

**34<sup>th</sup> Annual Report**

**&**

**Accounts**

**2013 - 2014**





**CIN: L65993WB1980PLC033060**

**Board of Directors :**

Mr. Prakash Kumar Jajodia	Whole-Time Director
Mr. Kishan Kumar Jajodia	Non-Independent/Promoter Director
Mr. Amit Jajodia	Non- Independent Director
Mr. Bijay Kumar Agarwal	Independent Director
Mr. Dinesh Kumar Pandey	Independent Director
Mr. Rabindra Kumar Hisaria	Independent Director

**Audit Committee :**

Mr. Rabindra Kumar Hisaria	Chairman
Mr. Bijay Kumar Agarwal	Independent Director
Mr. Dinesh Kumar Pandey	Independent Director

**Nomination And Remuneration Committee :**

Mr. Bijay Kumar Agarwal	Chairman
Mr. Amit Jajodia	Non- Executive Non- Independent Director
Mr. Rabindra Kumar Hisaria	Independent Director

**Stakeholder's Relationship Committee :**

Mr. Bijay Kumar Agarwal	Chairman
Mr. Prakash Kumar Jajodia	Executive Director
Mr. Amit Jajodia	Non- Executive Non- Independent Director

**Chief Financial Officer :**

Mr. Rabindra Kumar Hisaria

**Registered Office :**

"Centre Point",  
2<sup>nd</sup> Floor, Room No. 230,  
21, Hemanta Basu Sarani  
Kolkata – 700 001  
Phone No.- (033) 3028 7790  
E-Mail Id – investorsquestfinancial@yahoo.com  
Website - www.questfinancial.in

**Registrar and Transfer Agent :**

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market,  
71, B.R.B. Basu Road  
Kolkata-700 001

**Bankers :**

Bank Of Baroda  
Corporation Bank  
State Bank of Hyderabad  
State Bank of India  
IDBI Bank

**Auditors :**

M/s. Arun Jain & Associates  
Chartered Accountants  
2B, Grant Lane, 2<sup>nd</sup> Floor,  
Room No. 74, Kolkata – 700 012

## **DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2014.

### **FINANCIAL RESULTS :**

<b>Particular</b>	<b>Standalone</b>		<b>Consolidated</b>
	<b>2013-2014</b>	<b>2012-2013</b>	<b>2013-2014</b>
Total Income	<b>25,15,17,162</b>	11,93,26,390	<b>25,15,17,162</b>
Total Expenditure	<b>25,07,03,439</b>	11,56,86,662	<b>25,07,92,754</b>
Profit before Tax	<b>8,13,723</b>	36,39,728	<b>7,24,408</b>
(Less) : Provision for Current Tax	<b>(2,51,440)</b>	(11,24,676)	<b>(2,51,440)</b>
Net Profit after tax	<b>5,62,282</b>	25,15,052	<b>4,72,967</b>
Income tax for prior year	-	-	-
(Less) : Unamortized Expenses written back	-	-	-
Add : Brought forward from previous year	<b>21,61,435</b>	1,49,393	<b>21,61,435</b>
Less : Adjustment with Provision for Income Tax	-	(5,03,010)	-
Less : Transfer to Special Reserve	<b>(1,12,456)</b>	-	<b>(1,12,456)</b>
Balance carried to Balance Sheet	<b>26,11,261</b>	21,61,435	<b>25,21,946</b>

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

Our Company has recorded a total income of ` 25,15,17,162/- for the current financial year as against ` 11,93,26,390/- recorded during the previous year, registering a growth of 110.78%.

The Profit Before Tax on a standalone basis amounted to ` 8,13,723/- during the current year as against ` 36,39,728 for the previous year.

The Profit After Tax on a standalone basis amounted to ` 5,62,282/- during the current year as against ` 25,15,052 for the previous year.

During the year, we have made investments in four newly owned subsidiary companies. We expect that the company will be benefited by these investments in long run, which will be seen from the forthcoming financial quarters.

The core financial activities of the Company which comprises of providing of business loan to corporate and individuals have witness a tough time in the past. However, the Company has diversified its financial business portfolio to stay competitive and focusing on the untapped financial needs of rural population.

Your Company has also diversified into the business of automatic computerized embroidery on various apparels, clothing, caps, leather garments, and other leather items. The embroidery unit of the Company is growing at a rapid pace on an excellent marketing exposure. Our products are mainly supplied to retailers based at Kolkata and adjacent territories.

### **DIVIDEND**

Considering the future prospects and to strengthening the financial position of the Company, your Directors do not recommend any dividend for the financial year under review.

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 Mr. Kishan Kumar Jajodia, Non-Executive Non-Independent Director of the Company, will retire by rotation at the ensuing 34<sup>th</sup> Annual General Meeting and being eligible, seeks reappointment. The Board of Directors recommends his re-appointment.

As per the Companies Act, 2013, the Company is required to appoint Independent Directors, including existing independent directors, for a fixed term and their office shall not be liable to be determined by retirement of directors by rotation. Our Independent Directors Mr. Bijay Kumar Agarwal, Mr. Rabindra Kumar Hisaria and Mr. Dinesh Kumar Pandey, are liable to retire by rotation under the erstwhile Companies Act, 1956.

Accordingly, in compliance of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013, Mr. Bijay Kumar Agarwal, Mr. Rabindra Kumar Hisaria and Mr. Dinesh Kumar Pandey, Directors of the Company, are proposed to be appointed as Independent Directors of the Company for a period of five consecutive years to hold the office till the conclusion of 39<sup>th</sup> AGM and their offices shall not be liable to retire by rotation of directors.

Separate notices have been received from members proposing candidatures of Mr. Kishan Kumar Jajodia, Mr. Bijay Kumar Agarwal, Mr. Rabindra Kumar Hisaria and Mr. Dinesh Kumar Pandey for their respective appointments.

Based on the confirmations received, none of the Directors proposed to be appointed are disqualified for appointment under the Companies Act, 2013. Further, the Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the stock exchange.

Further, Mr. Prakash Kumar Jajodia, who was appointed as a Whole-Time Director of the Company at the Annual General Meeting of the Company held on September 30, 2013, with effect from 1<sup>st</sup> October 2013 for a period of 5 years ending on 30<sup>th</sup> September, 2018 and as per the terms of his appointment, he is not liable to retire by rotation. However, whole-time directors who were earlier not liable to retire by rotation as per the provisions of the Companies Act, 1956, are now liable to retire by rotation as per the provisions of Section 152(6) of the Companies Act, 2013. Accordingly, it is proposed that the terms of appointment of Mr. Prakash Kumar Jajodia be amended to provide that he shall be liable to retire by rotation as per the provisions of Section 152(6) of the Companies Act, 2013. The other terms and conditions of his appointment including remuneration approved by the members of the Company shall remain unchanged.

## **AUDITORS**

M/s. Arun Jain & Associates, Chartered Accountants of 2B, Grant Lane, 2<sup>nd</sup> Floor, Room No-74, Kolkata – 700 012, Statutory Auditor of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Arun Jain & Associates, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 39<sup>th</sup> AGM, subject to ratification of their appointment at every AGM.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

## **INDEPENDENT AUDITORS' REPORT**

The Financial Statement, as referred to in the Independent Auditor's Report are 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 confirms that:

- (i) in the preparation of the annual accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;
- (ii) they 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 the financial year;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have 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.

**CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the Accounting Standard (AS) – 21 on Consolidated Financial Statements, the audited consolidated financial statements form a part of the Annual Report 2014.

**SUBSIDIARIES**

The Company has four subsidiaries as on March 31, 2014, namely QFS Papers Limited, QFS Gems & Jewelleries Limited, QFS Textiles Limited and QFS Real Estate Limited. All these four subsidiaries were incorporated in March, 2014. A Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies, is attached to the Accounts. In terms of General Exemption, under Section 212(8) of the Companies Act, 1956 granted by Ministry of Corporate Affairs vide its circular no. 02/2011 dated 8<sup>th</sup> February, 2011 and in compliance with the conditions enlisted therein, the Audited Statements of Accounts, Auditor's Reports thereon and the Reports of the Board of Directors of the Company's subsidiaries for the financial year ended 31<sup>st</sup> March, 2014, have not been Annexed. The Annual Accounts and related documents of the Subsidiary Companies shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

In accordance with the listing requirement, the Management's Discussion and Analysis is presented in a separate section forms part of the Annual Report 2014.

**PUBLIC DEPOSIT**

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

**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 Limited and the listing fees have been paid up-to-date.

**ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation for the continued co-operation and support by the banks, customers and business associates. Your directors take this opportunity to place on record 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 continuous confidence and faith shown by the members of the Company.

Place : Kolkata  
Dated : 30.05.2014

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

**Sd/-**  
**Bijay Kumar Agarwal**  
**Chairman**  
**DIN-00634259**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **ECONOMIC AND INDUSTRY OVERVIEW**

In the past few years, the increased competition from banks in the retail finance segment has created thrust for 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 these, 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.

### **BUSINESS OVERVIEW**

The core financial activities of the Company which comprises of providing of business loan to corporate and individuals have witness a tough time in the past. However, the Company has diversified its financial business portfolio to stay competitive and focusing on the untapped financial needs of rural population.

Your Company has also diversified into the business of automatic computerized embroidery on various apparels, clothing, caps, leather garments, and other leather items. The embroidery unit of the Company is growing at a rapid pace on an excellent marketing exposure. Our products are mainly supplied to retailers based at Kolkata and adjacent territories.

### **FINANCIAL PERFORMANCE**

Notwithstanding difficult financial market conditions, your Company concluded yet another year of growth in its business. The financial performance of the Company for the year ended 31<sup>st</sup> March, 2014 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 total income of ` 25,15,17,162/- as compared to the previous year's income of ` 11,93,26,390/-. The profit before tax during the year is ` 8,13,723 as compared to the profit of ` 36,39,728/- in the previous year and profit after tax has been recorded at ` 5,62,282/- in the current year compared to profit of ` 25,15,052/- 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 performance of the previous corresponding 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 and growth.

The markets will continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The company is cautiously optimistic in its outlook for the year 2014-15.

## **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.

The Risk Management policies of the Company aim to identify, analyze and manage the risk faced by the Company, to set appropriate risk limits & controls, and to continuously monitor risk levels and adherence to limits.

## **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.

The Company has put in place an adequate internal Control System to safeguard all assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The reports are reviewed by the Audit Committee of the Board. Wherever deemed necessary, internal control system are strengthened and corrective actions initiated.

## **HUMAN RESOURCE DEVELOPMENT**

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

The Company has been working towards institutionalizing a Performance Oriented Culture. The Entire HR system including recruitment, performance management system, reward and recognition has been aligned with the business objectives. The total employee's strength of the Company was 5 as on March 31, 2014.

## **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.





**Arun Jain & Associates**  
Chartered Accountants  
2B, Grant Lane,  
2<sup>nd</sup> Floor, Room No.74  
Kolkata-700 012

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE PURSUANT TO 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 **31<sup>st</sup> March, 2014** 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 was limited to review 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  
Registration No. : 325867E

Sd/-  
Arun Jain  
Proprietor  
Membership No. : 053693  
Place : Kolkata  
Dated : The 30<sup>th</sup> Day of May, 2014

## **CORPORATE GOVERNANCE REPORT**

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

Corporate Governance is a value based framework to manage our Company affairs in a fair and transparent manner. The Governance process should ensure that these resources are utilized in a manner that meets stakeholder's aspirations and societal expectations.

Your Company also believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

### **2 Board of Directors**

The Company's Board of Directors as on **31<sup>st</sup> March, 2014** comprises of One Executive Director and Five Non-Executives Directors.

Five Meetings of the Board of Directors of the Company were held during the financial year 2013-2014 i.e. on 29/04/2013, 30/05/2013, 14/08/2013, 14/11/2013 and 11/02/2014.

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 held 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	Member	Chairman
Mr. Dinesh Kumar Pandey	Independent Director	5	Yes	-	8	-----	
Mr. Rabindra Kumar Hisaria	Independent Director	5	Yes	-	-	-----	
Mr. Bijay Kumar Agarwal	Independent Director	5	Yes	-	2	-----	
Mr. Kishan Kumar Jajodia	Non-Executive Promoter Director	5	Yes	9	4	1	-
*Mr. Prakash Kumar Jajodia	Promoter and Executive Director	5	Yes	9	4	2	-
Mr. Amit Jajodia	Non-Executive Non-Independent Director	5	Yes	4	2	-----	

\*Mr. Prakash Kumar Jajodia was appointed as Whole-Time Director w.e.f. 1<sup>st</sup> October 2013.

### 3 Audit Committee

#### (a) Composition :

The Audit Committee comprises of three Independent Directors as on 31<sup>st</sup> March, 2014. The Committee met 4 (Four) times during the year i.e. on 30/05/2013, 14/08/2013, 14/11/2013 and 11/02/2014. The attendances of the members were as follows:

Sl. No.	Name	Status	No. of Meetings
1	Mr. Rabindra Kumar Hisaria	Independent Director - Chairman of the committee	4
2	Mr. Bijay Kumar Agarwal	Independent Director	4
3	Mr. Dinesh Kumar Pandey	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 provision of Section 177 of the Companies Act, 2013.

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### (a) Composition of the Committee:

The erstwhile Remuneration Committee of the Company was renamed and reconstituted as Nomination and Remuneration Committee on 30/05/2014. The Committee comprises of:

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

During the year, one meeting of the erstwhile Remuneration Committee was held as on 30.05.2013.

#### (b) Terms of Reference:

The terms of reference and the scope of Nomination and Remuneration Committee of the Board of Director are in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and Clause 49 of the Listing Agreement.

#### (c) Remuneration Policy:

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

During the financial year 2013-14, Mr. Prakash Kumar Jajodia, Whole-Time Director of the Company, has been paid Rs.90,000 as remuneration.

## 5. Stakeholders' Relationship Committee

The erstwhile Share Transfer and Investors Grievance Committee was renamed and reconstituted as Stakeholders' Relationship Committee of the Board of Directors. The Committee comprises of one Independent Director, one Executive and one Non-Executive Directors. The Committee deals with matters, inter-alia, 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 and also to resolve the grievances of security holders of the Company. The composition of the committee members is as under:-

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

During the financial year 2014 the Committee met 6 (Six) times.

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	1
2	Rematerialisation of Shares	2
3	Spilt of Share Certificate	2
4	Replacement of Share Certificate	1

## 6. General Body Meetings:

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

Financial Year	Date of AGM	Venue	Time
2012-2013	30-09-2013	"Centre point", 21 Hemanta Basu Sarani, Room No. 230, 2 <sup>nd</sup> Floor, Kolkata- 700 001	11.30 A.M.
2011-2012	28-09-2012	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.

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

One Special resolution has been passed during the last year in Annual General Meeting for appointment of Mr. Prakash Kumar Jajodia as Whole-Time Director of 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 in note to schedule to the audited annual accounts of the Company for the financial year 2013-14.
- 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 the 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 was obtained and placed before the Board.
- d. The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement. As regard to the non-mandatory requirements under Clause 49, the Company has complied with the requirements of Remuneration Committee only.

## 8. MEANS OF COMMUNICATIONS

Quarterly unaudited results of the Company were published in accordance with the Listing Agreement with stock exchange in the Business Standard (English Daily) and Arthik Lipi (Bengali Daily).

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

Section on Management Discussion and Analysis form part of this Annual Report.

## 9. GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting :**
- **Date :** 29<sup>th</sup> September, 2014
- **Time :** 11.00 A.M.
- **Venue :** “Centre Point”, 21, Hemanta Basu Sarani, Room No. 230, 2<sup>nd</sup> Floor, Kolkata –700 001
- **Financial Calendar : (Tentative)**

Financial Year – 1 <sup>st</sup> April, 2014 to 31 <sup>st</sup> March, 2015	Relevant Dates
Board Meeting for consideration of annual accounts	30 <sup>th</sup> May, 2014
Book closure dates	22 <sup>nd</sup> September, 2014 to 27 <sup>th</sup> September, 2014
Unaudited results for the quarter ended June 30, 2014	On or before 14 <sup>th</sup> August, 2014
Unaudited results for the quarter ended September 30, 2014	On or before 14 <sup>th</sup> November, 2014
Unaudited results for the quarter ended December 31, 2014	On or before 14 <sup>th</sup> February, 2015
Unaudited results for the quarter ended March, 31, 2015	On or before 15 <sup>th</sup> May, 2015

- Listing on Stock Exchanges at :
  - i. The Calcutta Stock Exchange Ltd. (Stock code: 10027006)  
7, Lyons Range, Kolkata 700 001.
- The Company has paid the listing fee to The Calcutta Stock Exchange Ltd. for the year 2014-2015.
- Stock Market Price for the Financial Year 2013 - 2014

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2013	86.20	86.15	3,19,451
May, 2013	Not Traded	Not Traded	Not Traded
June, 2013	Not Traded	Not Traded	Not Traded
July, 2013	Not Traded	Not Traded	Not Traded
August, 2013	Not Traded	Not Traded	Not Traded
September, 2013	Not Traded	Not Traded	Not Traded
October, 2013	Not Traded	Not Traded	Not Traded
November, 2013	Not Traded	Not Traded	Not Traded
December, 2013	Not Traded	Not Traded	Not Traded
January, 2014	Not Traded	Not Traded	Not Traded
February, 2014	Not Traded	Not Traded	Not Traded
March, 2014	Not Traded	Not Traded	Not Traded

- **Share Transfer System:** The Company' shares are in compulsory demat mode. The shares received for transfer in physical mode are registered and returned within a period of 15 days from the date of receipt, if the documents are complete in all respects. Shares under objection are returned within two weeks. 3,125,000 equity shares were transferred during the year ended 31<sup>st</sup> March, 2014.
- **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 Pvt. Ltd.  
 D-511, Bagree Market, 5<sup>th</sup> Floor, 71, B.R.B. Basu Road, Kolkata 700 001,  
 Phone Nos. (033) 2235-7270/7271/2234-3576.
- **Dematerialisation of Shares and Liquidity :**

The Company' 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 INE064D01012. 87.49% (Approx.) of total equity shares are in dematerialized form as on 31.03.2014.

- Distribution of Shareholding & shareholding pattern :

#### **Distribution of Shareholding as on 31/03/2014**

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	386	12.28	88,386	0.07
501-1000	336	10.69	2,73,924	0.22
1001-5000	878	27.94	25,39,864	2.06
5001-10000	441	14.03	36,50,595	2.96
10001 -50000	843	26.82	1,95,58,864	15.86
50001-100000	151	4.80	1,04,15,906	8.45
100001 and above	108	3.44	8,67,88,961	70.38
<b>Total</b>	<b>3,143</b>	<b>100.00</b>	<b>12,33,16,500</b>	<b>100.00</b>

#### **Shareholding Pattern as on 31/03/2014**

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	2,477,500	2.01
2	Public - Bodies Corporate	72,833,249	59.06
3	Public – Individuals	48,004,351	38.93
4	Clearing Member	1,400	0.00
	<b>TOTAL</b>	<b>123,316,500</b>	<b>100.00</b>

- Outstanding ADRs / GDRs : Not Applicable
- Address for matters related to shares, any correspondence:  
 M/s.Niche Technologies Private Ltd.,  
 D-511, Bagree Market, 5<sup>th</sup> Floor, 71, B.R.B. Basu 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  
 2<sup>nd</sup> Floor, Room No. 230,  
 Kolkata –700 001

#### **10. SUBSIDIARY COMPANIES MONITORING FRAMEWORK**

The Company have four subsidiaries and none of the subsidiaries is a “material non-listed Indian subsidiary” as defined in the Clause 49 of the Listing Agreement. All subsidiaries companies of the company are managed by their respective Board of Directors in the best interest of their stakeholders.

The Company monitors the performance of its subsidiary companies using, inter alia, the following means:

- Financial Statement, in particular the investment made by the unlisted subsidiaries companies are reviewed by the Audit Committee of the Company.

- b) Minutes of the Board Meeting of all subsidiary companies are placed before the Board of Directors of the Company at their meetings.
- c) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed the Board of Directors of the Company at their meetings.

As per revised Clause 49 of the Listing Agreement, a “material non-listed Indian subsidiary” as an unlisted subsidiary, incorporated in India, whose turn-over or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

## **11. CODE OF CONDUCT**

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

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

## **12. DECLARATION**

As provided under Clause 49 of the Listing Agreement with the stock exchange, the Board of Directors and senior management employees have confirmed Compliance with the code of conduct.

Place : Kolkata  
Dated : 30<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Sd/-**  
**Mr. Bijay Kumar Agarwal**  
**Chairman**  
**DIN-00634259**



**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 Directors and senior management 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, for the financial year ended 31<sup>st</sup> March, 2014, received from the senior management employees 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 Employees means the Members of the Management one level below the Managing Director as on 31<sup>st</sup> March, 2014.

Place : Kolkata  
Date : 30.05.2014

**Sd/-**  
**Prakash Kumar Jajodia**  
**Whole Time Director**  
**DIN-00633920**

## CEO & CFO CERTIFICATION

**To**

The Board of Directors,  
Quest Financial Services Limited,  
"Centre Point", 21, Hemanta Basu Sarani,  
2<sup>nd</sup> Floor, Room No – 230,  
Kolkata – 700 001.

### **Re- CEO and CFO Certification Financial Statements for the year ended on 31<sup>st</sup> March, 2014**

We, Mr. Prakash Kumar Jajodia, Whole Time Director & Mr. Rabindra Kumar Hisaria, CFO, on the basis of the review of the financial statements including cash flow statements for the Financial Year ending on 31<sup>st</sup> March, 2014, 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 31<sup>st</sup> March, 2014, 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.

**Sd/-  
Prakash Kumar Jajodia  
Whole Time Director  
DIN-00633920**

**Sd/-  
Rabindra Kumar Hisaria  
CFO**

Place : Kolkata  
Date : 30.05.2014



**Arun Jain & Associates**  
Chartered Accountants  
2B, Grant Lane,  
2<sup>nd</sup> 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, 2014, 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**

The Company's 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and 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 judgment, 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, 2014;



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- (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 notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
  - 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, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Sd/-  
Arun Jain  
Proprietor  
Membership No. : 053693  
Place : Kolkata  
Dated : The 30<sup>th</sup> Day of May, 2014



**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.

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.

According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has incurred preliminary expenses on behalf of four subsidiaries amounting to ` 128240/-. In respect of the said expenses, the maximum amount outstanding at any point of time during the year was ` 128240/- and the year end balance is ` 128240/-.

- (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 31<sup>st</sup> March 2014 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.
- (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.



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Chartered Accountants  
2B, Grant Lane,  
2<sup>nd</sup> Floor, Room No.74  
Kolkata-700 012

- (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

Sd/-  
**Arun Jain**  
**Proprietor**  
Membership No. : 053693  
Place : Kolkata  
Dated : The 30<sup>th</sup> Day of May, 2014

### Standalone Balance Sheet as at 31<sup>st</sup> March 2014

		Note No.	Figures as at the end of	
			31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
I - EQUITY & LIABILITIES				
1	Shareholders' funds			
	(a) Share Capital	2	1,23,31,65,000	1,23,31,65,000
	(b) Reserves & Surplus	3	(48,73,37,224)	(48,78,99,506)
2	Non-Current Liabilities			
	(a) Long Term Borrowings	4	37,53,450	57,51,810
3	Current Liabilities			
	(a) Short Term Borrowings	5	40,78,510	40,82,256
	(b) Trade Payables	6	12,29,40,144	27,79,67,802
	(c) Other Current Liabilities	7	23,47,978	22,63,389
	(d) Short - Term Provisions	8	24,58,426	18,83,372
			88,14,06,285	1,03,72,14,123
II - ASSETS				
1	Non - Current Assets			
	(a) Fixed Assets	9		
	(i) Tangible Assets		99,23,352	1,16,06,513
	(ii) Intangible Assets		-	-
	(b) Non - Current Investments	10	17,39,78,940	44,15,45,680
2	Current Assets			
	(a) Inventories	11	28,33,44,292	28,38,79,507
	(b) Trade Receivables	12	3,90,83,854	6,12,54,086
	(c) Cash & Cash Equivalents	13	66,80,551	67,81,044
	(d) Short Term Loans and advances	14	36,02,52,302	22,13,41,939
	(e) Other Current Assets	15	81,42,994	1,08,05,354
			88,14,06,285	1,03,72,14,123

Summary of significant accounting policies & Notes on financial statements 1

As per our separate report of even date attached hereto

#### For Arun Jain & Associates

Chartered Accountants

Registration No. 325867E

Sd/-

Arun Jain

Proprietor

Membership No.053693

Place :- Kolkata

Dated : The 30<sup>th</sup> Day of May, 2014

For Quest Financial Services Ltd.

Sd/-

Prakash Kumar Jajodia

Whole-Time Director

DIN-00633920

For Quest Financial Services Ltd.

Sd/-

Bijay Kumar Agarwal

Director

DIN-00634259



### Standalone Statement of Profit & Loss Account for the Year ended 31<sup>st</sup> March 2014

	Note No.	Figures as at the end of	
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
I. Revenue from Operations	16	25,15,17,162	11,93,26,390
<b>II. Total Revenue (I)</b>		<b>25,15,17,162</b>	<b>11,93,26,390</b>
III. Expenses:			
Purchases of Stock-in-trade	17	23,90,97,498	20,32,69,065
Change in inventories of finished goods, work-in-progress and stock -in -trade	18	5,35,215	-10,54,52,913
Employee Benefits Expenses	19	41,01,684	34,67,946
Finance Cost	20	15,07,928	18,24,159
Depreciation and amortization Expenses	9	17,17,661	19,54,110
Other Expenses	21	37,43,453	1,06,24,295
<b>Total Expenses</b>		<b>25,07,03,439</b>	<b>11,56,86,662</b>
IV. Profit/(Loss) before exceptional and extra ordinary items and Tax (II- III)		8,13,723	36,39,728
V. Exceptional Items		0	0
VI. Profit/(Loss) before extraordinary items and Tax (IV - V)		8,13,723	36,39,728
VII. Extraordinary Items		0	0
VIII. Profit/(Loss) before Tax (VI - VII)		8,13,723	36,39,728
IX. Tax Expenses			
1 Current Tax		2,51,440	11,24,676
2 Deferred Tax		0	0
X. Profit/(loss) for the period from Continuing Operations (VIII -IX)		5,62,282	25,15,052
XI. Profit/(loss) from Discontinuing operations		0	0
XII. Tax expenses of Discontinuing operations		0	0
XIII. Profit/(loss) from Discontinuing operations (after tax) (XI - XII)		0	0
XIV. Profit/(Loss) for the Period (XII + XIII)		5,62,282	25,15,052
XV. Earnings Per Equity Share	22		
1 Basic		0.00	0.02
2 Diluted		0.00	0.02

Summary of significant accounting policies & Notes on financial statements

1

As per our separate report of even date attached hereto

#### For Arun Jain & Associates

Chartered Accountants  
 Registration No. 325867E

For Quest Financial Services Ltd.

For Quest Financial Services Ltd.

Sd/-

Arun Jain  
 Proprietor  
 Membership No.053693  
 Place :- Kolkata

Sd/-  
 Prakash Kumar Jajodia  
 Whole-Time Director  
 DIN-00633920

Sd/-  
 Bijay Kumar Agarwal  
 Director  
 DIN-00634259

Dated : The 30<sup>th</sup> Day of May, 2014

**1 Notes forming Part of Financial Statement for the Year 2013-2014 (31<sup>st</sup> March 2014)**

**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 Use of estimates:-**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

**c Borrowing costs: -**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost

**d 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

**e 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) Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

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.

**f 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.

**g 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.

**h 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

**i 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.

**j 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.

**k Retirement & other employees benefits**

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

**l Income tax**

Tax expense comprises of current tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**m Advances, Debtors & Creditors**

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

**n 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.

**o Investments**

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

**p Inventories**

Goods are valued at cost.

**q Cash and cash equivalents**

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.

**r Foreign Currency transaction**

No Foreign Currency Transactions has been made by the Company in the Financial Year 2013-14.

**s Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require and outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

**t Cash Flow Statement**

Cash flows are reported using the indirect method and cash flows from operating, investing and financing activities of the Company are segregated.

**u MSMED Act, 2006**

The Government of India has promulgated an act namely The Micro, Small and Medium Enterprises Development Act, 2006, which comes into force with effect from October 2, 2006. As per the act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on over dues beyond the specified period irrespective of the terms agreed with the suppliers. The Company does not have any dues to any entity covered under the said Act.

**v Prudential Norms**

The Company has followed the prudential norms issued by Reserve Bank of India, as applicable, and revenue / assets have been represented (considering adjustments / write-off / net-off, as applicable) keeping in line therewith and management prudence.

**w NBFC Requirement regarding transfer of profit to reserve**

20% of profit after tax (rounded off to next hundred) for the current year have been transferred to Statutory Reserve Fund appropriating the Statement of Profit & Loss as per requirement of the R.B.I. Act.

**x Contingent Provision against Standard Assets**

Contingent Provision @0.25% against Standard Loans is made as per R.B.I. requirement for NBFC appropriating surplus of the Statement of Profit & Loss.

**y RELATED PARTIES DISCLOSURE AS PER ACCOUNTING STANDARD 18**

**A. LIST OF RELATED PARTIES**

<b>Party</b>	<b>Relationship</b>
Prakash Kumar Jajodia	Whole Time Director
Kishan Kumar Jajodia	Director
Amit Jajodia	Director
Dinesh Kumar Pandey	Director
Bijay Kumar Agarwal	Director
Rabindra kumar Hisaria	Director
QFS Paper Limited	Wholly owned Subsidiary Company
QFS Gem & Jewelleries Limited	Wholly owned Subsidiary Company
QFS Properties Limited	Wholly owned Subsidiary Company
QFS Textiles Limited	Wholly owned Subsidiary Company

**B. RELATED PARTY TRANSACTION**

<b>Director's Remuneration</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Prakash Kumar Jajodia	1,50,000	37,500

**Investment in Wholly owned Subsidiary Company**

QFS Paper Limited	5,00,000	Nil
QFS Gem & Jewelleries Limited	5,00,000	Nil
QFS Properties Limited	5,00,000	Nil
QFS Textiles Limited	5,00,000	Nil

**Expenses incurred on behalf of Wholly owned Subsidiary Company**

QFS Paper Limited	32,060	Nil
QFS Gem & Jewelleries Limited	32,060	Nil
QFS Properties Limited	32,060	Nil
QFS Textiles Limited	32,060	Nil

**z Earning 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

	<b>31.03.2014</b>	31.03.2013
I- Net Profit / (Loss) After Tax	5,62,282	25,15,052
ii- Weighted Number of Equity Shares of Rs. 10.00 each	12,33,16,500	12,33,16,500
iii- Equity Shares for Diluted Earning Per Share (Rs.)	12,33,16,500	12,33,16,500
iv- Basic Earnings Per Share (Rs.)	0.00	0.02
v- Diluted Earning Per Share (Rs.)	0.00	0.02

#### **z.i. 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 investments in 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.

- 2 Previous year's figures have been regrouped/rearranged whenever considered necessary to confirm to current year's grouping and classification.

## Notes forming Part of Financial Statement for the Year 2013-2014 (31<sup>st</sup> March 2014)

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-2</b>		
<b>Share Capital</b>		
Equity		
<u>Authorized</u>		
12,33,40,000 Equity Shares of Rs.10.00 each (P.Y. 12,33,40,000 Equity Shares of Rs 10.00 each)	1,23,34,00,000	1,23,34,00,000
<u>Issued, Subscribed and Paid up</u>		
12,33,16,500 Equity Shares of Rs.10.00 each fully paid up (Previous Year 12,33,16,500 Equity Shares of Rs 10.00 each fully paid up)	1,23,31,65,000	1,23,31,65,000

2.1. 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.

2.2 **Reconciliation of the number of shares outstanding**

Number of shares at the beginning	12,33,16,500	12,33,16,500
Add : Issue during the year	-	-
Number of shares at the end	12,33,16,500	12,33,16,500

2.3 **Shareholders holding more than 5% Share**

NIL

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note - 3</b>		
<b>Reserve &amp; Surplus</b>		
Amalgamation Reserve		
Opening Balance (Credit/(Debit)	(49,08,46,586)	(48,61,32,902)
Add/Less: Reserve generated during the year	-	(47,13,684)
Closing Balance( Credit/ Debit)	<b>(49,08,46,586)</b>	(49,08,46,586)
<b>Profit &amp; Loss Account</b>		
Opening Balance (Credit/(Debit)	21,61,435	1,49,393
Less : Transferred to Amalgamation Reserve	-	-
Add/Less: Surplus/Deficit in Profit & Loss for the Year	5,62,282	25,15,052
Less : Adjustment with Provision for Income Tax	-	(5,03,010)
Less : Transferred to Special Reserve	(1,12,456)	-
	26,11,261	21,61,435
<b>Special Reserve Account</b>		
Opening Balance (Credit/(Debit)	7,85,645	2,82,635
Add/Less: Reserve generated during the year	1,12,456	5,03,010
	<b>8,98,101</b>	7,85,645
	<b>(48,73,37,224)</b>	(48,78,99,506)

	<b>Non-Current Maturities</b>		<b>Current Maturities</b>	
	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
<b>Note-4</b> <b><u>Long Term Borrowings</u></b> Term Loan-Secured Loans	37,53,450	57,51,810	22,00,918	21,88,507
	37,53,450	57,51,810	22,00,918	21,88,507

**Current Maturities amount disclosed under the head "Other Current Liabilities" (Note 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. Anita Jajodia, wife of Mr. Prakash Jajodia & Mr. Kishan Kumar Jajodia respectively, 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.

<b>Note-5</b> <b><u>Short Term Borrowings</u></b> <b><u>Secured Loans</u></b> Bank Overdraft	<b>Figures as at the end of</b>	
	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
	40,78,510	40,82,256
	<b>40,78,510</b>	<b>40,82,256</b>

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. Anita Jajodia, wife of Mr. Prakash Jajodia & Mr. Kishan Kumar Jajodia respectively, Directors of the Company were mortgaged on behalf of the Company with the State Bank of India.

<b>Note-6</b> <b><u>Trade Payable</u></b> Sundry Creditors	<b>Figures as at the end of</b>	
	<b>31<sup>st</sup> March 2014</b>	<b>31<sup>st</sup> March 2013</b>
	12,29,40,144	27,79,67,802
	<b>12,29,40,144</b>	<b>27,79,67,802</b>
<b>Note-7</b> <b><u>Other Current Liabilities</u></b> Liability for expenses TDS Payable Current Maturities on Long Term Debts	<b>Figures as at the end of</b> <b>31<sup>st</sup> March 2014</b>	<b>Figures as at the end of</b> <b>31<sup>st</sup> March 2013</b>
	1,26,160	43,532
	20,900	31,350
	22,00,918	21,88,507
	<b>23,47,978</b>	<b>22,63,389</b>
<b>Note-8</b> <b><u>Short Term Provisions</u></b> Provision for Taxation Contingent of Standard Assets	<b>Figures as at the end of</b> <b>31<sup>st</sup> March 2014</b>	<b>Figures as at the end of</b> <b>31<sup>st</sup> March 2013</b>
	15,58,116	13,06,676
	9,00,310	5,76,696
	<b>24,58,426</b>	<b>18,83,372</b>



**NOTE-9  
FIXED ASSETS  
Tangible Assets**

Fixed Assets	Dep Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Book value as on 31.03.2013	Addition Less than 180 Days	Deduction	Book value as on 31.03.2014	Opening balance	Depreciation 180 Days or more	Depreciation Less than 180 Days	Depreciation for 2013-14	Net block as at 31.03.2014	Net block as at 31.03.2013
Plant & Machinery	0.4000	1,62,938	-	-	1,62,938	1,05,574	65,175	-	65,175	97,763	1,62,938
	0.4000	-	-	-	34,500	-	-	6,900	6,900	27,600	-
	0.1391	84,51,112	-	-	84,51,112	13,65,489	11,75,550	-	11,75,550	72,75,562	84,51,112
	0.1391	5,24,381	-	-	5,24,381	84,727	72,941	-	72,941	4,51,440	5,24,381
	0.1391	1,03,092	-	-	1,03,092	16,657	14,340	-	14,340	88,752	1,03,092
	0.1391	4,12,527	-	-	4,12,527	66,654	57,383	-	57,383	3,55,144	4,12,527
	0.1391	1,13,714	-	-	1,13,714	18,373	15,818	-	15,818	97,896	1,13,714
	0.1391	15,066	-	-	15,066	2,434	2,096	-	2,096	12,970	15,066
	0.1000	1,45,777	-	-	1,45,777	16,198	14,578	-	14,578	1,31,199	1,45,777
Building	0.1000	4,91,732	-	-	4,91,732	54,637	49,173	-	49,173	4,42,559	4,91,732
	0.1810	8,13,785	-	-	8,13,785	1,67,993	1,47,295	-	1,47,295	6,66,490	8,13,785
Furniture & Fixture	0.2589	3,72,389	-	-	3,72,389	55,374	96,412	-	96,412	2,75,977	3,72,389
Motor Vehicle											
		1,16,06,513	-	-	1,16,41,013	19,54,110	17,10,761	6,900	17,17,661	99,23,352	1,16,06,513

Intangible Assets

NIL

<b>Note-10</b> <b>Non Current Investments*</b>	<b>Figures as at the end of</b> <b>31<sup>st</sup> March 2014</b>		<b>Figures as at the end of</b> <b>31<sup>st</sup> March 2013</b>	
<b>Name of Companies</b>	<b>No. of Shares</b>		<b>No. of Shares</b>	
<b>Unquoted Equity Shares</b>				
Anita Tradelink Pvt. Ltd.	-	-	6,000	15,00,000
Ayafiz Fashion Pvt. Ltd.	20,000	20,00,000	-	-
Blue Chip Projects Pvt. Ltd.	99,000	19,80,000	-	-
Cyrus Infocomm Pvt. Ltd.	15,000	30,00,000	15,000	30,00,000
Dugar Finance & Investment Ltd.	-	-	12,500	15,00,000
Domsons Metal Pvt. Ltd.	50,000	7,50,00,000	-	-
Faithful Cloth Merchants Pvt. Ltd.	4,14,000	41,40,000	1,08,280	5,41,40,000
Fizaan Commotrade Pvt. Ltd.	17,500	14,00,000	-	-
Gangotri Dealers Pvt. Ltd.	-	-	20,000	1,00,00,000
Glorious Vincom Pvt. Ltd.	79,250	7,92,500	70,000	2,62,50,000
Gopal Resorts Ltd.	3,00,000	30,00,000	1,50,000	15,00,000
Govind Kripa Enclave Pvt. Ltd.	-	-	2,00,000	20,00,000
High Growth Vincom Pvt. Ltd.	13,000	1,30,000	84,500	3,16,87,500
Indo Chain (Raipur) Pvt. Ltd.	-	-	5,200	26,00,000
Ishwar Distributors Pvt. Ltd.	-	-	13,053	65,26,700
Jagriti Commodities Pvt. Ltd.	2,06,000	20,60,000	-	-
JK Sons Engineers Pvt. Ltd.	-	-	2,50,000	75,00,000
K.S. Consultancy Services Pvt. Ltd. (Face Value-Rs.100/-)	15,750	15,75,000	-	-
Linkup Financial Consultants Pvt. Ltd.	3,219	11,26,500	3,219	11,26,500
Meritech Tradelink Pvt. Ltd.	63,684	1,20,99,960	-	-
Mohit Projects Pvt. Ltd.	10,000	20,00,000	-	-
Multifold Plastic Marketing Pvt. Ltd.	9,000	90,000	-	-
Megacity Food Suppliers Pvt. Ltd.	-	-	13,400	67,00,000
Navajyoti Realty India Ltd.	-	-	92,000	46,00,000
Nethira Hotels Pvt. Ltd.	63,000	47,25,000	-	-
Orient News Print Ltd.	-	-	7,00,000	7,00,00,000
Original Fashion Traders Pvt. Ltd.	-	-	1,00,000	5,00,00,000
Pearl Vyapaar Pvt. Ltd.	4,00,000	40,00,000	1,00,000	10,00,000
Pears Mercantile Pvt. Ltd.	45,950	45,95,000	75,080	3,75,40,000
Polpit Financial Consultants Pvt. Ltd.	50,000	50,00,000	-	-
Premier Power Products Pvt. Ltd. (Face Value Rs.100/-)	20,000	50,00,000	-	-
Ritman Commercial Pvt. Ltd.	10,000	20,00,000	10,000	20,00,000
Ritman Concrete Pvt. Ltd.	22,222	19,99,980	22,222	19,99,980
Sanovi Technologies Pvt. Ltd.	-	-	62,500	50,00,000
Shreyans Embroidery Machine Pvt. Ltd.	3,74,500	37,45,000	-	-
Sidhi Mangal Nirman Pvt. Ltd.	1,00,000	10,00,000	-	-
Suanvi Trading & Investment Co. Pvt. Ltd.	21,000	1,05,00,000	1,77,000	8,85,00,000
Supreme India Impex Ltd.	80,000	1,00,00,000	-	-
Victoria Cloth Merchants Pvt. Ltd.	5,000	8,75,000	5,000	8,75,000
Wonderland Paper Suppliers Pvt. Ltd.	4,14,500	41,45,000	40,000	2,00,00,000
Zonal Commercial Pvt. Ltd.	8,000	40,00,000	8,000	40,00,000
<b>100% Subsidiary Companies</b>				
QFS Gem & Jewelleries Ltd.	50,000	5,00,000	-	-
QFS Paper Ltd.	50,000	5,00,000	-	-
QFS Properties Ltd.	50,000	5,00,000	-	-
QFS Textiles Ltd.	50,000	5,00,000	-	-
<b>Grand Total</b>		<b>17,39,78,940</b>		<b>44,15,45,680</b>

\*Face Value is ₹ 10/- each or otherwise specified

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-11</b>		
<b><u>Inventories</u></b>		
Raw Materials	-	1,03,099
Traded Goods	28,33,44,292	28,37,76,408
	<b>28,33,44,292</b>	<b>28,38,79,507</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-12</b>		
<b><u>Trade Receivables</u></b>		
Unsecured considered good		
Outstanding exceeding six months	-	50,00,000
Others	3,90,83,854	5,62,54,086
	<b>3,90,83,854</b>	<b>6,12,54,086</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-13</b>		
<b><u>Cash &amp; Cash Equivalents</u></b>		
With Schedule Banks in Current Account	29,42,672	10,45,701
Cash in hand (As Certified by the Management)	37,37,879	57,35,343
	<b>66,80,551</b>	<b>67,81,044</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-14</b>		
<b><u>Short Term Loans and Advances</u></b>		
Advances Recoverable in cash or in kind	36,01,24,062	22,13,41,939
Advance to Subsidiaries	1,28,240	-
	<b>36,02,52,302</b>	<b>22,13,41,939</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-15</b>		
<b><u>Other Current Assets</u></b>		
Tax Deducted at Source	37,92,954	20,55,354
Security Deposit For Land	6,00,000	
Advance against Properties	32,50,000	
Share Application Money- Refund	40	-
Share Application Money Given	5,00,000	87,50,000
	<b>81,42,994</b>	<b>1,08,05,354</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-16</b>		
<b><u>Revenue from Operations</u></b>		
Sales	20,74,63,129	10,32,31,776
Currency Derivative Profit	2,11,73,319	-
Dividend	15,000	100
Interest on Loan	2,28,65,714	1,44,85,514
Subsidy	-	16,09,000
	<b>25,15,17,162</b>	<b>11,93,26,390</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-17</b>		
<b><u>Purchases of Stock-in -trade</u></b>		
Purchases	23,90,97,498	20,32,69,065
	<b>23,90,97,498</b>	<b>20,32,69,065</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-18</b>		
<b><u>Change in Inventories of finished goods, work-in progress and stock-in-trade</u></b>		
Closing Stock	28,33,44,292	28,38,79,507
Less: Opening Stock	(28,38,79,507)	(17,84,26,594)
Increase/ ( Decrease) of Stock	<b>(5,35,215)</b>	<b>10,54,52,913</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-19</b>		
<b><u>Employee Benefits Expense</u></b>		
Wages	34,75,583	30,03,428
Salary & Bonus	4,96,211	4,20,000
Directors Remuneration	90,000	
Staff Welfare Exp	39,890	44,518
	<b>41,01,684</b>	<b>34,67,946</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-20</b>		
<b><u>Finance Cost</u></b>		
Interest	33,233	17,83,674
Financial Expenses	14,74,695	40,485
	<b>15,07,928</b>	<b>18,24,159</b>

	Figures as at the end of	
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
<b>Note-21</b>		
<b><u>Other Expenses</u></b>		
Rates & Taxes	14,300	-
Business promotion	-	1,32,600
Bank Charges	79,512	41,264
Car Maintenance Expenses	60,965	-
Electric Charges	9,42,350	12,21,352
Repairs & Maintenance-Machinery	60,000	53,260
Repairs & Maintenance-Hardware & Software	10,899	-
Printing & Stationery	20,918	24,791
Advertisement & business Promotion	3,117	2,251
Listing Fees	1,23,596	1,23,596
Telephone Charges	42,240	51,066
Filing Fees	4,000	1,500
Accounting Expenses	1,20,000	1,20,000
Professional Charges	-	20,400
Office Maintenance Expenses	62,765	86,975
Insurance	55,512	23,001
General Expenses	73,484	1,09,833
Travelling & Conveyance	1,67,739	1,82,238
Postage & telegram	39,854	47,323
Rent	12,54,000	12,54,000
CDSL Charges	56,180	72,019
NSDL Charges	55,618	56,742
Demat Charges	3,439	5,291
Stamp Charges, STT, Transaction Charges, Service Tax etc.	1,41,261	-
Currency Derivative Loss	-	64,13,617
Contingent Provision against Standard Assets	3,23,614	5,38,086
<b>Auditors Remuneration</b>		
For Statutory Audit	16,854	16,854
For Tax Audit	4,494	4,494
For Other Services	6,742	21,742
	<b>37,43,453</b>	<b>1,06,24,295</b>

## Segment Information

The following table presents segment revenue, results, assets & liabilities with AS- 17 as on 31.03.2014

### SEGMENT REPORTING

( ` in Lacs)

Business Segment	Financing Operations		Embroidery		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>REVENUE</b>						
Segment Revenue	1778.37	419.55	736.80	773.72	2515.17	1193.27
Inter Segment Revenue	-	-	-	-	-	-
<b>Total Revenue</b>	<b>1778.37</b>	<b>419.55</b>	<b>736.80</b>	<b>773.72</b>	<b>2515.17</b>	<b>1193.27</b>
<b>RESULTS</b>						
Segment Results	-28.82	56.34	36.96	-19.94	8.14	36.40
Unallocated Income ( net of expenses )	-	-	-	-	-	-
Unallocated Expenditure	-	-	-	-	-	-
Profit before tax	-	-	-	-	8.14	36.40
Less: Income Tax	-	-	-	-	2.51	11.25
: Deferred Tax	-	-	-	-	-	-
Profit after tax	-	-	-	-	5.62	25.15
<b>OTHER INFORMATION</b>						
Segment Assets	<b>8251.45</b>	9585.79	<b>562.61</b>	786.35	<b>8814.06</b>	10372.14
Unallocated Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>8251.45</b>	9585.79	<b>562.61</b>	786.35	<b>8814.06</b>	10372.14
Segment Liabilities	<b>901.90</b>	2424.17	<b>453.89</b>	495.32	<b>1355.79</b>	2919.49
Unallocated Liabilities	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>901.90</b>	2424.17	<b>453.89</b>	495.32	<b>1355.79</b>	2919.49
Capital Expenditure	-	-	-	-	-	-
Depreciation	<b>0.25</b>	0.00	<b>16.93</b>	19.54	<b>17.18</b>	19.54
Non- Cash Expenditure other than depreciation	-	-	-	-	-	-

Previous year's figures have been regrouped/rearranged whenever considered necessary to confirm to current year's grouping and classification.

**CASH FLOW STATEMENT FOR THE YEAR 2013-2014**  
**(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

	Figures as at	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary item	8,13,723	36,39,728
<u>Adjustment for</u>		
Depreciation	17,17,661	19,54,110
Operating Profit before working capital change	25,31,384	55,93,838
<u>Change in working capital</u>		
<u>Adjustment for (increase)/decrease in operating assets</u>		
Inventories	5,35,215	-10,54,52,913
Trade Receivables	2,21,70,232	-1,25,94,135
Short Term Loans & Advances	-3,746	-69,444
Other Current Assets	26,62,360	-53,41,113
	2,53,64,061	-12,34,57,605
<u>Adjustment for increase/(decrease) in operating liabilities</u>		
Trade Payable	-15,50,27,658	3,21,08,430
Other Current Liabilities	84,589	85,064
Short Term Borrowings	-13,89,10,363	-3,78,37,249
Short Term Provisions	-9,41,621	-50,05,032
	-29,47,95,053	-1,06,48,787
Cash Generated from Operations		
Income Tax	-2,51,440	-11,24,676
<b>Net Cash from Operating Activities</b>	<b>-26,71,51,048</b>	<b>-12,96,37,230</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Fixed Assets	16,83,161	13,92,419
(Purchase)/Sale of Investments	26,75,66,740	12,47,87,020
<b>Net Cash Flow from Investing Activities</b>	<b>26,92,49,901</b>	<b>12,61,79,439</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term borrowings	-19,98,360	-19,82,505
<b>Net Cash Flow from Financing Activities</b>	<b>-19,98,360</b>	<b>-19,82,505</b>
Net Increase/(decrease) in cash and cash equivalents	1,00,493	-5440296
<b>Opening Cash &amp; Bank Balance</b>	<b>67,81,044</b>	<b>1,22,21,340</b>
<b>Closing Cash &amp; Bank Balance</b>	<b>66,80,551</b>	<b>67,81,044</b>

**Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies**

1	Name of the Subsidiary	: QFS Gem & Jewelleries Ltd.	QFS Paper Ltd.	QFS Properties Ltd.	QFS Textiles Ltd.
2	Financial Year of the Subsidiary ended on	: 31.03.2014	31.03.2014	31.03.2014	31.03.2014
3	Shares of the Subsidiary held by the Company on the above date	:			
	a) Number & Face Value	: 50000 Equity Shares of Rs.10/- each fully paid	50000 Equity Shares of Rs.10/- each fully paid	50000 Equity Shares of Rs.10/- each fully paid	50000 Equity Shares of Rs.10/- each fully paid
	b) Extent of holding	: 100%	100%	100%	100%
4	Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary, so far as they concern members of the Company	:			
	a) dealt with in the accounts of the Company for the year ended 31st March, 2014	: Nil	Nil	Nil	Nil
	b) not dealt with in the accounts of the Company for the year ended 31st March, 2014	: Rs.32060/-	Rs.32060/-	Rs.32060/-	Rs.32060/-
5	Net aggregate amount of profits/(losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company	:			
	a) dealt with in the accounts of the Company for the year ended 31st March, 2014	: N.A.	N.A.	N.A.	N.A.
	b) not dealt with in the accounts of the Company for the year ended 31st March, 2014	: N.A.	N.A.	N.A.	N.A.
6	Changes in the interest of the Company between the end of the last financial year and 31st March, 2014	: N.A	N.A	N.A	N.A
7	Material changes between the end of the last financial year and 31st March, 2014	: N.A	N.A	N.A	N.A



### Financial Information of Subsidiary Companies

Amount in `

Sr.No.	Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover /Total Income	Profit Before Tax	Provision for Tax	Profit After Tax	Proposed Dividend	Country of Incorporation
1	OFS Gem & Jewelleries Ltd.	500000	-22185	509875	509875	500000	0	-22185	0	-22185	0	India
2	OFS Paper Ltd.	500000	-22185	509875	509875	500000	0	-22185	0	-22185	0	India
3	OFS Properties Ltd.	500000	-22635	509425	509425	500000	0	-22635	0	-22635	0	India
4	OFS Textiles Ltd.	500000	-22310	509750	509750	500000	0	-22310	0	-22310	0	India

**Disclosure of details as required by Para 13 of Non Banking Financial  
 (Non-Deposit Accepting or Holding)  
 Companies Prudential Norms (Reserve Bank) Directions, 1998**

**(Amount in Rs.)**

Particulars		Amount Outstanding	Amount Overdue
<b>Liabilities Side :</b>			
<b>(1)</b>	<b>Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid</b>		
	(a) Debentures: Secured	-	-
	Unsecured (other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	59,54,368	-
	(d) Inter- corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (Specify Nature)	-	-
Particulars		Amount Outstanding	
<b>Assets Side :</b>			
<b>(2)</b>	<b>Break up of Loans and Advances including bills receivables [other than those included in (4) below]</b>		
	(a) Secured	-	
	(b) Unsecured	36,02,52,302	
<b>(3)</b>	<b>Break up of Leased Assets and Stock on Hire and other assets counting towards AFC activities</b>		
	(i) Lease assets including lease rentals 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 AFC activities		
	(a) Loans where assets have been repossessed	-	
	(b) Loans other than (a) above	-	

(4)	<b>Break up of Investments</b> <b>Current Investments</b>  <b>1 Quoted :</b>  (i) Shares : (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of mutual funds - (iv) Government Securities - (v) Others (Please Specify) -			
	<b>2 Unquoted :</b>  (i) Shares : (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of mutual funds - (iv) Government Securities - (v) Others (Please Specify) -			
	<b>Long term investments</b> <b>(I) Quoted :</b>  (i) Shares : (a) Equity - (b) Preference - (ii) Debentures and Bonds - (iii) Units of mutual funds - (iv) Government Securities - (v) Others (Please Specify) -  <b>(II) Unquoted :</b> (i) Shares : (a) Equity 17,39,78,940 (b) Preference - (ii) Debentures and Bonds - (iii) Units of mutual funds - (iv) Government Securities - (v) Others (Please Specify) -			
(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above :</b>			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1 Related Parties**			
	(a) Subsidiaries	-	1,28,240	1,28,240
	(b) Companies in the same group	-	-	0
	(c) Other related Parties	-	36,01,24,062	36,01,24,062
	2 Other than related parties	-	-	0
	Total	-	36,02,52,302	36,02,52,302

<b>(6)</b>	<b>Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>		
	<b>Category</b>	<b>Market Value/Break up of Fair value or NAV</b>	<b>Book value (Net of Provisions)</b>
	1      Related Parties**		
	(a) Subsidiaries	20,00,000	20,00,000
	(b) Companies in the same group	-	-
	(c) Other related Parties	-	-
	2      Other than related parties	17,19,78,940	17,19,78,940
	Total	17,39,78,940	17,39,78,940
<b>(7)</b>	<b>Other Information:</b>		
	<b>Particulars</b>	<b>Amount</b>	
	(i)      Gross Non- Performing Assets		
	(a) Related Parties	-	
	(b) Other than related parties	-	
	(ii)      Net Non Performing Assets		
	(a) Related Parties	-	
	(b) Other than related parties	-	
	(iii)      Assets acquired in satisfaction of debt	-	



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF QUEST FINANCIAL SERVICES LIMITED**

### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of QUEST FINANCIAL SERVICES LIMITED (the Company), its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated 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 and based on the consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

- 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.
- As required under provisions of section 227(3) of the Companies Act, 1956, we report that:

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;

- a. 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;
- b. 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;
- c. 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 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- d. 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, 2014, 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

Sd/-  
Arun Jain  
Proprietor  
Membership No. : 053693  
Place : Kolkata  
Dated : The 30<sup>th</sup> Day of May, 2014



**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 substantial part of 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 unsecured loan to companies, firms, or other parties listed in the register maintained under section 301 of the companies Act, 1956.
  - b) In our opinion and according to the information and explanations given to us, the rate of interest and the other terms and conditions of the said loan given by the Company are not prima facie prejudicial to the interest of the Company.
  - c) The principal amount, are repayable over a period of three to five years, while the interest is payable annually at the discretion of the company.
  - d) In respect of said loan and interest thereon, there are no overdue amounts.
  - e) 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, Wealth Tax , Sales Tax , Excise duty ,custom duty & cess 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, Wealth Tax , Sales Tax , Excise duty ,custom duty & cess were outstanding as at 31<sup>st</sup> March 2014 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) Accumulated losses incurred by the company at the end of the financial year do not exceed 50% of the net worth of the company. However the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) The company has not raised loans from Financial Institutions or Banks or by issue of debentures and hence provision of Clause 4 (xi) of the Order requiring comment on repayment of the dues is not applicable to the company.
- (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.





**Arun Jain & Associates**  
Chartered Accountants  
2B, Grant Lane,  
2<sup>nd</sup> Floor, Room No.74  
Kolkata-700 012

- (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.
- (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.
- (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 public issue during the year.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

**For Arun Jain & Associates**

Chartered Accountants  
Registration No. : 325867E

Sd/-  
Arun Jain  
Proprietor  
Membership No. : 053693  
Place : Kolkata  
Dated : The 30<sup>th</sup> Day of May, 2014

## Consolidated Balance Sheet as at 31<sup>st</sup> March 2014

		As at 31 <sup>st</sup> March 2014
	Note No.	Consolidated
<b>I - EQUITY &amp; LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a). Share Capital	2	1,23,31,65,000
(b). Reserves & Surplus	3	(48,74,26,539)
<b>2 Non-Current Liabilities</b>		
(b) Long Term Borrowings	4	37,53,450
<b>4 Current Liabilities</b>		
(a). Short Term Borrowings	5	40,78,510
(b). Trade Payables	6	12,29,40,144
(c). Other Current Liabilities	7	23,47,978
(d). Short - Term Provisions	8	24,58,426
		<b>88,13,16,970</b>
<b>II - ASSETS</b>		
<b>1 Non - Current Assets</b>		
(a). Fixed Assets	9	
(i) Tangible Assets		99,23,352
(ii) Intangible Assets		-
(b). Non - Current Investments	10	17,19,78,940
<b>2 Current Assets</b>		
(a). Inventories	11	28,33,44,292
(b). Trade Receivables	12	3,90,83,854
(c). Cash & Cash Equivalents	13	87,19,476
(d). Short Term Loans and advances	14	36,01,24,062
(e). Other Current Assets	15	81,42,994
		<b>88,13,16,970</b>

Summary of significant accounting policies & Notes on financial Statements 1

All the four subsidiaries are incorporated in the F.Y.2013-14. Hence, Comparative figure pertaining to the previous year is not applicable.

As per our separate report of even date attached hereto

### For Arun Jain & Associates

Chartered Accountants

Registration No. 325867E

Sd/-

Arun Jain

Proprietor

Membership No.053693

Place :- Kolkata

Dated : The 30<sup>th</sup> Day of May, 2014

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

Sd/-

Prakash Kumar Jajodia

Whole-Time Director

DIN-00633920

Sd/-

Bijay Kumar Agarwal

Director

DIN-00634259

### Consolidated Statement of Profit & Loss Account for the Year ended 31<sup>st</sup> March 2014

		As at 31 <sup>st</sup> March 2014
	Note No.	Consolidated
I. Revenue from Operations	16	25,15,17,162
<b>II. Total Revenue (I)</b>		<b>25,15,17,162</b>
III. Expenses:		
Purchases of Stock-in-trade	17	23,90,97,498
Change in inventories of finished goods, work-in-progress and stock -in -trade	18	5,35,215
Employee Benefits Expenses	19	41,01,684
Finance Cost	20	15,07,928
Depreciation and amortization Expenses	21	18,05,901
Other Expenses	22	37,44,528
<b>Total Expenses</b>		<b>25,07,92,754</b>
IV. Profit/(Loss) before exceptional and extra ordinary items and Tax (II- III)		7,24,408
V. Exceptional Items		0
VI. Profit/(Loss) before extraordinary items and Tax (IV - V)		7,24,408
VII. Extraordinary Items		0
VIII. Profit/(Loss) before Tax (VI - VII)		7,24,408
IX. Tax Expenses		
1 Current Tax		2,51,440
2 Deferred Tax		0
X. Profit/(loss) for the period from Continuing Operations (VIII - IX)		4,72,967
XI. Profit/(loss) from Discontinuing operations		0
XII. Tax expenses of Discontinuing operations		0
XIII. Profit/(loss) from Discontinuing operations (after tax) (XI - XII)		0
XIV. Profit/(Loss) for the Period (X + XIII)		4,72,967
XV. Earnings Per Equity Share	23	
1 Basic		0.00
2 Diluted		0.00

Summary of significant accounting policies & Notes on financial Statements

1

All the four subsidiaries are incorporated in the F.Y.2013-14. Hence, Comparative figure pertaining to the previous year is not applicable.

As per our separate report of even date attached hereto

#### For Arun Jain & Associates

Chartered Accountants

Registration No. 325867E

For Quest Financial Services Ltd.

For Quest Financial Services Ltd.

Sd/-

Arun Jain

Proprietor

Membership No.053693

Place :- Kolkata

Dated : The 30<sup>th</sup> Day of May, 2014

Sd/-

Prakash Kumar Jajodia

Whole-Time Director

DIN-00633920

Sd/-

Bijay Kumar Agarwal

Director

DIN-00634259

**1 Notes forming Part of Consolidated Financial Statement for the Year 2013-2014 (31<sup>st</sup> March 2014)**

**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.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, 'Consolidated Financial Statements'. The financial statements of the Company and its Wholly-Owned Subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions. The consolidated financial statements are prepared by applying uniform accounting policies in use by the company.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**b Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

**c Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

**d 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.

**e 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) Dividend income is recognized when the company's right to receive dividend is established by the reporting date ;

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.

**f 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.

**g 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.

**h 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.

**i 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.

**j 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.

**k Retirement & other employees benefits**

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

**l Income tax**

Tax expense comprises of current tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**m Advances, Debtors & Creditors**

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

**n 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.

**o Investments**

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

**p Inventories**

Goods are valued at cost.

**q Cash and cash equivalents**

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.

**r Foreign Currency transaction**

No Foreign Currency Transactions has been made by the Company in the Financial Year 2013-14.

**s Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require and outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

**t Cash Flow Statement**

Cash flows are reported using the indirect method and cash flows from operating, investing and financing activities of the Company are segregated.

**u MSMED Act, 2006**

The Government of India has promulgated an act namely The Micro, Small and Medium Enterprises Development Act, 2006, which comes into force with effect from October 2, 2006. As per the act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on over dues beyond the specified period irrespective of the terms agreed with the suppliers. The Company does not have any dues to any entity covered under the said Act.

**v Prudential Norms**

The Company has followed the prudential norms issued by Reserve Bank of India, as applicable, and revenue / assets have been represented (considering adjustments / write-off / net-off, as applicable) keeping in line therewith and management prudence.

**w NBFC Requirement regarding transfer of profit to reserve**

20% of profit after tax (rounded off to next hundred) for the current year have been transferred to Statutory Reserve Fund appropriating the Statement of Profit & Loss as per requirement of the R.B.I. Act.

**x Contingent Provision against Standard Assets**

Contingent Provision @0.25% against Standard Loans is made as per R.B.I. requirement for NBFC appropriating surplus of the Statement of Profit & Loss.

**y RELATED PARTIES DISCLOSURE AS PER ACCOUNTING STANDARD 18**

**A. LIST OF RELATED PARTIES**

Party	Relationship
Prakash Kumar Jajodia	Whole Time Director
Kishan Kumar Jajodia	Director
Amit Jajodia	Director
Dinesh Kumar Pandey	Director
Bijay Kumar Agarwal	Director
Rabindra kumar Hisaria	Director
QFS Paper Limited	Wholly owned Subsidiary Company
QFS Gem & Jewelleries Limited	Wholly owned Subsidiary Company
QFS Properties Limited	Wholly owned Subsidiary Company
QFS Textiles Limited	Wholly owned Subsidiary Company

**B. RELATED PARTY TRANSACTION**

Director's Remuneration	<b>31.03.2014</b>
Prakash Kumar Jajodia	1,50,000

**z Earning 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.

	<b>31.03.2014</b>
i Net Profit/(Loss) After Tax	5,62,282
ii Weighted Number of Equity Shares of Rs. 10.00 each	12,33,16,500
iii Equity Shares for Diluted Earning Per Share (Rs.)	12,33,16,500
iv Basic Earnings Per Share (Rs.)	0.00
v Diluted Earning Per Share (Rs.)	0.00

**z.i. 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 investments in 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.

- 2 Previous year's figures have been regrouped/rearranged whenever considered necessary to confirm to current year's grouping and classification.



## Notes forming Part of Consolidated Financial Statement for the Year 2013-2014 (31<sup>st</sup> March 2014)

	Figures as at the end of	
	31 <sup>st</sup> March 2014	
<b>Note-2</b>		
<b><u>Share Capital</u></b>		
Equity		
<u>Authorized</u>		
12,33,40,000 Equity Shares of Rs.10.00 each		1,23,34,00,000
Issued, Subscribed and Paid up		
12,33,16,500 Equity Shares of Rs,10.00 each fully paid up		1,23,31,65,000

- 2.1. 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.
- 2.2 **Reconciliation of the number of shares outstanding**
- |                                   |              |
|-----------------------------------|--------------|
| Number of shares at the beginning | 12,33,16,500 |
| Add : Issue during the year       | -            |
| Number of shares at the end       | 12,33,16,500 |
- 2.3 **Shareholders holding more than 5% Share**  
NIL

	Figures as at the end of	
	31 <sup>st</sup> March 2014	
<b>Note - 3</b>		
<b><u>Reserve &amp; Surplus</u></b>		
<b><u>Amalgamation Reserve</u></b>		
Opening Balance (Credit/(Debit))		(49,08,46,586)
Add/Less : Reserve generated during the year		-
Closing Balance( Credit/ Debit)		<b>(49,08,46,586)</b>
<b><u>Profit &amp; Loss Account</u></b>		
Opening Balance (Credit/Debit)		21,61,435
Less : Transferred to Amalgamation Reserve		-
Add/Less: Surplus/Deficit in Profit & Loss for the Year		472,967
Less : Adjustment with Provision for Income Tax		-
Less : Transferred to Special Reserve		(1,12,456)
		<b>25,21,946</b>
<b><u>Special Reserve Account</u></b>		
Opening Balance (Credit/(Debit))		7,85,645
Add/Less: Reserve generated during the year		1,12,456
		<b>8,98,101</b>
		<b>(48,74,26,539)</b>

	Non-Current Maturities	Non-Current Maturities
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2014
<b>Note-4</b>		
<b>Long Term Borrowings</b>		
Term Loan-Secured Loans	37,53,450	22,00,918
Unsecured Loans	-	-
	37,53,450	22,00,918

**Current Maturities amount disclosed under the head "Other Current Liabilities" (Note 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. Anita Jajodia, wife of Mr. Prakash Kumar Jajodia & Mr. Kishan Kumar Jajodia respectively, Directors of the Company were mortgaged on behalf of the Company with the State Bank of India.

Loan from HDFC Bank Ltd. of Rs.3,37,000/- is secured against Estilo LXI and is repayable in monthly installments till 05/02/2016.

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-5</b>	
<b>Short Term Borrowings</b>	
<b>Secured Loans</b>	
Bank Overdraft	40,78,510
	40,78,510

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. Anita Jajodia, wife of Mr. Prakash Kumar Jajodia & Mr. Kishan Kumar Jajodia respectively, Directors of the Company were mortgaged on behalf of the Company with the State Bank of India.

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-6</b>	
<b>Trade Payable</b>	
Sundry Creditors	12,29,40,144
	12,29,40,144
<b>Note-7</b>	<b>Figures as at the end of</b>
<b>Other Current Liabilities</b>	<b>31<sup>st</sup> March 2014</b>
Liability for expenses	1,26,160
TDS Payable	20,900
Current Maturities on Long Term Debts	22,00,918
	23,47,978
<b>Note-8</b>	<b>Figures as at the end of</b>
<b>Short Term Provisions</b>	<b>31<sup>st</sup> March 2014</b>
Provision for Taxation	15,58,116
Contingent of Standard Assets	9,00,310
	24,58,426

**NOTE-9**  
**FIXED ASSETS**  
**Tangible Assets**

Fixed Assets	Dep Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Book value as on 31.03.2013	180 Days or more	Addition Less than 180 Days	Deduction	Book value as on 31.03.2014	Opening balance	Depreciation 180 Days or more	Depreciation Less than 180 Days
<b>Plant &amp; Machinery</b>									
Computer	0.4000	1,62,938	-	-	-	1,62,938	1,05,574	65,175	-
Computer Software	0.4000	-	-	34,500	-	34,500	-	-	6,900
Embroidary Machine	0.1391	84,51,112	-	-	-	84,51,112	13,65,489	11,75,550	-
Electric Equipments	0.1391	5,24,381	-	-	-	5,24,381	84,727	72,941	-
Electric Installation	0.1391	1,03,092	-	-	-	1,03,092	16,657	14,340	-
Air conditioner	0.1391	4,12,527	-	-	-	4,12,527	66,654	57,383	-
Stabilizer	0.1391	1,13,714	-	-	-	1,13,714	18,373	15,818	-
Fire Extinguisher	0.1391	15,066	-	-	-	15,066	2,434	2,096	-
<b>Building</b>									
Factory Flooring	0.1000	1,45,777	-	-	-	1,45,777	16,198	14,578	-
Factory Shed	0.1000	4,91,732	-	-	-	4,91,732	54,637	49,173	-
<b>Furniture &amp; Fixture</b>									
	0.1910	8,13,785	-	-	-	8,13,785	1,67,993	1,47,295	-
<b>Motor Vehicle</b>									
	0.2589	3,72,389	-	-	-	3,72,389	55,374	96,412	-
		<b>1,16,06,513</b>	<b>-</b>	<b>34,500</b>	<b>-</b>	<b>1,16,41,013</b>	<b>19,54,110</b>	<b>17,10,761</b>	<b>6,900</b>
								<b>99,23,352</b>	<b>1,16,06,513</b>

Intangible Assets

NIL

	No. of Shares	Figures as at the end of
		31 <sup>st</sup> March 2014
<b>Note-10</b> <b><u>Non Current Investments (Unquoted Equity Shares)*</u></b>		
Ayafiz Fashion Pvt. Ltd.	20,000	20,00,000
Blue Chip Projects Pvt. Ltd.	99,000	19,80,000
Cyrus Infocomm Pvt. Ltd.	15,000	30,00,000
Domsons Metal Pvt. Ltd.	50,000	7,50,00,000
Faithful Cloth Merchants Pvt. Ltd.	4,14,000	41,40,000
Fizaan Commotrade Pvt. Ltd.	17,500	14,00,000
Glorious Vincom Pvt. Ltd.	79,250	7,92,500
Gopal Resorts Ltd.	3,00,000	30,00,000
High Growth Vincom Pvt. Ltd.	13,000	1,30,000
Jagriti Commodities Pvt. Ltd.	2,06,000	20,60,000
K.S. Consultancy Services Pvt. Ltd. (Face Value-Rs.100/-)	15,750	15,75,000
Linkup Financial Consultants Pvt. Ltd.	3,219	11,26,500
Meritech Tradelink Pvt. Ltd.	63,684	1,20,99,960
Mohit Projects Pvt. Ltd.	10,000	20,00,000
Maltifold Plastic Marketing Pvt. Ltd.	9,000	90,000
Nuthira Hotels Pvt. Ltd.	63,000	47,25,000
Pearl Vyapaar Pvt. Ltd.	4,00,000	40,00,000
Pears Mercantile Pvt. Ltd.	45,950	45,95,000
Polpit Financial Consultants Pvt. Ltd.	50,000	50,00,000
Premier Power Products Pvt. Ltd. (Face Value Rs.100/-)	20,000	50,00,000
Ritman Commercial Pvt. Ltd.	10,000	20,00,000
Ritman Concrete Pvt. Ltd.	22,222	19,99,980
Shreyans Embroidery Machine Pvt. Ltd.	3,74,500	37,45,000
Sidhi Mangal Nirman Pvt. Ltd.	1,00,000	10,00,000
Suanvi Trading & Investment Co. Pvt. Ltd.	21,000	1,05,00,000
Supreme India Impex Ltd.	80,000	1,00,00,000
Victoria Cloth Merchants Pvt. Ltd.	5,000	8,75,000
Wonderland Paper Suppliers Pvt. Ltd.	4,14,500	41,45,000
Zonal Commercial Pvt. Ltd.	8,000	40,00,000
<b>Grand Total</b>		<b>17,19,78,940</b>

\*Face Value is ` 10/- each or otherwise specified

<b>Note-11</b> <b><u>Inventories</u></b>  Traded Goods	Figures as at the end of
	31 <sup>st</sup> March 2014
	28,33,44,292
	28,33,44,292

<b>Note-12</b> <b><u>Trade Receivables</u></b> Unsecured considered good Outstanding exceeding six months Others	Figures as at the end of
	31 <sup>st</sup> March 2014
	3,90,83,854
	3,90,83,854

<b>Note-13</b> <b><u>Cash &amp; Cash Equivalents</u></b> With Schedule Banks in Current Account Cash in hand (As Certified by the Management)	Figures as at the end of
	31 <sup>st</sup> March 2014
	49,79,197
	37,40,279
	87,19,476

<b>Note-14</b> <b><u>Short Term Loans and Advances</u></b> Advances Recoverable in cash or in kind	Figures as at the end of
	31 <sup>st</sup> March 2014
	36,01,24,062
	36,01,24,062

<b>Note-15</b> <b><u>Other Current Assets</u></b> Tax Deducted at Source Security Deposit For Land Advance against Properties Share Application Money-Refund Share Application money given	Figures as at the end of
	31 <sup>st</sup> March 2014
	37,92,954
	6,00,000
	32,50,000
	40
	5,00,000
	81,42,994

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-16</b>	
<b><u>Revenue from Operations</u></b>	
Sales	20,74,63,129
Currency Derivative	2,11,73,319
Dividend	15,000
Interest on Loan	2,28,65,714
Subsidy	-
	25,15,17,162

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-17</b>	
<b><u>Purchases of Stock-in -trade</u></b>	
Purchases	23,90,97,498
	23,90,97,498

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-18</b>	
<b><u>Change in Inventories of finished goods, work-in progress and stock-in-trade</u></b>	
Closing Stock	28,33,44,292
Less: Opening Stock	(28,38,79,507)
Increase/ ( Decrease) of Stock	(5,35,215)

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-19</b>	
<b><u>Employee Benefits Expense</u></b>	
Wages	34,75,583
Salary & Bonus	4,96,211
Directors Remuneration	90,000
Staff Welfare Exp	39,890
	41,01,684

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-20</b>	
<b><u>Finance Cost</u></b>	
Interest	33,233
Financial Expenses	14,74,695
	15,07,928

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-21</b>	
<b><u>Depreciation &amp; Amortisation</u></b>	
Depreciation	17,17,661
Amortisation	88,240
	18,05,901

	Figures as at the end of
	31 <sup>st</sup> March 2014
<b>Note-22</b>	
<b><u>Other Expenses</u></b>	
Rates & Taxes	14,300
Business promotion	-
Bank Charges	80,587
Car Maintenance Expenses	60,965
Electric Charges	9,42,350
Repairs & Maintenance-Machinery	60,000
Repairs & Maintenance-Hardware & Software	10,899
Printing & Stationery	20,918
Advertisement & business Promotion	3,117
Listing Fees	1,23,596
Telephone Charges	42,240
Filing Fees	4,000
Accounting Expenses	1,20,000
Professional Charges	-
Office Maintenance Expenses	62,765
Insurance	55,512
General Expenses	73,484
Travelling & Conveyance	1,67,739
Postage & telegram	39,854
Rent	12,54,000
CDSL Charges	56,180
NSDL Charges	55,618
Demat Charges	3,439
Stamp Charges, STT, Transaction Charges, Service Tax etc.	1,41,261
Contingent Provision against Standard Assets	3,23,614
<b><u>Auditors Remuneration</u></b>	
For Statutory Audit	16,854
For Tax Audit	4,494
For Other Services	6,742
	37,44,528

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**  
**(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)**

	Figures as at 31 <sup>st</sup> March, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before tax and extraordinary item	<b>7,24,408</b>
<u>Adjustment for</u> Depreciation	18,05,901
Operating Profit before working capital change	25,30,309
<u>Change in working capital</u> <u>Adjustment for (increase)/decrease in operating assets</u>	
Inventories	5,35,215
Trade Receivables	2,21,70,232
Short Term Loans & Advances	-13,87,82,123
Other Current Assets	26,62,360
	-11,34,14,316
Adjustment for increase/(decrease) in operating liabilities	
Trade Payable	-15,50,27,658
Other Current Liabilities	84,589
Short Term Borrowings	-3,746
Short Term Provisions	-12,30,847
	-15,61,77,662
Cash Generated from Operations	
Income Tax	-2,51,440
<b>Net Cash from Operating Activities</b>	<b>-26,73,13,109</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
(Purchase)/Sale of Fixed Assets	16,83,161
(Purchase)/Sale of Investments	26,95,66,740
<b>Net Cash Flow from Investing Activities</b>	<b>27,12,49,901</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Repayment of long term borrowings	-19,98,360
<b>Net Cash Flow from Financing Activities</b>	<b>-19,98,360</b>
Net Increase/(decrease) in cash and cash equivalents	19,38,432
<b>Opening Cash &amp; Bank Balance</b>	67,81,044
<b>Closing Cash &amp; Bank Balance</b>	87,19,476