incurred on the Company's business including fees of credit cards.

5. Children's Education Allowance

For children studying in or outside India, an allowance limited to a maximum of Rs. 5,000/- per month per child or actual expenses incurred, whichever is less. Such allowance shall be admissible for a maximum of two children.

6. Personal Accident Insurance

Personal Accident Insurance for self and family.

7. Provision of chauffeur driven Company's cars.

8. Provision of telephone(s) at the residence of the Director

9. Such other allowances, perquisites, benefits and amenities as may be provided by the Company subject however that total remuneration including perquisites shall be within the ceiling laid down in sections 198, 309 and all other applicable provisions of the Companies Act, 1956 as may be amended from time to time.

Perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

Mr. Prakash Kumar Jajodia being appointee and Mr. Kishan Kumar Jajodia and Mr. Amit Jajodia being relatives of Mr. Prakash Kumar Jajodia are deemed to be concerned or interested in the resolution.

None of the other Directors of the Company are concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

Regd. Office:
Centre Point,
21, Hemanta Basu Sarani,
2nd Floor, Room No – 230,
Kolkata-700 001

Dated : 30th May, 2013

By Order of the Board

For Quest Financial Services Ltd.

Bijay Agomal

Director

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

Particulars	2012-2013 ₹	2011-2012 ₹
Gross Profit before Tax	36,39,728.00	6,44,616.00
(Less) : Provision for Current Tax	(11,24,676.00)	(1,82,000.00)
Net Profit after tax	25,15,052.00	4,62,616.00
Add : Brought forward from previous year	1,49,393.00	39,98,146.00
(Less) : Balance transferred to Amalgamation Reserve	0-00	(39,98,146.00)
(Less) : Adjustment with Provision for income tax	0.00	(3,13,223.00)
(Less) : Transferred to Special Reserve	(5,03,010.00)	0.00
Balance carried to Balance Sheet	21,61,435.00	1,49,393.00

OPERATIONS

The Company has made a net profit of ₹ 25,15,052/- as against ₹ 462,616/- registered in the previous year. Such increase is by & large attributable to increase in gross income from financing operation.

DIVIDEND

Yours Directors do not consider it prudent to recommend any dividend for the year under review.

DIRECTORS

In the Board Meeting of the Company held on 30th May, 2013, the Board of Directors approved appointment of Mr. Prakash Kumar Jajodia as the Whole time Director of the Company for a period of five years with effect from 1st October, 2013 to 30th September 2018, subject to the approval of the members of the Company.

Mr. Bijay Kumar Agarwal and Mr. Amit Jajodia, Directors of the Company retires by rotation at the ensuing Annual General meeting and being eligible offer themselves for re-appointment.

AUDITORS

M/s Arun Jain & Associates, Chartered Accountants of 2B, Grant Lane, 2nd Floor, Room No – 74, Kolkata-700 055 retire from the office of the Auditors and being eligible offer themselves for re-appointment.

INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report is self explanatory and hence does not require any further explanations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm:-

- i. that in the preparation of the Company's Annual Accounts for the period ended March, 31, 2013, the applicable Accounting Standards have been followed and there are no material departures;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments 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 and of the profit of the Company for that period;
- iii. that 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;
- iv. that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI.

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Statutory Auditor regarding compliance of condition of Corporate Governance is annexed to the said Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with the listing requirement, the Management's Discussion and Analysis forms part of this Report.

PUBLIC DEPOSIT

The Company has neither accepted during the year nor held at the end of the year any Public Deposit.

PRUDENTIAL NORMS FOR NBFC'S

Your Company has been complying with all the requisite norms prescribed by the Reserve Bank of India for income recognition, accounting standards, capital adequacy, credit rating, provisioning & all other requirements.

PARTICULARS OF EMPLOYEES

The Company does not have any employee of the category indicated under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company has no activity relating to conservation of energy and technical absorption. The Company has no foreign exchange earnings and outgo during the year.

LISTING FEES

The Company's shares are listed in the Calcutta Stock Exchange Association Limited and the listing fees have been paid up-to-date.

CASH FLOW STATEMENT

The Cash Flow Statement for the year ended 31st March, 2013 pursuant to Clause 32 of the Listing Agreement with the Stock Exchange is annexed herewith.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep sense of gratitude to the banks, customers and business associates for their continued co-operation and support. Your directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by the employees of the Company. Lastly, your directors are deeply grateful for the confidence and faith shown by the members of the Company.

Place : Kolkata
Dated : 30.05.2013

ON BEHALF OF THE BOARD OF DIRECTORS
For Quest Financial Services Ltd.

Bijay Aggarwal

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC AND INDUSTRY OVERVIEW

In the past few years, the increased competition from banks in the retail finance segment has led to excess diversification by NBFCs from their core business activities. The sector has witnessed introduction of various innovative products such as used vehicles financing, small personal loans, three-wheeler financing, IPO financing, finance for tyres & fuel, asset management, mutual fund distribution and insurance advisory, etc. Besides, NBFCs are aspiring to emerge as a one-stop shop for all financial services.

Given the significant slowdown in the Indian economy, NBFCs were encountering structural challenges such as increased refinancing risk, short-term asset-liability mismatch leading to decelerating growth and declining margins. This is expected to have a bearing on the profitability of NBFCs in the medium term.

Credit requirements of rural population are primarily met by banks from organized sector or local money lenders. Though, in recent years there has been some penetration of NBFCs in this segment, the market still remains largely untapped. There is a large section of rural population which does not have access to credit either because of their inability to meet the lending covenants of banks or due to high interest rates of local money lenders. This provides a huge opportunity for NBFC sector to spread their business in the rural & semi-urban markets.

OPERATING & FINANCIAL PERFORMANCE

Notwithstanding difficult Financial Market conditions, your Company concluded yet another year of growth in its business. The financial performance for the year ended 31st March, 2013 is satisfying as it has been achieved in the wake of several challenges confronting your Company's business.

During the year under review your Company has recorded a satisfying growth in its performance. The total income of the Company is ₹ 11,93,26,390/-, registering a growth in profit in compare to the previous year's income of ₹ 65,36,13,947/-. The profit before tax during the year is ₹ 36,39,728/- as compared to the profit of ₹ 6,44,616/- in the previous year and profit after tax has been improved to ₹ 25,15,052/- in the current year compared to profit of ₹ 4,62,616/- in the previous year.

DEBT STRUCTURE

During the year under review your Company has not raised any amount.

OUTLOOK

The overall performance for the year under review was better than previous year. Company is now focusing on financing conservatively to the customers after closely assessing their profile. The Company is trying to explore new areas which can be developed and marketed to leverage its performance.

RISK MANAGEMENT

NBFCs are exposed to credit and market risks in view of Asset Liability transformation. Intense competition for business involving both the assets and liabilities has brought pressure on the management of NBFCs to maintain a good balance among spreads, profitability and long term viability. NBFCs are exposed to major risks in the course of their business viz; credit risk, interest rate risk, liquidity risk and operational risk. The Company is guarding itself

against these risks by laying down appropriate strategy for product positioning which is supplemented by business plans, review mechanism and action plans.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control and Audit is an important procedure and the Audit Committee of your Company reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

HUMAN RESOURCE DEVELOPMENT

Employees' relations continued to be harmonious throughout the year with the management.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis Report describing company's objectives, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that would make a difference to the Company's operation include demand supply conditions, change in government regulations, tax regimes, economic development within the country and abroad and such other factors over which Company does not have any direct control.

INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING
(PURSUANT TO CLAUSE 49(VI)(A) OF THE LISTING AGREEMENT)

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorship in other Companies	Membership of		Nature of Directorship	Remarks
						Committees in	other Companies		
Mr. Bijay Kumar Agarwal	02.03.1974	31.01.2007	17 Years of Working Experience in the field of Iron & Steel Trading	B.Com.	1. Mahashakti Tracom Private Limited 2. Vivek Ply And Veneers Private Limited 3. Twinkle Tradelink Private Limited	-----	-----	Non-Executive Independent Director	Retiring by rotation at the forthcoming Annual General meeting & offers himself for re-appointment
Mr. Prakash Kumar Jajodia	02.03.1974	30.11.2010	17 Years of Working Experience in the field of Finance, stock broking, embroidery, textiles, garments etc.	H.S.	1. Nova Merchants Private Limited 2. Silvergrove Merchandise Private Limited 3. Concord Vinimay Private Limited 4. Burnpur Power Private Limited 5. Jaisukh Dealer Private Limited	-----	-----	Non-Executive Independent Director	Appointed as a Whole time Director of the Company w.e.f. 1st October, 2013 at the Board meeting held on 5th August, 2013 subject to approval of shareholders in the Company at the General Meeting.
Mr. Amit Jajodia	27.09.1987	30.11.2010	5 Years of Working Experience in the field of Finance, stock broking, commodities & currency marketing.	B.Com. (Hons.)	1. Concord Vinimay Private Limited 2. Lokseva Textrade Private Limited 3. Kvality Credit & Leasing Limited	-----	-----	Non-Executive Independent Director	Retiring by rotation at the forthcoming Annual General meeting & offers himself for re-appointment

For Queer Financial Services Ltd.

Bijay Agarwal
Director

CORPORATE GOVERNANCE REPORT

1. Brief Statement on Company's Philosophy on Code of Corporate Governance:

Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and equity with the ultimate objective of increasing long-term shareholders value, keeping in view the needs and interests of all other stakeholders.

Your Company also believes that good Corporate Governance makes good business sense and build up a good Corporate Image. As such your Company not only complies with all requirements of Corporate Governance laid by various bodies, but follows it in spirit also.

2 Board of Directors

The Company's Board of Directors as on 31st March, 2013 comprises of Three Non Executive Directors including the Chairman.

Five Meetings of the Board were held during the financial year 2012-2013 i.e. on 02/04/2012, 30/05/2012, 14/08/2012, 12/11/2012 and 14/02/2013.

As is evident, the maximum time gap between any two Board Meetings was not more than four months.

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of Directorship and Committee Membership /Chairmanship held by them in other Companies are given below :-

Name of Director	Category	No. of Board Meetings attended	Whether last AGM Attended	No. of other Directorship		No. of other Committee(s) Membership/ Chairmanship
				Public	Private	
Mr. Dinesh Kumar Pandey	Non Executive Independent Director	5	Yes	3	13	-----
Mr. Rabindra Kumar Hisaria	Non Executive Independent Director	5	Yes	0	0	-----
Mr. Bijay Kumar Agarwal	Non Executive Independent Director	5	Yes	0	2	-----
Mr. Kishan Jajodia	Non Executive Independent Director	5	Yes	1	4	-----
Mr. Prakash Jajodia	Non Executive Independent Director	5	Yes	1	4	-----
Mr. Arnit Jajodia	Non Executive Independent Director	5	Yes	0	2	-----

3 Audit Committee

(a) Composition :

The Audit Committee comprises of three non-executive independent directors as on 31st March, 2013. The Committee met 4 (Four) times during the year i.e. on 30/05/2012, 14/08/2012, 12/11/2012 and 14/02/2013. The attendances of the members were as follows:

Sl. No.	Name	Status	No. of Meetings
1	Mr. Bijay Kumar Agarwal	Non Executive Independent Director (Chairman of the committee)	4
2	Mr. Rabindra Kumar Hisaria	Non Executive Independent Director	4
3	Mr. Dinesh Kumar Pandey	Non Executive Independent Director	4

(b) Terms of Reference:-

The terms of reference of the Committee is in accordance with that specified in clause 49 of the Listing Agreement with Stock Exchanges and also confirms to the requirements of Section 292A of the Companies Act, 1956.

4. REMUNERATION COMMITTEE

(a) Composition of the Committee:

The Remuneration Committee of the Company comprises of three non-executive independent directors. The details are as follows:

Sl. No.	Name	Status
1	Mr. Bijay Kumar Agarwal	Non Executive Independent Director
2	Mr. Amit Jajodia	Non Executive Independent Director
3	Mr. Rabindra Kumar Hasaria	Non Executive Independent Director (Chairman of the Committee)

During the year, no meeting of the Remuneration Committee was held.

(b) Terms of Reference:

The Remuneration Committee of the Company was constituted in accordance with Schedule XIII of the Companies Act, 1956 to carry out functions as envisaged under the said schedule. The Committee was constituted on 24/05/2004.

(c) Remuneration Policy:

The Non-Executive Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

5. Share Transfer & Investors Grievance Committee

The Company has a Share Transfer and Investors Grievance Committee. The Committee consists of two Non-Executive Independent Directors. The Committee deals with matters relating to approval of Share Transfers and Transmissions, Folio Consolidation, Issue of Duplicate Share Certificates, Replacement of Share Certificates, Split and Consolidation of Certificates, Dematerialization and Rematerialization requests, monitoring of shareholder complaints /requests. The composition of the committee members is as under:-

Sl. No.	Name	Status
1	Mr. Bijay Kumar Agarwal	Non Executive Independent Director
2	Mr. Prakash Kumar Jajodia	Non Executive Independent Director
4	Mr. Amit Jajodia	Non Executive Independent Director

During the year the Committee met 4 (Four) times during the year i.e. on 17/07/2012, 28/11/2012, 30/01/2012 and 29/03/2013.

During the year, the Company complied with all the requests received from its shareholders.

Sl. No.	Nature of request	Nos.
1	Issue of Duplicate Share Certificates	6
2	Rematerialisation of Shares	4

6. General Body Meetings:

A. Location and time for last three Annual General Meetings were:

Financial Year	Date of AGM	Venue	Time
2011-2012	29-09-2012	454, Dum Dum Park, Kolkata-700 055	2.00 P.M.
2010-2011	30-09-2011	454, Dum Dum Park, Kolkata-700 055	11.00 A.M.
2009-2010	30-09-2010	454, Dum Dum Park, Kolkata-700 055	11.00 A.M.

B. SPECIAL RESOLUTIONS AT THE LAST THREE ANNUAL GENERAL MEETINGS:

No Special resolution has put through by postal ballot so far by the Company.

C. WHETHER ANY SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

No resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

7. DISCLOSURES

a. Related Party transactions have been disclosed under note "2.25" of schedule to the accounts for the year under review.

b. The Company has complied with all the requirements of the listing agreement with the Stock Exchange(s) as well as regulations and guidelines of SEBI. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange(s) on matters related to Capital Market so far.

c. Certificate as stipulated in Clause 49 of the listing Agreement from was obtained and placed before the Board.

d. The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement but has not adopted the non-mandatory requirements so far save and except the requirements under Remuneration Committee.

8. MEANS OF COMMUNICATIONS

Quarterly unaudited results of the Company were published in accordance with the The Calcutta Stock Exchange Association Ltd. Listing Agreement in the Business Standard - English and Arthik Upi/Newz Bangla -Bengali.

The quarterly and the annual results of the Company are submitted to the The Calcutta Stock Exchange Association Limited. The Annual Reports are posted to every shareholder of the Company.

Management Discussion and Analysis forms part of the Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting:**

- **Date** : 30th September, 2013
- **Time** : 11.30 A.M.
- **Venue** : Centre Point, 21, Hemanta Basu Sarani, Room No. 230, Kolkata - 700 001
- **Financial Calendar** : (Tentative)

Financial Year – 1 st April, 2013 to 31 st March, 2014	Relevant Dates
Board Meeting for consideration of accounts	30 th May, 2013
Posting of Annual Report along with notice of AGM	6 th September, 2013
Book closure dates	21 st September, 2013 to 30 th September, 2013
Last date for receipts of proxy forms	28 th September, 2013
Unaudited results for the quarter ended on June 30, 2013	On or before 14 th August, 2013
Unaudited results for the quarter ended on September 30, 2013	On or before 14 th November, 2013
Unaudited results for the quarter ended on December 31, 2013	On or before 14 th February, 2014
Unaudited results for the quarter ended on March, 31, 2014	On or before 15 th May, 2014

- Listing on Stock Exchanges at:

- The Calcutta Stock Exchange Association Ltd. (Stock code: 10027006)
7, Lyons Range, Kolkata 700 001.

- The Company has paid the listing fee to The Calcutta Stock Exchange Association Ltd. for the year 2013-2014.

- **Stock Market Price for the Financial Year 2012-2013:**

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2010	81.10	80.00	253
May, 2010	82.20	80.95	300
June, 2010	82.85	81.80	190
July, 2010	83.50	82.45	137
August, 2010	83.80	83.25	148
September, 2010	83.90	83.50	499
October, 2010	84.10	83.95	972
November, 2010	84.45	84.05	137
December, 2010	84.85	84.35	203

January, 2011	85.8	84.95	190
February, 2011	86.25	85.75	151
March, 2011	86.25	86.00	385

- **Share Transfer System:** The Company's shares are in compulsory demat mode. The shares received for transfer in physical mode are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. Shares under objection are returned within two weeks. No physical shares were transferred during the year ended 31st March, 2013.

- **Dedicated email ID for Investors.** For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. investorsquestfinancial@yahoo.com

- **Registrar & Share Transfer Agent :**

M/s. Niche Technologies Private Ltd.
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata 700 001,
Phone Nos. (033) 2235-7270/7271/2234-3576.

- **Dematerialisation of Shares and Liquidity:**

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE 064D01012. Nearly 82.20% of total equity shares have been dematerialized as on 31.03.2013.

- **Distribution of shareholding & shareholding pattern :**

Distribution of shareholding as on 31/03/2013

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	386	12.37	88,649	0.07
501-1000	351	11.25	2,86,174	0.23
1001-5000	886	28.40	25,72,414	2.08
5001-10000	449	14.39	37,11,981	3.01
10001 -50000	794	25.45	1,84,92,596	15.00
50001-100000	150	4.81	1,03,37,277	8.39
100001 and above	104	3.33	8,78,27,409	71.22
Total	3120	100.00	12,33,16,500	100.00

Shareholding Pattern as on 31/03/2013

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & their relatives including Associate Companies	2477500	2.01
2	Other bodies Corporate	72717586	58.97
3	Indian public	46336654	37.58
4	Clearing Member	1784760	1.44
	TOTAL	123316500	100.00

- **Outstanding ADRs/GDRs :** Not Applicable

- Address for matters related to shares, any correspondence:
M/s. Niche Technologies Private Ltd.,
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata 700 001,
Phone Nos. (033) 2235-7270/7271/3070.

- Address for any kind of assistance/clarification :

Mr. Prakash Kumar Jajodia, Compliance Officer
C/o. Quest Financial Services Ltd.
Centre Point, 21, Hemanta Basu sarani Road,
2nd Floor, Room No. 230,
Kolkata - 700 001

10. CODE OF CONDUCT

The Company's Code of Conduct has been complied with by all the members of the Board and select employees of the Company.

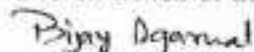
The Company has put in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and select employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

11. DECLARATION

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board of Directors and select Employees have confirmed Compliance with the code of conduct.

Place : Kolkata
Dated : 30th May, 2013

For and on behalf of the Board of Directors



Mr. Bijay Kumar Agarwal
Chairman

Arun Jain & Associates

CHARTERED ACCOUNTANTS

2B, GRANT LANE
2nd FLOOR, ROOM NO. 74
KOLKATA - 700 012

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
Quest Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Quest Financial Services Limited for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, with relevant records and documents maintained by the Company and furnished to us.


The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained and certified by the Company.

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

For Arun Jain & Associates
Chartered Accountants


(CA Arun Kumar Jain)
Proprietor
Mem No. : 053693
FRN : 325867E
Place : Kolkata
Dated : The 30th Day of May, 2013



Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted the Code of Conduct for Non-Executive Directors. Both these Codes are posted on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March, 2013, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on 31st March, 2013.

Place : Kolkata
Date : 30.05.2013



Prakash Kumar Jajodia
Whole Time Director

CEO & CFO CERTIFICATION


To
The Board of Directors,
Quest Financial Services Limited,
"Centre Point", 21, Hemanta Basu Sarani,
2nd Floor, Room No - 230,
Kolkata - 700 001.

Re-Financial Statements for the year ended on 31st March, 2013 Certification

We, Mr. Prakash Kumar Jajodia, Whole Time Director & Mr. Tanumay Laha, CFO, on the basis of the review of the financial statements and the cash flow statements for the Financial year ending on 31st March, 2013 and to the best of our knowledge and belief, thereby certify that:-

1. The aforesaid statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the company during the year ended on 31st March, 2013 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.


Prakash Kumar Jajodia
Whole Time Director


Tanumay Laha
CFO

Place : Kolkata
Date : 30.05.2013

CA Arun Jain & Associates
Chartered Accountants
2B, Grant Lane,
2nd Floor, Room No.74
Kolkata-700 012

INDEPENDENT AUDITOR'S REPORT

To the Members of
QUEST FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of QUEST FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

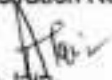
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. 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;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - e. On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Arun Jain & Associates
Chartered Accountants
Registration No. : 325867E


Arun Jain
Proprietor
Membership No. : 053693
Place : Kolkata
Dated : The 30th Day of May, 2013



Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

(i) In respect of its Fixed Assets :

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- b) As explained to us, the Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed off its fixed assets during the year and the going concern status of the Company is not affected.

(ii) In respect of its Inventories :

- a) The Inventories have been physically verified during the year by the management. 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 inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

(iii) In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :

- a) The company has not granted any secured/unsecured loan to companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, clause 3(b) to 3 (d) of the Companies (Auditor's report) Order, 2003 are not applicable to the Company.
- b) The Company has not taken any loan during the year from the companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of clause 4 (iii) (f) and clause (iii)(g) of the Order are not applicable.

(iv) In our opinion and according to the explanation given to us, during the course of the audit, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard of trading activities. We have not noted any continuing failure to correct major weakness in the internal controls during the course of audit.

(v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (v)(b) of the Order are not applicable to the Company.



- (vi) The Company has not accepted any deposit from the public. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanation given to us, the central government has not prescribed the maintenance of cost records under clause (d) of sub-section(1) of section 209 of the companies Act, 1956.
- (ix) In respect of Statutory dues :
- a) According to the information and explanation given to us, and on the basis our examination of the books of accounts and records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including income tax and any other material statutory dues applicable to it.
 - b) According to the information and explanation given to us, no undisputed amount payable in respect of income tax & cess were outstanding as at 31st March 2013 for a period of more than six month from the day they become payable.
 - c) According to the information and explanation given to us, there are no dues in respect of Income tax, Wealth Tax, Sales Tax, Excise duty, custom duty & cess that were not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks at the end of the financial year covered by the audit.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) The Company has maintained proper records of transactions and contracts in respect of dealing in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.



(vi) The Company has not accepted any deposit from the public. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.

(vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

(viii) According to the information and explanation given to us, the central government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the companies Act, 1956.

(ix) In respect of Statutory dues :

- a) According to the information and explanation given to us, and on the basis our examination of the books of accounts and records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including income tax and any other material statutory dues applicable to it.
- b) According to the information and explanation given to us, no undisputed amount payable in respect of income tax & cess were outstanding as at 31st March 2013 for a period of more than six months from the day they become payable.
- c) According to the information and explanation given to us, there are no dues in respect of income tax, Wealth Tax, Sales Tax, Excise duty, custom duty & cess that were not been deposited with the appropriate authorities on account of any dispute.

(x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks at the end of the financial year covered by the audit.

(xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.


(xiv) The Company has maintained proper records of transactions and contracts in respect of dealing in or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.



- (xvi) The Company has not raised any term loan during the year. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company. Further, the Company has taken loan for purchase of Motor Vehicle. The loan have been applied for the purpose for which it was raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investment and vice-versa.
- (xviii) 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) The Company has not raised any monies by way of issue of debentures during the year. Therefore, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by way of public issue during the year.
- (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 year.

For Arun Jain & Associates
Chartered Accountants
Registration No. : 325867E


Arun Jain
Proprietor
Membership No. : 053693
Place .Kolkata
Dated : The 30th Day of May, 2013



QUEST FINANCIAL SERVICES LIMITED**Balance Sheet as at 31st March 2013**

	Note No	Figures as at the end of	
		31st March 2013	31st March 2012
I - EQUITY & LIABILITIES			
1 Shareholders' funds			
(a). Share Capital	2.1	1,233,165,000	1,233,165,000
(b). Reserves & Surplus	2.2	(487,899,506)	(485,700,874)
2 Non-Current Liabilities			
(b). Long Term Borrowings	2.3	5,751,810	7,734,315
4 Current Liabilities			
(a). Short Term Borrowings	2.4	4,082,256	4,151,700
(b). Trade Payables	2.5	277,967,802	245,859,372
(c). Other Current Liabilities	2.6	2,263,389	2,178,325
(d). Short - Term Provisions	2.7	1,883,372	220,610
		1,037,214,123	1,007,608,448
II - ASSETS			
1 Non - Current Assets			
(a). Fixed Assets	2.8		
(i) Tangible Assets		11,606,513	12,998,932
(ii) Intangible Assets		-	-
(b). Non - Current Investments	2.9	441,545,680	566,332,700
2 Current Assets			
(a). Inventories	2.10	283,879,507	178,426,594
(b). Trade Receivables	2.11	61,254,086	48,659,951
(c). Cash & Cash Equivalents	2.12	6,781,044	12,221,340
(d). Short Term Loans and advances	2.13	221,341,939	183,504,690
(e). Other Current Assets	2.14	10,805,354	5,464,241
		1,037,214,123	1,007,608,448

Summary of significant accounting policies

1

Notes on financial statements

2.1-2.27

As per our separate report of even date attached hereto

For Arun Jain & Associates

Chartered Accountants

Registration No. 325867E

Arun Jain

Proprietor

Membership No.053693

Place :- Kolkata

Dated : The 30th Day of May, 2013



For Quest Financial Services Ltd. For Quest Financial Services Ltd.

Director

Director
DirectorDirector

QUEST FINANCIAL SERVICES LIMITED

Profit & Loss Account for the Year ended 31st March 2013

	Note No	Figures as at the end of	
		31st March 2013	31st March 2012
I. Revenue from Operations	2.15	119326390	619744709
II. Other Income	2.16	0	33869238
III. Total Revenue (I+II)		119326390	653613947
IV. Expenses:			
Purchases of Stock-in-trade	2.17	203269065	558753022
Change in inventories of finished goods, work-in-progress and stock-in-trade	2.18	-105452913	84913144
Employee Benefits Expenses	2.19	3467946	2180531
Finance Cost	2.20	1865423	1491798
Depreciation and amortization Expenses	2.21	1954110	2245322
Other Expenses	2.22	10583031	3385514
Total Expenses		115686662	652969331
V. Profit/(Loss) before exceptional and extra ordinary items and Tax (III- IV)		3639728	644616
VI. Exceptional Items		0	0
VII. Profit/(Loss) before extraordinary items and Tax (V - VI)		3639728	644616
VIII. Extraordinary Items		0	0
IX. Profit/(Loss) before Tax (VII - VIII)		3639728	644616
X. Tax Expenses			
1 Current Tax		1124676	182000
2 Deferred Tax		0	0
XI. Profit/(loss) for the period from Continuing Operations (VII - VIII)		2515052	462616
XII. Profit/(loss) from Discontinuing operations		0	0
XIII. Tax expenses of Discontinuing operations		0	0
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII - XIII)		0	0
XV. Profit/(Loss) for the Period (XI + XIV)		2515052	462616
XVI. Earnings Per Equity Share	2.23		
1 Basic		0.020	0.007
2 Diluted		0.020	0.004

Summary of significant accounting policies

1

Notes on financial statements

2.1-2.27

As per our separate report of even date attached hereto

For Arun Jain & Associates

Chartered Accountants

Registration No. 325867E

Arun Jain
Arun Jain

Proprietor

Membership No.053693

Place :- Kolkata

Dated : The 30th Day of May, 2013



For Quest Financial Services Ltd. For Quest Financial Services Ltd.

[Signature]
Director

[Signature]
Director

Director

Director

QUEST FINANCIAL SERVICES LIMITED

1 Notes forming Part of Financial Statement for the Year 2012-2013 (31st March 2013)

A NATURE OF BUSINESS

QUEST FINANCIAL SERVICES LIMITED is a Non Banking Financial Company.

B SIGNIFICANT ACCOUNTING POLICIES

a- Preparation of Accounts

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act 1956. These financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company during the year and are consistent with those used in the previous year

b- Current & Non Current assets and liabilities

An asset or liability is classified as current when it satisfies any of the following criteria

- (i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle :
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realised / due to be settled within twelve months after the reporting date; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date or
- (v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

c- Revenue recognition

- (i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured
- (ii) Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Revenue from interest from Income Tax Department on excess tax paid is recognised in the year in which intimation from Income Tax Department is received
- (iii) Revenue from dividend from Companies / Mutual Funds is recognised on receipt basis

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

d- Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any.



Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

e- Intangible assets

Intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

f- Depreciation

- (i) Depreciation on fixed assets is provided using the Written Down Value Method at the rates prescribed under schedule XIV of the Companies Act, 1956
- (ii) Depreciation on assets purchased / sold / discarded / disposed off during the year is charged on a pro-rata basis. Individual assets whose cost does not exceed Rs 5000 are fully depreciated in the year of acquisition

g- Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset

h- Current and non current investments

- (i) Investments that are readily realisable and intended to be held for a period not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value, determined on category of investment basis
- (ii) Long-term investments presented as non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary decline, in the value of investments

i- Retirement & other employees benefits

Provision for gratuity has not been made in the Accounts as there is no such liability for the year.

j- Income tax

- (i) Tax expense comprises of current and deferred tax. Current Income tax is measured at the amount expected to be paid to the tax authorities as per the provisions of the Income Tax Act 1961. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year
- (ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing



taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable income.

- (iii) At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unorganised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised
- (iv) The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised
- (v) The Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. In the year in which the MAT Credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit & loss account and shown as MAT credit entitlement. The Company reviews the MAT credit entitlement at each Balance Sheet date and writes down the carrying amount to the extent there is no longer convincing evidence to the effect that Company will pay normal tax during the specified period.

k- Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable for equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares

l- Provisions

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

m- Investments

Investment have been treated as long term and carried at cost. Cost includes purchase cost and attributable expenses.

n- Inventories

Goods are valued at cost.

o- Cash and cash equivalents



- (a) Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

p- Foreign Currency transaction

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

1. Exchange differences arising on a monetary item that, in substance, forms part of the company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same year in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of affixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4. All other exchange differences are recognized as income or as expenses in the year in which they

q- Contingent Liabilities

Contingent Liabilities are not recognised but are disclosed in the notes.

r- Segment Accounting Policies:

Identification of Segments:

Primary Segment : Business Segment :

The Company's business is organised around two business segments namely, Financial and Embroidery. Financial activities consist of providing loans and shares & securities. Accordingly, the Company has provided primary segment information for these two segments as per Accounting Standard 17 on Segment Reporting issued by I.C.A.I.

There is no inter segment transfer.

All the common income, expenses, assets and liabilities which are not possible to be allocated to different segments are treated as un-allocable items.



QUEST FINANCIAL SERVICES LIMITED

Notes forming Part of Financial Statement for the Year 2012-2013 (31st March 2013)

	<u>Figures as at the end of</u>	
	<u>31st March 2013</u>	<u>31st March 2012</u>
2.1 Share Capital		
Equity		
Authorized		
12,33,40,000 Equity Shares of Rs.10.00 each (P.Y. 1,40,00,000) Equity Shares of Rs.10.00 each)	1,233,400,000	1,233,400,000
Issued, Subscribed and Paid up		
12,33,16,500 Equity Shares of Rs.10.00 each fully paid up (Previous Year 1,38,60,000 Equity Shares of Rs.10.00 each fully paid up)	1,233,165,000	1,233,165,000
2.1.1 The Company has only one class of shares referred to as equity shares having a par value of Rs 10/- Each holder of equity shares is entitled to one vote per one share hold. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.		
2.1.2 Reconciliation of the number of shares outstanding		
Number of shares at the beginning	123,316,500	13,860,000
Add : Issue on account of merger	-	109,456,500
Number of shares at the end	123,316,500	123,316,500
2.1.3 Shareholders holding more than 5% Share		
NIL		
2.2 Reserve & Surplus		
<u>Figures as at the end of</u>		
	<u>31st March 2013</u>	<u>31st March 2012</u>
Securities Premium Reserve		
Opening Balance (Credit/Debit)	-	31,050,000
Less : Transferred to Amalgamation Reserve	-	(31,050,000)
	-	-
Amalgamation Reserve		
Opening Balance (Credit/Debit)	(486,132,902)	
Add/Less: Reserve generated during the year	(4,713,684)	(486,132,902)
Closing Balance(Credit/ Debit)	(490,846,586)	(486,132,902)
Profit & Loss Account		
Opening Balance (Credit/Debit)	149,393	3,998,146
Less : Transferred to Amalgamation Reserve	-	(3,998,146)
Add/Less: Surplus/Deficit in Profit & Loss for the Year	2,515,052	462,616
Less : Adjustment with Provision for Income Tax		(313,223)
Less : Transferred to Special Reserve	(503,010)	-
	2,161,435	149,393
Special Reserve Account		
Opening Balance (Credit/Debit)	282,635	282,635
Add/Less: Reserve generated during the year	503,010	-
	785,645	282,635
	-	-
	(487,899,506)	(485,700,874)



	Non-Current Maturities		Current Maturities	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
2.3 Long Term Borrowings				
Term Loan-Secured Loans	5,751,810	7,734,315	2,188,507	1,933,580
Unsecured Loans	-	-	-	-
	5,751,810	7,734,315	2,188,507	1,933,580

Current Maturities amount disclosed under the head "Other Current Liabilities" (Note 2.6)

Term loan amounting to Rs.96,67,895/- from State Bank of India, R.N.Mukherjee Road Branch, Kolkata is secured against exclusive first charge by way of mortgage of Embroidery Machine and further Corporate Guarantee provided by M/s. Nova Merchants Pvt. Ltd. The flats of Mrs. Sabita Jajodia & Mrs. Sabita Jajodia & Mrs. Anita Jajodia, wife of Mr. Prakash Jajodia & Mr. Kishan Kumar Jajodia, Directors of the Company were mortgaged on behalf of the Company with the State Bank of India.

Loan from HDFC Bank Ltd. of Rs.,337000/- is secured against Estilo LXI and is repayable in monthly installments till 05/02/2016.

	Figures as at the end of	
	31st March 2013	31st March 2012
2.4 Short Term Borrowings		
Secured Loans	4,082,256	4,151,700
Bank Overdraft	4,082,256	4,151,700

Bank Overdraft from State Bank of India, R.N.Mukherjee Road Branch, Kolkata is secured against exclusive first charge by way of mortgage of Embroidery Machine and further Corporate Guarantee provided by M/s. Nova Merchants Pvt. Ltd. The flats of Mrs. Sabita Jajodia & Mrs. Sabita Jajodia & Mrs. Anita Jajodia, wife of Mr. Prakash Jajodia & Mr. Kishan Kumar Jajodia, Directors of the Company were mortgaged on behalf of the Company with the State Bank of India.



		<u>Figures as at the end of</u>	
		<u>31st March 2013</u>	<u>31st March 2012</u>
2.5	<u>Trade Payable</u>		
	Sundry Creditors	277,967,802	245,859,372
		277,967,802	245,859,372
2.6	<u>Other Current Liabilities</u>		
	Liability for expenses	43,532	184,898
	TDS Payable	31,350	59,847
	Current Maturities on Long Term Debts	2,188,507	1,933,580
		2,263,389	2,178,325
2.7	<u>Short Term Provisions</u>		
	Provision for Taxation	1,306,676	182,000
	Contingent of Standard Assets	576,696	38,610
		1,883,372	220,610
2.10	<u>Inventories</u>		
	Raw Materials	103,099	7,981,815
	Traded Goods	283,776,408	170,444,779
		283,879,507	178,426,594
2.11	<u>Trade Receivables</u>		
	Unsecured considered good		
	Outstanding exceeding six months	5,000,000	-
	Others	56,254,086	48,659,951
		61,254,086	48,659,951
2.12	<u>Cash & Cash Equivalents</u>		
	With Schedule Banks in Current Account	1,045,701	4,103,043
	Cash in hand (As Certified by the Management)	5,735,343	8,118,297
		6,781,044	12,221,340
2.13	<u>Short Term Loans and Advances</u>		
	Advances Recoverable in cash or in kind	221,341,939	183,504,690
		221,341,939	183,504,690
2.14	<u>Other Current Assets</u>		
	Securities Transaction Tax	-	-
	Tax Deducted at Source	2,055,354	750,557
	Share Application Money Given	8,750,000	
	Miscellaneous Expenses (ASSET)		
	Merger A/c		4,673,884
	Preliminary Expenses not Written Off		39,800
		10,805,354	5,464,241



2.8. FIXED ASSETS

Tangible Assets

Fixed Assets	Dep Rate	GROSS BLOCK			DEPRECIATION		NET BLOCK	
		Book value as on 31.03.2012	Addition		Depreciation for 2012-13	Net block as at 31.03.2013	Net block as at 31.03.2012	
			180 Days or more	Less than 180 Days				
Plant & Machinery								
Computer	0.4000	259,360	9,152	-	368,512	105,574	1,67,938	259,360
Emergency Machine	0.1391	9,816,601	-	-	9,816,601	1,365,489	6,451,112	9,816,601
Electric Equipments	0.1391	609,108	-	-	609,108	84,737	524,371	609,108
Electric insulation	0.1391	119,749	-	-	119,749	16,657	103,092	119,749
Air conditioner	0.1391	479,181	-	-	479,181	66,034	413,147	479,181
Stabilizer	0.1391	132,087	-	-	132,087	18,373	113,714	132,087
Fire Extinguisher	0.1391	-	17,500	-	17,500	2,434	15,066	259,360
Building								
Factory Flooring	0.1000	151,975	-	-	151,975	16,198	135,777	151,975
Factory Shed	0.1000	346,369	-	-	346,369	54,637	291,732	346,369
Furniture & Fixture	0.1810	874,502	-	107,278	981,778	157,893	823,885	874,502
Motor Vehicle	0.2589	-	-	427,763	427,763	55,574	372,189	-
		12,999,832	544,191	17,500	13,560,623	1,854,110	11,606,513	13,296,292
Intangible Assets								
Patent								



2.9 Non Current Investments				
Name of Companies	No. of Shares	31st March, 2013	No. of Shares	31st March, 2012
Ajay Tech India Ltd.	-	-	2,500	1,000,000
Anita Tradelink Pvt. Ltd.	6,000	1,500,000	6,000	1,500,000
Ayafiz Fashion Pvt. Ltd.	-	-	32,000	16,000,000
Baba Basuki Commercial Pvt. Ltd.	-	-	12,500	5,000,000
Betul Oil Ltd.	-	-	130,000	32,500,000
City Wings Courier & travels Pvt. Ltd.	-	-	3,820	1,910,000
C R Buldcon Pvt. Ltd.	-	-	10,000	5,000,000
C R Commotrade Pvt. Ltd.	-	-	10,000	5,000,000
Cyrus Infocomm Pvt. Ltd.	15,000	3,000,000	15,000	3,000,000
Dugar Finance & Investment Ltd.	12,500	1,500,000	-	-
Dayanidhi Trade Link Pvt. Ltd.	-	-	26,000	13,000,000
Dhanrakha Developers Pvt. Ltd.	-	-	5,000	2,500,000
Fairdeal Vincom Pvt. Ltd.	-	-	82,753	41,376,500
Faithful Cloth Merchants Pvt. Ltd.	108,280	54,140,000	76,777	38,388,700
Fizaan Commotrade Pvt. Ltd.	-	-	20,000	10,000,000
Gangotri Dealers Pvt. Ltd.	20,000	10,000,000	20,000	10,000,000
Glorious Vincom Pvt. Ltd.	70,000	26,250,000	-	-
Goldmoon Infotech Pvt. Ltd.	-	-	6,000	300,000
Gopal Resorts Ltd.	150,000	1,500,000	-	-
Govind Kripa Enclave Pvt. Ltd.	200,000	2,000,000	-	-
High Growth Vincom Pvt. Ltd.	84,500	31,687,500	-	-
Indo Chain (Raipur) Pvt. Ltd.	5,200	2,600,000	5,200	2,600,000
Ishwar Distributors Pvt. Ltd.	13,053	6,526,700	21,000	10,500,000
Jagriti Commodities Pvt. Ltd.	-	-	26,250	13,125,000
Jhilmil Suppliers Pvt. Ltd.	-	-	19,200	9,600,000
JK Sons Engineers Pvt. Ltd.	250,000	7,500,000	-	-
Karuna Distributors Pvt. Ltd.	-	-	6,500	6,500,000
Linkup Financial Consultants Pvt. Ltd.	3,219	1,126,500	-	-
Lokseva Textrade Pvt. Ltd.	-	-	60,705	30,352,500
Malpani & Mundhra Plasto Sales Pvt. Ltd.	-	-	7,000	3,500,000
Mangalkamana Distributors Pvt. Ltd.	-	-	2,000	1,000,000
Megacity Food Suppliers Pvt. Ltd.	13,400	6,700,000	13,400	6,700,000
Metropolitan Distributors Pvt. Ltd.	-	-	50,000	500,000
KPS Trade Com Pvt. Ltd.	-	-	30,000	1,500,000
Navajyoti Realty India Ltd.	92,000	4,600,000	62,000	3,100,000
Neptune Holidays Pvt. Ltd.	-	-	5,000	2,500,000
Neptune Leisure & Holidays Pvt. Ltd.	-	-	1,000	500,000
Neptune Tours & Travels Pvt. Ltd.	-	-	2,000	1,000,000
Orient News Print Ltd.	700,000	70,000,000	700,000	70,000,000
Original Fashion Traders Pvt. Ltd. -Shares	100,000	50,000,000	100,000	50,000,000
Pearl Vyapaar Pvt. Ltd.	100,000	1,000,000	-	-
Pears Mercantile Pvt. Ltd.	75,080	37,540,000	43,560	21,780,000
Ramdev Textiles Pvt. Ltd.	-	-	3,000	1,500,000
Ritman Commercial Pvt. Ltd.	10,000	2,000,000	-	-
Ritman Concrete Pvt. Ltd.	22,222	1,999,980	-	-
Royal Classic Promoters Pvt. Ltd.	-	-	10,000	5,000,000
Sangam Yarn Pvt. Ltd.	-	-	10,800	5,400,000
Sanovi Technologies Pvt. Ltd.	62,500	5,000,000	250,000	20,000,000
Shivnath Developers Pvt. Ltd.	-	-	30,000	3,000,000
Shivanath Automobiles Pvt. Ltd.	-	-	60,000	6,000,000
Shree Ramdev Cotsyan Pvt. Ltd.	-	-	6,000	3,000,000



Square Four Housing & Infrastructure Dev Co. Pvt. Ltd.	-	-	5,000	2,500,000
Suarvi Trading & Investment Co. Pvt. Ltd.	177,000	88,500,000	177,000	88,500,000
Sumangal Dyeing & Printing Mills Pvt. Ltd.	-	-	15,000	1,500,000
Tapo Bhumi Ganga Narmada Properties Pvt. Ltd.	-	-	2,400	1,200,000
Victoria Cloth Merchants Pvt. Ltd.	5,000	875,000	-	-
Wonderland Paper Suppliers Pvt. Ltd.	40,000	20,000,000	-	-
Triumph Traxim Pvt. Ltd.	-	-	350,000	3,500,000
Zonal Commercial Pvt. Ltd.	8,000	4,000,000	8,000	4,000,000
Grand Total		441,545,680		566,332,700



		Figures as at the end of	
		31st March 2013	31st March 2012
2.15	<u>Revenue from Operations</u>		
	Sales	103,229,969	614,355,406
	Difference in Shares	1,807	500,484
	Dividend	100	1,180
	Interest on Loan	14,485,514	4,887,639
	Subsidy	1,609,000	-
		119,326,390	619,744,709
2.16	<u>Other Income</u>		
	Interest on IT Refund	-	21,685
	Commodities Profit	-	33,823,366
	Miscellaneous Receipts	-	24,187
		-	33,869,238
2.17	<u>Purchases of Stock-in-trade</u>		
	Purchases	203,269,065	558,753,022
2.18	<u>Change in Inventories of finished goods, work-in progress and stock-in-trade</u>		
	Closing Stock	283,879,507	178,426,594
	Less: Opening Stock	(178,426,594)	(263,339,738)
	Increase/ (Decrease) of Stock	105,452,913	(84,913,144)
2.19	<u>Employee Benefits Expense</u>		
	Wages	3,003,428	1,764,955
	Salary & Bonus	420,000	365,557
	Staff Welfare Exp	44,518	50,019
		3,467,946	2,180,531
2.20	<u>Finance Cost</u>		
	Interest	1,783,674	1,132,241
	Financial Expenses	40,485	118,594
	Bank Charges	41,264	50,463
	Processing Fees	-	190,500
		1,865,423	1,491,798
2.21	<u>Depreciation and Amortization Expense</u>		
	Depreciation	1,954,110	1,023,091
	Preliminary Expense Written Off	-	53,760
	Amortisation Expense	-	1,168,471
		1,954,110	2,245,322



2.22 <u>Other Expenses</u>	<u>Figures as at the end of</u>	
	<u>31st March 2013</u>	<u>31st March 2012</u>
Freight	-	25,894
Business promotion	132,600	-
Power & Fuel	1,221,352	469,040
Repairs of Machinery	53,260	218,788
Printing & Stationery	24,791	16,173
Advertisement & business Promotion	2,251	20,724
Listing Fees	123,596	38,605
Telephone Charges	51,066	37,445
Filing Fees	1,500	12,900
Accounting Expenses	120,000	100,000
Professional Charges	20,400	39,439
Office Maintenance Expenses	86,975	117,023
Insurance	23,001	22,580
General Expenses	109,833	362,522
Travelling & Conveyance	182,238	49,513
Postage & telegram	47,323	17,574
Rent	1,254,000	992,750
CDSL Charges	72,019	33,421
NSDL Charges	56,742	33,090
Demat Charges	5,291	91,330
Currency Derivative Loss	6,413,617	-
Difference in Share Future	-	658,613
Contingent Provision against Standard Assets	538,086	
	10,539,941	3,357,424
Payments to the Auditors		
As Auditors	43,090	28,090
	10,583,031	3,385,514
2.23 <u>Earning Per Share</u>	<u>F Y 2012-2013</u>	<u>F Y 2011-2012</u>
i- Net Profit/(Loss) After Tax	2,515,052	462,616
ii- Weighted Number of Equity Shares of Rs. 10.00 each	123,316,500	69,186,373
iii- Equity Shares for Diluted Earning Per Share (Rs.)	123,316,500	123,316,500
iv- Basic Earnings Per Share (Rs.)	0.020	0.007
v Diluted Earning Per Share (Rs.)	0.020	0.004
2.24 <u>Contingent Liabilities & Commitments</u> (To the extent not provided for)	<u>31st March 2013</u>	<u>31st March 2012</u>
Contingent Liabilities	NIL	NIL



2.25 RELATED PARTY DISCLOSURES-As per Accounting Standards -(AS)-18

Name of the related parties Relation

a- Key Management Personnel

1 KISHAN KUMAR JAJODIA	Director
2 PRAKASH KUMAR JAJODIA	Director
3 BIJAY KUMAR AGARWAL	Director
4 DINESH KUMAR PANDEY	Director
5 RABINDRA KUMAR HISARIA	Director
6 AMIT JAJODIA	Director

b- Enterprises over which key management personnel have significant influence irrespective of whether transactions have occurred or not

NIL

c- Transaction with related parties Amount

NIL

2.26 Previous Year's figures have been regrouped and/or rearranged wherever considered necessary

2.27 The Balances of Advances, Debtors and Creditors are subject to confirmation from respective parties

As per our separate report of even date attached hereto

For Arun Jain & Associates

Chartered Accountants

Registration No. 325867E


Arun Jain

Proprietor

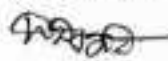
Membership No.053693

Place :- Kolkata

Dated : The 30th Day of May, 2013



For Quest Financial Services Ltd. For Quest Financial Services L


Director

Director


Direct

Director

QUEST FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR 2012-2013

	31st March,2013	31st March,2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary item	3,639,728	644,616
<u>Adjustment for</u>		
Depreciation	1,954,110	1,023,091
Preliminary Expenses written off	-	53,760
Amortisation Expenses	-	1,168,471
Finance Cost	-	1,250,835
Operating Profit before working capital change	5,593,838	4,140,773
<u>Change in working capital</u>		
<u>Adjustment for (increase)/decrease in operating assets</u>		
Inventories	(105,452,913)	84,913,144
Trade Receivables	(12,594,135)	10,420,876
Short Term Loans & Advances	(69,444)	(21,175,343)
Other Current Assets	(5,341,113)	1,380,765
	(123,457,605)	75,539,442
<u>Adjustment for increase/(decrease) in operating liabilities</u>		
Trade Payable	32,108,430	42,250,750
Other Current Liabilities	85,064	5,309
Short Term Borrowings	(37,837,249)	4,151,700
Short Term Provisions	(5,005,032)	(1,690,627)
	(10,648,787)	44,717,132
Cash Generated from Operations	-	124,397,348
Income Tax	(1,124,676)	(182,000)
Net Cash from Operating Activities	(129,637,230)	124,215,348
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	1,392,419	(14,022,023)
(Purchase)/Sale of Investments	124,787,020	6,716,000
Net Cash Flow from Investing Activities	126,179,439	(7,306,023)
CASH FLOW FROM FINANCING ACTIVITIES		
Merger Expenses	-	(5,842,355)
Repayment of long term borrowings	(1,982,505)	(117,680,507)
Proceeds from Long-term borrowings	-	9,667,895
Finance Cost	-	(1,250,835)
Net Cash Flow from Financing Activities	(1,982,505)	(115,105,802)
Net Increase/(decrease) in cash and cash equivalents	(5,440,296)	1,803,523
Opening Cash & Bank Balance	12,221,340	1,295,908
Cash and Bank received on account of merger	-	9,121,910
Closing Cash & Bank Balance	6,781,044	12,221,340



Segment Information

The following table presents segment revenue, results, assets & liabilities with AS- 17 as on 31.03.2013

SEGMENT REPORTING

(₹ In Lacs)

Business Segment	Financing Operations		Embroidery		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE						
Segment Revenue	419.55	6203.29	773.72	332.55	1193.27	6536.84
Inter Segment Revenue	-	-	-	-	-	-
Total Revenue	419.55	6204.00	773.72	332.55	1193.27	6536.84
RESULTS						
Segment Results	125.86	1.07	-19.94	5.38	105.92	6.45
Unallocated Income (net of expenses)	-	-	-	-	-	-
Unallocated Expenditure	-	-	-	-	69.52	-
Profit before tax	-	-	-	-	36.40	6.45
Less: Income Tax	-	-	-	-	11.25	1.82
: Deferred Tax	-	-	-	-	-	-
Profit after tax	-	-	-	-	25.15	4.63
OTHER INFORMATION						
Segment Assets	9585.79	9620.48	786.35	455.60	10372.14	10076.08
Unallocated Assets	-	-	-	-	-	-
Total Assets	9585.79	9620.48	786.35	455.60	10372.14	10076.08
Segment Liabilities	2424.17	2243.03	495.32	358.32	2919.49	2601.35
Unallocated Liabilities	-	-	-	-	-	-
Total Liabilities	2424.17	2243.03	495.32	358.32	2919.49	2601.35
Capital Expenditure	-	-	-	-	-	-
Depreciation	-	-	19.54	10.23	19.54	10.23
Non- Cash Expenditure other than depreciation	-	-	-	-	-	-





Particulars		(Amounts in Rs.)	
		Amount Outstanding	Amount Overdue
Liabilities Side :			
(1)	Loans and Advances availed by the NBFCs Inclusive of interest accrued thereon but not paid		
(a)	Debentures: Secured		
	Unsecured (other than falling within the meaning of public deposits*)		
(b)	Deferred Credits		
(c)	Term Loans		
(d)	Intra-corporate loans and borrowing	7940317	
(e)	Commercial Paper		
(f)	Other Loans (Specify Nature)		
Assets Side :			
(2)	Break up of Loans and Advances including bills receivables [other than those included in (4) below]		
(a)	Secured		
(b)	Unsecured	21,341,839	
(3)	Break up of Leased Assets and Stock on Hire and other assets counting towards APC activities		
(i)	Lease assets including lease vehicles under sundry debtors:		
	(a) Financial Lease		
	(b) Operating Lease		
(ii)	Stock on Hire including hire charges under sundry debtors:		
	(a) Assets on Hire		
	(b) Repossessed Assets		
(iii)	Other loans counting towards APC activities		
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		

(4)	Break up of Investments Current Investments		
	1 Quoted:		
	(i) Shares (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Others (Please Specify)		
	2 Unquoted:		



(5) Borrower group-wise classification of assets financed as in (2) and (3) above :	Borrower Category	Amount net of provisions		
		Secured	Unsecured	Total
(i) Long term investments				
(a) Shares (A) Equity				
(b) Preference				
(c) Debentures and Bonds				
(d) Units of mutual funds				
(e) Government Securities				
(f) Others (Please Specify)				
Quoted:				
(i) Shares (a) Equity				
(b) Preference				
(c) Debentures and Bonds				
(d) Units of mutual funds				
(e) Government Securities				
(f) Others (Please Specify)				
Unquoted:				
(i) Shares (A) Equity				
(b) Preference				
(c) Debentures and Bonds				
(d) Units of mutual funds				
(e) Government Securities				
(f) Others (Please Specify)				
(ii) Total			441,545,680	

(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):	Category	Market Value/Book up of Fair value of NAV	Book value (Net of Provisions)
(a) Shares (A) Equity			
(b) Preference			
(c) Debentures and Bonds			
(d) Units of mutual funds			
(e) Government Securities			
(f) Others (Please Specify)			
Quoted:			
(i) Shares (a) Equity			
(b) Preference			
(c) Debentures and Bonds			
(d) Units of mutual funds			
(e) Government Securities			
(f) Others (Please Specify)			
Unquoted:			
(i) Shares (A) Equity			
(b) Preference			
(c) Debentures and Bonds			
(d) Units of mutual funds			
(e) Government Securities			
(f) Others (Please Specify)			
(ii) Total			
(7) Other Information:			
(i) Gross Non-Performing Assets			
(ii) Related Parties			
(iii) Other than related parties			
(iv) Net Non Performing Assets			
(v) Related Parties			
(vi) Other than related parties			
(vii) Assets acquired in satisfaction of debt			

QUEST FINANCIAL SERVICES LIMITED

Schedule to the Balance Sheet of a Non-Banking Financial Company

(Disclosure of details as required in terms of Paragraph 9BB of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 1998)

Particulars			
Liabilities side:			
1	Loans & Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid:	Amount out-Standing	Amount overdue
	(a) Debentures: Secured	NIL	NIL
	: Unsecured	NIL	NIL
	:(other than falling within the meaning of public deposits)		
	(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 Deposits	NIL	NIL
	(g) Other Loans (Bank O/D)	13,819,595.00	NIL
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		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other public deposits		
Assets side :			
		Amount outstanding	
3	Break-up of Loans and advances incld. bills receivables (other than those included in (4) below):		
	(a) Secured	NIL	
	(b) Unsecured	183,504,680.00	
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
	(i) Lease assets including lease rentals is under debtors:	NIL	
	(a) Financial lease		
	(b) Operating lease		
	(ii) Stock on hire including hire charges under sundry debtors:	NIL	
	(a) Assets on hire		
	(b) Repossessed Assets		
	(iii) Hypothecation loans counting towards EL/HP activities:	NIL	
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above		
5	Break-up of Investments:		
	Current Investments:		
	1. Quoted :	NIL	
	(i) Shares : (a) Equity		
	(b) Preference		
	(ii) Debentures and Bonds		
	(iii) Units of mutual funds		
	(iv) Government Securities		
	(v) Other (Please specify)		
	2. Unquoted:	NIL	
	(i) Shares : (a) Equity		
	(b) Preference		



	(i) Debentures and Bonds (ii) Units of mutual funds (iv) Government Securities (v) Other (Please specify)		
	Long Term investments: 1. Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Other (Please specify) 2. Unquoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Other (Please specify)	NIL	566,332,700.00
6	Borrower group-wise Classification of all leased assets, stock-on-hire and loans and advances:		
	Category	Amount net of provisions	
		Secured	Unsecured
			Total
	1. Related Parties		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other parties	NIL	NIL
	2. Other Than Related Parties	NIL	183,504,690.00
	Total	-	183,504,690.00
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value/ Break-up or fair value or NAV	Book Value (Net of provisions)
	1. Related Parties		
	(a) Subsidiaries	NIL	NIL
	(b) Companies in the same group	NIL	NIL
	(c) Other parties	NIL	NIL
	2. Other Than Related parties	566,332,700.00	566,332,700.00
	Total	566,332,700.00	566,332,700.00
8	Other information		
	Particulars	Amount	
	(i) Gross Non-Performing Assets	NIL	
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(ii) Net Non-performing Assets	NIL	
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(iii) Assets acquired in satisfaction of debt	NIL	



Dear Shareholder,

Ref. :- Green Initiative by Ministry of Corporate Affairs

As you are aware, the Ministry of Corporate Affairs (MCA), vide its Circular Nos. 17/2011 & 18/2011 dated 21.04.2011 & 29.04.2011 respectively has taken a "Green Initiative" by allowing paperless compliances by Companies for service of documents to its Members through electronic mode in compliance with Section 53 of the Companies Act, 1956.

With a view to encourage the Green initiative, we propose to send all documents and communications as required to be sent to our Members, inclusive of Notices, Annual Reports with Balance Sheet, Profit & Loss Accounts and the necessary attachments herewith etc. in electronic form to your e-mail addresses as required by you.

In view of this, we request you to kindly register your e-mail address with us by returning the reply portion duly completed and signed to enable us to send all future communication including Notices, Annual Reports with Balance Sheet, Profit & Loss Accounts and the necessary attachments herewith etc. to you in electronic form.

Register your e-mail address with the Company or its Registrar & Share Transfer Agents i.e. M/s. Niche Technologies Private Limited (Registrar & Transfer Agents), D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001, by either of the following means:

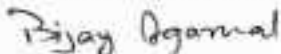
- Returning the attached Registration Form duly filled and signed to the Company or Registrar & Share Transfer Agents by hand/post/courier OR
- Returning the scanned copy of the said form duly filled and signed through e-mail to investorsquestfinancial@yahoo.com

We look forward for your support and co-operation in this regard.

Thanking you,

Yours truly,

For Quest Financial Services Limited



Bijay Kumar Agarwal
Chairman

M/s.

Unit - Quest Financial Services Limited,
D-511, Bagree Market, 71, B.R.B. Basu Road,
Kolkata-700 001

In View of the Green initiative, taken by the Ministry of Corporate Affairs (MCA) Circular Nos. 17/2011 dated 21.04.11 and 18/2011 dated 29.04.2011:

I, son/daughter/wife of
Sri. holding equity shares of Quest Financial
Services Limited, under Folio No. DP Id Client
Id. do hereby register my e-mail address and convey that I wish to receive all future
documents and communication as required to be sent to me at my following e-mail address.

E-mail address

Thanking you,

Yours faithfully,

Signature (1st/Sole holder)

Signature (2nd holder)

Signature (3rd holder)

Name

Name

Name