

36th Annual Report

&

Accounts

2015 - 2016





CIN: L65993WB1980PLC033060

Board of Directors :

Mr. Prakash Kumar Jajodia	Managing Director
Mr. Kishan Kumar Jajodia	Non-Executive-Non-Independent
Mr. Amit Jajodia	Non-Executive-Non-Independent
Mr. Rabindra Kumar Hisaria	Non-Executive-Non-Independent
Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mrs. Jyoti Lohia	Non-Executive-Independent

Audit Committee :

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mrs. Jyoti Lohia	Non-Executive-Independent
Mr. Rabindra Kumar Hisaria	Non-Executive-Non-Independent

Nomination And Remuneration Committee :

Mrs. Jyoti Lohia	Non-Executive-Independent-Chairperson
Mr. Amit Jajodia	Non-Executive-Non-Independent
Mr. Bijay Kumar Agarwala	Non-Executive-Independent

Stakeholder's Relationship Committee :

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mrs. Jyoti Lohia	Non-Executive-Independent
Mr. Prakash Kumar Jajodia	Managing Director
Mr. Amit Jajodia	Non-Executive-Non Independent

Chief Financial Officer :

Mr. Rabindra Kumar Hisaria

Company Secretary:

Mr. Anand Chandak

Registered Office :

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

Registrar and Transfer Agent :

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

Bankers :

Bank of Baroda
State Bank of India

Auditors :

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

DIRECTORS' REPORT

Dear Members,

The Directors of the Company have pleasure in presenting the 36th Annual Report of the Company together with Audited Accounts for the year ended March 31, 2016.

1. Financial Summary or Highlights

The highlights of the financial performance of the Company for the financial year ended March 31, 2016 as compared to the previous financial year are as under:-

(Rs. in Lacs)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	332.59	1606.18	332.59	1606.18
(Less): Total Expenditure	(360.12)	(1976.20)	(364.27)	(1976.46)
Profit before Exceptional & Extraordinary Items	(27.53)	(370.02)	(31.69)	(370.29)
Add/(Less): Exceptional Items	-	-	-	-
Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets)	-	-	-	-
Profit Before Tax	(27.53)	(370.02)	(31.69)	(370.28)
(Less): Provision for Current Tax	-	-	-	-
(Less): Contingent provision for Standard Assets	-	-	-	-
Net Profit after Tax	(27.53)	(370.02)	(31.69)	(370.28)
(Less): Transfer to Statutory Reserve	-	-	-	-
Add/(Less): Brought forward from previous year	(343.91)	26.11	(345.06)	25.22
Balance carried to Balance Sheet	(371.44)	(343.91)	(376.75)	(345.06)

2. Performance

(a) Annual Consolidated Results

Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with the Rule 6 of the Companies (Accounts) Rules, 2014, mandates every Company having subsidiary (including associate Company and joint venture) to prepare Consolidated Financial Statements. Accordingly, the audited consolidated financial statement is provided in the Annual Report and is also displayed on the Company's Website www.questfinancial.in.

The total income of the Company during the Financial Year 2015-16 on a consolidated basis was Rs. 332.59 lacs as compared to Rs. 1606.18 lacs for the previous financial year. The total expenses for the year reduced to Rs. 364.27 lacs as compared to Rs. 1976.46 lacs in previous year. In view of the same, Rs. 31.69 lacs loss before tax was recorded by the Company in the reporting year.

(b) Performance and financial position of the subsidiaries and associates Companies.

Pursuant to Rule 5 (1) of the Companies (Accounts) Rules 2014, the performance and financial position of



the subsidiaries companies for the financial year ended March 31, 2016, has been described by portraying the salient features of the financial statements of the subsidiaries in Form AOC-1, which is appended to the Directors' Report in **Annexure-I**.

Further, in terms of Section 136 of the Act read with the Rules framed thereunder, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries, are displayed on the website of the Company www.questfinancial.in and shall be available for inspection during business hours on working days at the Company's Registered Office at Kolkata. Any Member interested in obtaining such information may write to the Mr. Anand Chandak, Company Secretary of the Company, at the Registered Office and the same will be furnished on request. Alternatively, the request may also be e-mailed at the Id: investorsquestfinancial@yahoo.co.in.

The Company had 14 subsidiaries and no associate Companies at the beginning of the Financial Year under review and there was no change in the same during the year.

(i) The names of subsidiaries as on March 31, 2016, is as follows:

- a) QFS Gem & Jewelleries Limited
- b) QFS Papers Limited
- c) QFS Properties Limited
- d) QFS Textiles Limited
- e) Campbell Builders Limited
- f) Campbell Constructions Limited
- g) Campbell Consultants Limited
- h) Campbell Developers Limited
- i) Campbell Homes Limited
- j) Campbell Housing Limited
- k) Campbell Marketing Limited
- l) Campbell Projects Limited
- m) Campbell Real Estates Limited
- n) Campbell Residency Limited

(ii) In terms of Rule 8(5)(iv) of the Companies (Accounts) Rules 2014, the disclosure on subsidiaries companies is made hereunder :

➤ **The names of companies which have become its subsidiaries.**

There was no such instance during the Financial Year under review.

➤ **The names of companies which have ceased to be its subsidiaries.**

There was no such instance during the Financial Year under review.

(c) Standalone Results

The total income of the Company during the Financial Year 2015-16 on a standalone basis was Rs. 332.59 lacs as compared to Rs. 1606.18 lacs for the previous financial year. The total expenses for the year reduced to Rs. 360.12 lacs as compared to Rs. 1976.20 lacs in previous year. In view of the same, Rs. 27.53 lacs loss before tax was recorded by the Company in the reporting year.

3. Dividend

Your Directors have after detailed deliberations on the performance of the Company, concluded that, considering the future prospects and for strengthening the financial position of the Company, it is prudent not

to recommend any Dividend in respect of the Financial Year 2015-16.

4. The amount proposed to be carried to reserves

During the year, considering the operating performance of the Company, it has not transferred any amount in any reserves.

5. Change in Share Capital

During the year under review, there has been no change in the Authorised or Paid-up Share Capital.

The Authorised Share Capital of the Company stands at Rs. 1,23,34,00,000/- divided into 12,33,40,000 Equity Shares of Rs. 10 each. The Paid-up Share Capital of the Company is Rs. 1,23,31,65,000/- divided into 12,33,16,500 Equity Shares of Rs. 10/- each.

6. Listing

The equity shares continue to be listed on the Calcutta Stock Exchange Limited.

7. 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 a Practising Chartered Accountant regarding compliance of condition of Corporate Governance is annexed to the said Report.

8. Extract of the Annual Return

The Extract of the Annual Return as on the financial year ended on March 31, 2016, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to the Directors' Report in **Annexure-II**.

9. Number of Meetings of the Board

The Board of Directors of the Company met eight (8) times during the Financial Year under review, i.e. on: 30/04/2015, 13/05/2015, 29/05/2015, 13/08/2015, 26/10/2015, 13/11/2015, 08/02/2016 and 29/03/2016.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and sub-regulation 3 of Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") was held on 29/03/2016.

The Meetings were held in accordance with the provisions of the Act and the Listing Regulations, 2015.

The details of the Meetings of the Board of Directors during the Financial Year 2015-16 is encompassed in the Corporate Governance Report which is annexed to the said Report.

10. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee.

The Audit Committee of the Company comprises of two non-executive independent directors and one non-executive non independent director as on March 31, 2016. The Committee is chaired by a non-executive Independent Director, Mr. Bijay Kumar Agarwal (DIN- 00634259).

The details of the same are morefully provided in the Corporate Governance Report.

During the Financial Year under review, the Committee met five (5) times and all such meetings were held in accordance with the provisions of the Act, Clause 49 of the erstwhile Listing Agreement and the Listing Regulations.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2015-16.

11. Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of two non-executive independent directors and one non-executive non independent director as on March 31, 2016.

The details of the Committee are provided in the Corporate Governance Report.

12. Composition of the Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of two non-executive independent directors, one executive non independent Managing Director and one non-executive non independent Director.

The details of the Committee is provided in the Corporate Governance Report.

13. Directors' Responsibility Statement

Pursuant to the provisions of Section 134 (3) (c) read with section 134 (5) of the Act, the Directors hereby confirm and state that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- b. The Directors have selected such accounting policies and have 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 as on the Financial Year ended on March 31, 2016 and of the loss of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Declaration by the Independent Directors

Section 149(7) of the Act requires every independent director to give a declaration that he/she meets the criteria of Independence, at the first Board Meeting of every financial year.

Accordingly, the Company has taken on record, the Statement of Declaration of Independence, as submitted by all the Independent Directors.

15. Policy on Directors' Appointment & Remuneration

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and Clause 49 of the erstwhile Listing Agreement, the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and has further formulated

a policy relating to the remuneration for directors, key managerial personnel and other employees, which has been duly approved by the Board of Directors.

While formulating the Policy, the Nomination and Remuneration Committee has assured that:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The details of the same have been provided in the Corporate Governance Report for the Financial Year 2015-16.

The Nomination and Remuneration Policy is reproduced in **Annexure-III**.

16. Auditors & Auditors' report

A. Statutory Auditors

The appointment of M/s Arun Jain & Associates (Firm Registration No. 325867E), Chartered Accountants of Chartered Accountants of 2B, Grant Lane, 2nd Floor, Room No-74, Kolkata – 700012, is subject to ratification by the members at the ensuing Annual General Meeting.

In this connection, M/s Arun Jain & Associates have furnished a Certificate of Eligibility pursuant to Section 141 of the Act read with the Rules framed thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors recommends their ratification to the shareholders.

B. Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

C. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder, Mr. Abbas Vithorawala (C.P. No. 8827, Membership No. 23671), Company Secretary in whole-time Practice, was appointed for the issuance of the Secretarial Audit Report for the Financial Year ended March 31, 2016.

D. Secretarial Audit Report

The Secretarial Audit Report is appended to the Directors' Report in Annexure-IV. The Report of the Secretarial Audit Report does not contain any adverse remark except the following:-

1. ***There was a delay in filing of DIR-12 regarding appointment of Chief Financial officer and MR-1 regarding appointment of Company Secretary.***

17. Particulars of Loans, guarantees or investments under section 186.

The provisions of section 186 of the Act are not applicable upon a Non-Banking Financial Company. Therefore, the Company is not required to provide any disclosure pursuant to Section 134(3)(g) of the Act.

18. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form.

All related party transactions, contracts or arrangements that were entered into, during the financial year



under review, were on an arms-length basis and in the ordinary course of business. The Company has adhered to its “Policy on Related Party Transactions and Materiality of Related Party Transactions” while pursuing all Related Party transactions.

During the year under review, the Company has not entered into material related party transaction as defined in Clause 49 of the erstwhile Listing Agreement, and/or section 188 of the Companies Act, 2013 and/or Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A Statement containing the details of material contracts or arrangements or transactions with Related Parties on an arm's length basis with respect to transactions as required under Section 188(1) of the Act, in the prescribed Form No. AOC-2, is attached with Director's Report as **Annexure-V**.

Further, details of Related Party Transactions as required to be disclosed by Accounting Standard – 18 on “Related Party Disclosures” specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, are given in the Notes to the Financial Statements.

19. State of Company Affairs & Future Outlook

The Company, a Non-Banking Financial (Non-Deposit Accepting or Holding) Company, does not have any public deposits as on March 31, 2016.

The total income of the Company during the Financial Year 2015-16 on a standalone basis was Rs. 332.59 lacs as compared to Rs. 1606.18 lacs for the previous financial year. The total expenses for the year reduced to Rs. 360.12 lacs as compared to Rs. 1976.20 lacs in previous year. In view of the same, Rs. 27.53 lacs loss before tax was recorded by the Company in the reporting year.

The total income of the Company during the Financial Year 2015-16 on a consolidated basis was Rs. 332.59 lacs as compared to Rs. 1606.18 lacs for the previous financial year. The total expenses for the year reduced to Rs. 364.27 lacs as compared to Rs. 1976.46 lacs in previous year. In view of the same, Rs. 31.69 lacs loss before tax was recorded by the Company in the reporting year.

The core financial activities of the Company comprises of providing of business loan to corporate and individuals and investment in other bodies corporate. However, the Company is also into the business of automatic computerized embroidery on various apparels, clothing, caps, leather garments, and other leather items. Further, the Company has witnessed a tough time in its embroidery business but is trying to get a stable position in the same.

Further, the Company is trying to recover from the losses of the Company by stabilizing its position as an NBFC and also in its Embroidery business. The Company is focused on financing conservatively to the customers after closely assessing their profile during the year under review. Further, the Company incurred comparatively less loss during the year as compared to the previous corresponding year. Company is now focusing on financing conservatively to the customers after closely assessing their profile.

20. Material Changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

No Material Changes and commitments affecting the financial position of the Company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Directors' Report.

21. Disclosure in terms of Rule 8(3) of the Companies(Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo.

In terms of Section 134 (3) (m) of the Act read with the Rules made there under, the Company has no activity



relating to Conservation of Energy, Technology Absorption.

Further, during the year there was no Foreign Exchange Earnings And Outgo.

Therefore, the Company is not required to make any disclosure as specified in Section 134 (3) (m) of the Act read with Rule 8(3) of the Companies(Accounts) Rules, 2014.

22. Risk Management Policy

In terms of Clause 49 of the erstwhile Listing Agreement, and in compliance with Section 134(3)(n) of the Act, the Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

Pursuant to Schedule IV(II)(4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

Further, in terms of Regulation 17(9)(b) of Listing Regulations, and Clause 49(I)(D)(2)(a) of the erstwhile Listing Agreement, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and has have delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. This is described morefully in the Corporate Governance Report.

23. Policy on Corporate Social Responsibility (CSR) Initiatives

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3) (o) of the Act.

24. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors.

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and various applicable clauses of the Listing Regulations, and the erstwhile Listing Agreement, the disclosure regarding the manner of formal annual evaluation by the Board of its own performance and that of its various committees and individual directors is provided hereto:

a. Evaluation Criteria

Pursuant to Part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of the Independent Directors and the Board. The Nomination and Remuneration Committee also identifies persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommends to the Board their appointment and removal and carries out the evaluation of every director's performance in accordance with Section 178(2) of the Act read with the Rules framed there under and Part D of Schedule II of the Listing Regulations.

The Board shall monitor & review the Board Evaluation Framework and evaluate the performance of all the Board Committees.

Further, pursuant to Clause 49(IV)(B)(1) of the erstwhile Listing Agreement, the Nomination and Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The details of the same are morefully described

in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity as provided in Clause 49(IV)(B)(3) of the erstwhile Listing Agreement.

b. Performance Evaluation of the individual directors

Pursuant to section 178(2) of the Act, the Nomination and Remuneration Committee of the Company carries out the performance evaluation of the individual directors.

c. Board of Directors

A separate meeting of the Independent Directors of the Company was held on 29/03/2016, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Listing Regulations, for transacting the following businesses as set forth in the Agenda:

1. Review the performance of the non-independent directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors.
3. Assessment of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The same was perused in accordance with the Evaluation criteria determined by the Nomination and Remuneration Committee.

The Independent Directors of the Company in fulfilling their role and functions as specified in Clause II of Schedule IV to the Act, help in bringing an objective view in the evaluation of the performance of the Board and management.

The Independent Directors expressed satisfaction over the performance of all the non-independent Directors and the Chairman.

d. Performance Evaluation of the Independent Directors

Pursuant to Clause VIII of Schedule IV to the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto the performance evaluation of the Independent Directors is perused by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, the extension of the term of appointment or its continuance in respect of the independent directors is being considered.

e. Performance Evaluation of the Committee

The Board of Directors evaluates the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

25. Nomination and Remuneration Policy

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have adopted a Nomination and Remuneration Policy in terms of Section 178 of the Act, read with Rules made thereunder and Clause 49(IV)(B) of the erstwhile Listing Agreement.

The Nomination and Remuneration Policy is reproduced in Annexure-III.

26. Change in the nature of business:



There has been no change in the nature of business of the Company in the Financial Year under review.

27. Directors & Key Managerial Personnel

a. Non-Executive & Executive Directors - Non-independent.

Mr. Rabindra Kumar Hisaria (DIN - 05170751) was appointed as a non-retiring Independent Director of the Company for a term of five consecutive years commencing from the conclusion of 34th Annual General Meeting of the Company. However, upon being appointed as the Chief Financial Officer of the Company with effect from May 29, 2015, he is now categorized as a Key Managerial Person and is therefore, no longer an independent Director. He retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as the Director of the Company.

Further, the Board of Directors in their meeting held on February 8, 2016, subject to approval from the members of the Company at its ensuing Annual General meeting, re-designated Mr. Prakash Kumar Jajodia (DIN-00633920), from Whole-Time Director to Managing Director of the Company without altering all other terms and conditions as approved by the shareholders vide their resolution dated September 29, 2014.

Mr. Prakash Kumar Jajodia (DIN-00633920), Mr. Amit Jajodia (DIN-02291113) and Mr. Kishan Kumar Jajodia (DIN- 00674858) are related to each other.

b. Independent Directors.

Mr. Bijay Kumar Agarwal (DIN - 00634259) was appointed as a non-retiring Independent Director of the Company for a term of five consecutive years commencing from the conclusion of 34th Annual General Meeting of the Company. Further, Mrs. Jyoti Lohia (DIN-07113757) was appointed as a non-retiring Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of the 35th AGM till the conclusion of 40th Annual General Meeting or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

c. Chief Financial Officer.

Mr. Rabindra Kumar Hisaria was appointed as the Chief Financial Officer of the Company with effect from May 29, 2015.

d. Company Secretary.

Mr. Anand Chandak was appointed as the Company Secretary of the Company with effect from November 1, 2015.

28. Details relating to deposits covered under Chapter V of the Act:

As on March 31, 2016, Company has no outstanding public deposits.

29. Details of deposits which are not in compliance with the requirements of Chapter V of the Act.

Since the Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on March 31, 2016, therefore there are no disclosures as specified in Rule 8(5)(vi) of the Companies (Accounts) Rules, 2014, for non-compliance with the requirements of Chapter V of the Act.

30. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations:

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

31. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.



The Audit Committee of the Company ensures that there is a direct relationship between the Company's objectives and the internal financial controls it implements to provide reasonable assurance about their achievement.

In this connection, the Audit Committee in coordination with the Internal Audit Department periodically reviews the following:

- a. Transactions are executed in accordance with the management's general or specific authorization;
- b. All transactions are promptly recorded in the correct amount in the appropriate accounts and in the accounting period in which they are executed so as to permit preparation of financial information within a framework of recognized accounting policies and practices and relevant statutory requirements, if any,
- c. Accountability of assets is adequately maintained and assets are safeguarded from unauthorized access , use or disposition

There is a proper allocation of functional responsibilities within the Company and it is ensured that the quality of personnel commensurate with their responsibilities and duties. Further, proper accounting and operating procedures are followed to confirm the accuracy and reliability of accounting data, efficiency in operation and safety of the assets. The regular review of work of one individual by another minimizes the possibility of fraud or error in the absence of collusion.

32. Disclosure pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

The Company has no employee whose remuneration exceeds the limit prescribed under Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The disclosure pursuant to Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided herein below:

In computing the various parameters, Gross Salary has been considered. Gross Salary of the employees primarily encompasses Salary, allowances and perquisites. As per the rules, the Company is required to arrive at the median remuneration of the employees of the Company on financial basis therefore, only those remunerations were included which were given throughout the year and the remuneration which were only for part of the year were excluded while comparing.

I. Ratio of Remuneration of each director to the median remuneration of the employees of the company for the financial year.

Directors	Ratio of Remuneration to Median Remuneration
Mr. Prakash Kumar Jajodia - Managing Director	2.10
Mr. Bijay Kumar Agarwal -Non-Executive Independent Director	- No remuneration or sitting fees was paid
Mr. Rabindra Kumar Hisaria -Non Executive Non-Independent Director	Since this information is for part of the year, the same is not comparable.
Mr. Kishan Kumar Jajodia - Non Executive Non-Independent Promoter Director	- No remuneration or sitting fees was paid
Mr. Amit Jajodia -Non-Executive Non-Independent Director	- No remuneration or sitting fees was paid
Mrs. Jyoti Lohia - Non-Executive Independent Director	- No remuneration or sitting fees was paid

II. The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Mr. Prakash Kumar Jajodia - Managing Director	- No increase in remuneration
Mr. Bijay Kumar Agarwa I-Non-Executive Independent Director	- No remuneration or sitting fees was paid
Mr. Rabindra Kumar Hisaria -Non Executive Non-Independent Director & CFO (CFO w.e.f. 29/05/2015)	Since this information is for part of the year, the same is not comparable.
Mr. Kishan Kumar Jajodia -Non Executive Non-Independent Promoter Director	- No remuneration or sitting fees was paid
Mr. Amit Jajodia -Non-Executive Non-Independent Director	- No remuneration or sitting fees was paid
Mrs. Jyoti Lohia -Non-Executive Independent Director	- No remuneration or sitting fees was paid
Anand Chandak -Company Secretary w.e.f. 01/11/2015	Since this information is for part of the year, the same is not comparable.

III. The percentage increase in the median remuneration of the employees in the financial year.

There has been an increase of 0.22% in the median remuneration of the employees in the Financial Year.

IV. The number of permanent employees on the rolls of the company.

As on March 31, 2016, there are 17 Employees on the rolls of the Company.

V. The explanation on the relationship between average increase in remuneration and company performance.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.

Comparative Parameter	Amount (in `)
Aggregate remuneration of Key Managerial Personnel (KMP) in the Financial Year 2015-16.	3,17,500
Total Revenue	3,32,58,708
Remuneration of KMP's as a percentage of Total Revenue	0.95%
Loss before tax	(27,53,241)
Remuneration of KMP's as a percentage of Profit before Tax	(11.53)%
Loss after tax	(27,53,241)
Remuneration of KMP's as a percentage of Profit after Tax	(11.53)%

VII. Variations in :

A. The market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year.

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation	10,62,98,82,300 (Equity Shares has not been traded in CSE Platform in the F.Y. 2015-16)	10,62,98,82,300 (Equity Shares has not been traded in CSE Platform in the F.Y. 2014-15)	-
Price Earnings Ratio	4310	287.33	1400

B. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer.

Particulars	March 31, 2016	(IPO)	% Change
Market Price	86.02	The Company has not made any Public Issue or Rights issue of securities in the last 15 years, so comparison have not been made of current share price with public offer price.	N.A.

VIII. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.

There were no exceptional circumstances or increase for managerial personnel in the last financial year. The percentile increase process and policy was same for the managerial personnel and all the other employees.

IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.

(in `)

Comparative Parameter	Prakash Kr. Jajodia Managing Director	Anand Chandak Company Secretary	Rabindra Kr. Hisaria Chief Financial Officer
Remuneration of the Key Managerial Personnel (KMP) in the Financial Year 2015-16.	1,80,000	62,500	75,000
Total Revenue			3,32,58,708
Remuneration of KMP's as a percentage of Total Revenue	0.54%	0.19%	0.23%
Profit before tax			(27,53,241)
Remuneration of KMP's as a percentage of Profit before Tax	(6.54%)	(2.27%)	(2.72%)
Profit after tax			(27,53,241)
Remuneration of KMP's as a percentage of Profit after Tax	(6.54%)	(2.27%)	(2.72%)

X. The key parameters for any variable component of remuneration availed by the directors.

Any variable component of remuneration payable to the Directors is based on the parameters, as approved by the Board of Directors, on the basis of the recommendation of the Nomination and Remuneration Committee. The said parameters are set considering the provisions of applicable regulations and Nomination & Remuneration Policy of the Company.

XI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

None of the employees' remuneration is more than that of the highest paid director for the Financial Year under review.

XII. Affirmation that the remuneration is as per the remuneration policy of the company.

The Board of Directors hereby affirms that the remuneration paid to all directors, Key Managerial Personnel is in accordance with the Nomination and Remuneration Policy of the Company.

33. Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism/Whistle Blower Policy of the Company is aimed to provide a vigilance mechanism for the directors and employees of the Company to raise concern of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage the Company's directors and employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

No personnel have been denied access to the Audit Committee. There were no instances of reporting under the Whistle Blower Policy.

The details of the Vigil Mechanism/Whistle Blower Policy is explained in the Corporate Governance Report and also disclosed on the website of the Company.

34. Insider Trading

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

The aforesaid Code was effective till May 14, 2015 & thereafter repealed with the following Codes pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and effective from 15th May, 2015:

- a. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- b. Code of Conduct to Regulate, Monitor and Report Trading.

The aforesaid Codes have been disclosed on the website of the Company.

35. Transfer of amount to Investor Education and Protection Fund (IEPF)

There is no amount pending for transfer to the Investor Education and Protection Fund, in accordance to the provisions of Section 205A(5) and 205C of the erstwhile Companies Act, 1956.

36. Prudential Norms for NBFC'S

The Company has been complying with all the requisite norms prescribed by the Reserve Bank of India for income recognition, accounting standards, capital adequacy, provisioning and all other requirements applicable for Non-Deposit Taking Non-Systematically Important NBFCs.

37. Green Initiative

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with M/s. Niche Technologies Private Ltd., if shares are held in physical mode or with their DP, if the holding is in electronic mode.

Electronic Copies of the Annual Report and Notice of the Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report and Notice of the Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send their request to Mr. Anand Chandak, Company Secretary of the Company.

The Company is providing remote e-voting facility to all the members to enable them to cast their votes electronically on all the resolutions set forth in the Notice pursuant to Section 108 of the Act read with Rule 20 of the Company's (Management and Administration) Rules 2014 and the applicable provision(s) of the Listing Regulations.

38. Compliance to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013.

The Company is committed to the protection of women against sexual harassment. The right to work with dignity are universally recognised human rights by international conventions and instruments such as Convention on the Elimination of all Forms of Discrimination against Women.

In adherence to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013, the Company has constituted an Internal Complaints Committee



to look into the matters relating to sexual harassment at workplace.

Mrs. Jyoti Lohia (DIN- 07113757), non-executive independent Director, is the Presiding Officer of the Committee.

In the event of any sexual harassment at workplace, any woman employee of the Company may lodge complaint to Ms. Jyoti Lohia (DIN- 07113757) in writing or electronically through e-mail at : investorsquestfinancial@yahoo.co.in

During the period under review, no complaints were received by the Company in terms of the aforesaid act.

39. Management's Discussion and Analysis

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

40. Acknowledgement

The Directors of the Company wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and stakeholders, including, but not limited to, shareholders, customers and suppliers, among others. We place on record, our appreciation of the contribution made by our employees at all levels.

The Directors look forward to the continued support of all the stakeholders in the future and appreciate and value the contribution made by every member of the Company.

Place : Kolkata

On Behalf of the Board of Directors

Dated : 30.05.2016

Bijay Kumar Agarwal
Chairman
DIN - 00634259

Statement containing salient features of the Financial Statement of Subsidiaries

PART- "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Name of the Subsidiary	Share Capital (Rs.)	Reserves & Surplus (Rs.)	Total Assets (Rs.)	Total Liabilities (Rs.)	Investments (Rs.)	Turnover (Rs.)	Profit before taxation (Rs.)	Provision for taxation (Rs.)	Profit after taxation (Rs.)	Proposed Dividend (Rs.)	% of share holding
1	OFS Gem & Jewellers Ltd.	5,00,000	(43,838)	12,60,005	12,60,005	7,92,500	Nil	(14,935)	Nil	(14,935)	Nil	100%
2	OFS Papers Ltd.	5,00,000	(43,328)	46,12,815	46,12,815	41,48,000	Nil	(14,625)	Nil	(14,625)	Nil	100%
3	OFS Properties Ltd.	5,00,000	(43,328)	42,13,015	42,13,015	37,48,000	Nil	(14,425)	Nil	(14,425)	Nil	100%
4	OFS Textiles Ltd.	5,00,000	(43,453)	50,62,890	50,62,890	45,98,000	Nil	(14,425)	Nil	(14,425)	Nil	100%
5	Campbell Builders Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
6	Campbell Constructors Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
7	Campbell Consultants Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
8	Campbell Developers Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
9	Campbell Homes Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
10	Campbell Housing Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
11	Campbell Marketing Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
12	Campbell Projects Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
13	Campbell Real Estates Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%
14	Campbell Residency Ltd.	5,00,000	(35,695)	4,70,030	4,70,030	4,00,000	Nil	(35,695)	Nil	(35,695)	Nil	100%

Notes:

1. Name of Subsidiaries which are yet to commence operations: Nil
2. Name of Subsidiaries which have been liquidated or sold during the year: Nil

PART-"B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Nil
1. Latest Audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
(i) Considered in Consolidation	
(ii) Not Considered in Consolidation	

Place :- Kolkata Dated : The 30th Day of May, 2016	For Quest Financial Services Ltd. Prakash Kumar Jajodia Managing Director DIN-00633920 For Quest Financial Services Ltd. Anand Chandak Company Secretary	For Quest Financial Services Ltd. Bijay Kumar Agarwal Director DIN-00634259 For Quest Financial Services Ltd. Rabindra Kumar Hisaria CFO
-------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------



Annexure to the Directors' Report-II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L65993WB1980PLC033060
ii.	Registration Date	21/10/1980
iii.	Name of the Company	Quest Financial Services Ltd
iv.	Category/Sub-Category of the Company	Public Company, Limited By Shares, Non-Government Company
v.	Address of the Registered office and contact details	Centre Point, 21, Hemanta Basu Sarani, 2nd Floor, Room No. 230, Kolkata - 700001 Phone No. (033) 3028 7790
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Niche Technologies Pvt. Ltd. 71, B.R.B.Basu Road, D-511, Bagree Market 5th Floor, Kolkata – 700 001 Phone Nos. (033) 2235-7270/7271/2234-3576.

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading in Shares	64990	68.45
2	Interest on Loan	64920	25.75

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section (Companies Act, 2013)
1.	QFS Gem and Jewelleries Ltd.	U51909WB2014PLC201268	Subsidiary	100%	2(87)(ii)
2.	QFS Properties Ltd.	U70102WB2014PLC201347	Subsidiary	100%	2(87)(ii)
3.	QFS Textiles Ltd.	U51909WB2014PLC201273	Subsidiary	100%	2(87)(ii)
4.	QFS Papers Ltd.	U51909WB2014PLC201308	Subsidiary	100%	2(87)(ii)
5.	Campbell Builders Ltd.	U70102WB2015PLC205837	Subsidiary	100%	2(87)(ii)
6.	Campbell Constructions Ltd.	U70102WB2015PLC205838	Subsidiary	100%	2(87)(ii)
7.	Campbell Consultants Ltd.	U74900WB2015PLC205839	Subsidiary	100%	2(87)(ii)
8.	Campbell Developers Ltd.	U70102WB2015PLC205840	Subsidiary	100%	2(87)(ii)
9.	Campbell Homes Ltd.	U70102WB2015PLC205849	Subsidiary	100%	2(87)(ii)
10.	Campbell Housing Ltd.	U70102WB2015PLC205841	Subsidiary	100%	2(87)(ii)
11.	Campbell Marketing Ltd.	U51909WB2015PLC205844	Subsidiary	100%	2(87)(ii)
12.	Campbell Projects Ltd.	U70102WB2015PLC205845	Subsidiary	100%	2(87)(ii)
13.	Campbell Real Estates Ltd.	U70102WB2015PLC205846	Subsidiary	100%	2(87)(ii)
14.	Campbell Residency Ltd.	U70102WB2015PLC205848	Subsidiary	100%	2(87)(ii)

IV. SHARE_HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. **Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	2387500	-	2387500	1.94	2387500	-	2387500	1.94	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	90000	-	90000	0.07	90000	-	90000	0.07	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	2477500	-	2477500	2.01	2477500	-	2477500	2.01	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	2477500	-	2477500	2.01	2477500	-	2477500	2.01	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

g) Fills	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Non Institutions																					
a) Bodies Corp.																					
(i) Indian	68230884	4645600	72876484	59.10	68365484	4647000	73012484	59.21													0.11
(ii) Overseas																					
b) Individuals																					
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5032291	1202300	6234591	5.06	10890841	3036300	13927141	11.29													6.23
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	32229725	9497500	41727225	33.84	26242175	7654500	33896675	27.49													(6.35)
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) Others (Specify)																					
d.																					
1) NRI	-	-	-	-	2000	-	2000	-													-
2) Clearing Member	700	-	700	-	700	-	-	-													-
Sub-total(B)(2)	105493600	15345400	120839000	97.99	105501200	15337800	120839000	97.99													-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	105493600	15345400	120839000	97.99	105501200	15337800	120839000	97.99													-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	107971100	15345400	123316500	100.00	107978700	15337800	123316500	100.00													-

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Virtuous Holdings Pvt. Ltd.	90000	0.07	-	90000	0.07	-	-
2.	Anita Jajodia	575000	0.47	-	575000	0.47	-	-
3.	Kishan Kumar Jajodia	705000	0.57	-	705000	0.57	-	-
4.	Prakash Kumar Jajodia	598000	0.49	-	598000	0.49	-	-
5.	Sabita Jajodia	509500	0.41	-	509500	0.41	-	-
	Total	2477500	2.01	-	2477500	2.01	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Virtuous Holdings Pvt. Ltd.	At the beginning of the year	90000	0.07	-	-
		At the End of the year			90000	0.07
2.	Anita Jajodia	At the beginning of the year	575000	0.47	-	-
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):			-	-
		At the End of the year			-	-

		the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):							
		At the End of the year					575000		0.47
3.	Kishan Kumar Jajodia	At the beginning of the year		705000		0.57			
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-		-	-		-
		At the End of the year					705000		0.57
4.	Prakash Kumar Jajodia	At the beginning of the year		598000		0.49			
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-		-	-		-
		At the End of the year					598000		0.49
5.	Sabita Jajodia	At the beginning of the year		509500		0.41			
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		-		-	-		-
		At the End of the year					509500		0.41

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. no	Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anurodh Infrastructure Pvt. Ltd.	At the beginning of the year	4477532	3.63		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			4477532	3.63
2.	Innova Auto Distributors Pvt. Ltd.	At the beginning of the year	5594325	4.54		
		Increase in shares on 04/03/2016 (Purchase of shares in Open Market)	9000	0.00	5603325	4.54
		Increase in shares on 31/03/2016 (Purchase of shares in Open Market)	97300	0.08	5700625	4.62
		At the End of the year (or on the date of separation, if separated during the year)			5700625	4.62
3.	Ashirwad Suppliers Pvt. Ltd.	At the beginning of the year	4888241	3.96		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			4888241	3.96
4.	Glorious Vincom Pvt. Ltd.	At the beginning of the year	4504500	3.65		
		Date wise Increase / Decrease in Share holding during the year specifying the	-	-	-	-

		reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc);					
		At the End of the year (or on the date of separation, if separated during the year)			4504500		3.65
5.	Keynote Painting Dealers Pvt. Ltd.	At the beginning of the year	4500000	3.65			
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/ sweat equity etc);	-	-	-		-
		At the End of the year (or on the date of separation, if separated during the year)			4500000		3.65
6.	Victoria Cloth Merchants Pvt. Ltd.	At the beginning of the year	4323450	3.51			
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/ sweat equity etc);	-	-	-		-
		At the End of the year (or on the date of separation, if separated during the year)			4323450		3.51
7.	Viewlink Fashion Pvt. Ltd.	At the beginning of the year	3324760	2.70			
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/ sweat equity etc);	-	-	-		-
		At the End of the year (or on the date of separation, if separated during the year)			3324760		2.70
8.	Crown Iron Merchants Pvt. Ltd.	At the beginning of the year	3111750	2.52			
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus/ sweat equity etc);	-	-	-		-
		At the End of the year (or on the date of separation, if separated during the year)			3111750		2.52
9.	Spice Merchants Pvt. Ltd.	At the beginning of the year	2920636	2.37			
		At the End of the year (or on the date of separation, if separated during the year)			3111750		2.52

	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus/ sweat equity etc); At the End of the year (or on the date of separation, if separated during the year) At the beginning of the year	-	-	-	-
10. Foremost Textiles Pvt. Ltd.		2615453	2.12	2920636	2.37
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus sweat equity etc); At the End of the year (or on the date of separation, if separated during the year)	-	-	2615453	2.12

v. Shareholding of Directors and Key Managerial Personnel

Sr. no	Name	For Each of the Directors and KMP At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bijay Kumar Agarwal(Director)	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc); At the End of the year		-	-	-	-
2.	Kishan Kumar Jajodia(Director)	At the beginning of the year	7,05,000	0.57	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc); At the End of the year		-	-	-	-
3.	Rabindra Kumar Hisaria(Director & CFO*)	At the beginning of the year	-	-	7,05,000	0.57
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase		-	-	-	-

	/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year								
4.	Amit Jajodia(Director)	At the beginning of the year	-	-	-	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year								
5.	Prakash Kumar Jajodia (Managing Director**)	At the beginning of the year	5,98,000	0.49	-	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year								
6.	Jyoti Lohia (Director)	At the beginning of the year	-	-	5,98,000	-	-	0.49	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year								
7.	Anand Chandak (Company Secretary)	At the beginning of the year	-	-	-	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year								

*Mr. Rabindra Kumar Hisaria was appointed as CFO of the Company w.e.f. May 29, 2015.

**Mr. Prakash Kumar Jajodia was appointed as Managing Director of the Company w.e.f. February 8, 2016.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9395417	-	-	9395417
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	9395417	-	-	9395417
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	2352294	-	-	2352294
Net Change	2352294	-	-	2352294
Indebtedness at the end of the financial year				
i) Principal Amount	6678223	-	-	6678223
ii) Interest due but not paid	364900	-	-	364900
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	7043123	-	-	7043123

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

			Rs. in Lacs
Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Prakash Kumar Jajodia (Managing Director)	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,80,000	1,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
6.	Total (A)	1,80,000	1,80,000
	Ceiling as per the Act		42,00,000

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Rs. in Lacs
		Bijay Kumar Agarwal	Rabindra Kumar Hisaria	Kishan Kumar Jajodia	Amit Jajodia	Jyoti Lohia	Total Amount
	<u>Independent Directors</u> - Fee for attending board Committee meetings - Commission - Others, please specify						
	Total(1)						
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others: Remuneration to CFO				Nil		
	Total(2)						
	Total(B)=(1+2)						
	Total Managerial Remuneration						
	Over all Ceiling as per the Act						

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Rs. in Lacs
		CEO	Company Secretary	CFO	Total	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	62,500	75,000	1,37,500	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	
2.	Stock Option	Nil	Nil	Nil	Nil	

3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as%of profit -others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total	Nil	62,500	75,000	1,37,500

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Director					
Penalty			NONE		
Punishment					
Compounding					
C. Other Officer in default					
Penalty					
Punishment					
Compounding					

For Quest Financial Services Ltd.
Prakash Kumar Jajodia
Managing Director
DIN-00633920

For Quest Financial Services Ltd.
Bijay Kumar Agarwal
Director
DIN-00634259

For Quest Financial Services Ltd.
Anand Chandak
Company Secretary

For Quest Financial Services Ltd.
Rabindra Kumar Hisaria
CFO

NOMINATION AND REMUNERATION POLICY

Annexure to the Directors' Report-III

1. PREAMBLE

This Nomination and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP"), the Senior Management Personnel and other employees of Quest Financial Services Limited (the "Company").

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement entered into by the Company with Stock Exchange, as amended from time to time. The main purpose of the Nomination and Remuneration Committee is to evaluate and approve the compensation plans, policies and programs of the executive directors and senior management and to administer various stock option plans of our company. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and matters relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management other employees.

Effective date: This policy shall be effective from the 1st October, 2014.

2. POLICY OBJECTIVES

The Policy is framed with the objective(s):

- i. The Company's Remuneration Policy is aimed to attract and retain the best talents by ensuring a fair, transparent and equitable remuneration to employees and Directors, based inter alia on individual job requirements, responsibilities, commensurate qualifications of individuals, experience, the performance of the Company and the performance / contribution of the individual employee.
- ii. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- iii. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

3. DEFINITIONS

"Company" means Quest Financial Services Limited.

"Act" means Companies Act, 2013 and rules thereunder.

"Board" means Board of Directors of the Company.

"Listing Agreement" means Equity Listing Agreement entered into by the Company with the Stock Exchanges.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Policy" means Nomination and Remuneration Policy.

“Independent Director” means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Agreement with the stock exchanges.

“Key Managerial Personnel” means Key managerial personnel as defined under the Companies Act, 2013 and includes:

- i. Managing Director or Executive Director or Chief Executive Officer or Manager
- ii. Whole-time Director;
- iii. Company Secretary;
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed.

“Senior Management” mean personnel of the Company who are members of its core management team (Internal Board) excluding the Board of Directors.

Unless the context otherwise requires words and expressions used in this policy and not defined herein but defined in the Companies act,2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. NOMINATION AND REMUNERATION COMMITTEE

COMPOSITION:

The Nomination and Remuneration committee shall constitute of three or more non executive director out of which atleast one half shall be independent director(s), provided that chairperson of the company may be appointed as a member of this committee but shall not chair such committee.

MEETINGS:

The committee will meet at such intervals as deem fit to carry out the objectives as set out in the policy. A quorum of two members is required to be present at the meeting to carry out the proceedings of the meeting. The committee shall have the authority to call any employee(s), senior official(s) and / or externals as it deems fit.

CHAIRMAN:

The Chairperson of the Committee shall be an Independent Director. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious expedition.

The Company secretary shall act as secretary to the committee.

Proceedings of all meetings shall be minute and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

5. POLICY RELATING TO DETERMINATION OF APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT

Appointment criteria and qualifications:

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (iii) The Committee shall devise a policy on Board diversity after reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board which will facilitate the Committee to recommend on any proposed changes to the Board to complement the Company's corporate strategy.
- (iv) Appointment of independent directors shall be in compliance with the provisions of section 149 of the Companies Act read with schedule IV and rules thereunder and relevant provisions of the Clause 49 of the Listing Agreement.
- (v) Appointment of Managing Directors/Manager/Whole-Time Directors shall also be in compliance with section 196 of the Act read with rules made thereunder and Schedule V of the Act and relevant provisions of the Listing Agreement.
- (vi) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- (vii) The Company shall consider balance of qualification, skills, regional and industry experience, background and other qualities required to operate successfully in the position of Senior Management Level.

Letters of Appointment:

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. POLICY RELATING TO THE REMUNERATION FOR THE DIRECTORS , KMP AND SENIOR MANAGEMENT PERSONNEL

The Nomination & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Board as it deems appropriate.

Statutory Requirements:

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the board.
- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company with the approval of the Shareholders and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.
- The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
- The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
- The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members.

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

7. EVALUATION

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval. The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

8. TERM/TENURE

Managing Director/Whole time director:

- a. The Company shall appoint or re-appoint any person as its Managing Director or whole time Director for



- a term not exceeding five years at a time.
- b. No re-appointment shall be made earlier than one year before the expiry of term.

Independent Director:

The maximum tenure of Independent Directors shall be in accordance with the Companies Act, 2013 read with rules made thereunder and clarifications/circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

9. DISCLOSURE

This policy shall be disclosed in Annual report as part of board's report therein.

10. AMENDMENTS

In case of any subsequent changes in the Companies Act, 2013, Listing Agreement or any other applicable rules or regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy with effect from their enforcement and the Policy would be modified in due course to make it consistent with the amended laws. Any changes or modification on the Policy would be approved by the Board of Directors of the Company.



Annexure to the Directors' Report- IV

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Quest Financial Services Ltd.
Centre Point,
21, Hemanta Basu Sarani,
Room No. 230, 2nd floor
Kolkata-700 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Quest Financial Services Ltd.** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016, according to the provisions of:

- (i) The Companies Act, 2013, and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Reserve Bank of India Act, 1934;
- (v) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 - **Not applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period.**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015- Applicable from December 1, 2015

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except to the extent as mentioned herein below:**

There was a delay in filing of DIR-12 regarding appointment of Chief Financial officer and MR-1 regarding appointment of Company Secretary.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.



I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

SD/-
CS Abbas Vithorawala
ACS No.23671
C P No: 8827

Place: Kolkata
Date: May 30, 2016

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



'ANNEXURE A'

To,
The Members
Quest Financial Services Ltd.
Centre Point,
21, Hemanta Basu Sarani,
Room No. 230, 2nd floor
Kolkata-700 001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SD/-
CS Abbas Vithorawala
ACS No.23671
C P No: 8827

Place: Kolkata
Date: May 30, 2016

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

Name of the related party	Nature of transaction	Duration of transaction	Salient terms of the transaction including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
Campbell Builders Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Constructions Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Consultants Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Developers Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Homes Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Housing Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Marketing Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Projects Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Real Estates Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil
Campbell Residency Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	N.A.	February 13, 2015	Nil

On Behalf of the Board of Directors

Place : Kolkata
 Dated : 30.05.2016

Bijay Kumar Agarwal
 Chairman
 DIN - 00634259

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic and Industry Structure and Developments

Non-banking Financial Companies (NBFCs) form an integral part of the Indian financial system. They play an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society. The NBFC sector in India has undergone a significant transformation over the past few years.

Whereas in India the unabated problem of Non-Performing Assets and the pressures of falling prices of industrial commodities have caused considerable stress in the banking system. The government has introduced certain programs which if successfully implemented may become game changers for India's future.

Business Overview

The core financial activities of the Company comprises of providing of business loan to corporate and individuals and investment in bodies corporate. However, the Company is also into the business of automatic computerized embroidery on various apparels, clothing, caps, leather garments, and other leather items. Further, the Company has witnessed a tough time in its embroidery business but is trying to get a stable position in the same.

Review of Operational and Financial Performance

The total income of the Company during the Financial Year 2015-16 on a standalone basis was Rs. 332.59 lacs as compared to Rs. 1606.18 lacs for the previous financial year. The total expenses for the year reduced to Rs. 360.12 lacs as compared to Rs. 1976.20 lacs in previous year. In view of the same, Rs. 27.53 lacs loss before tax was recorded by the Company in the reporting year.

The total income of the Company during the Financial Year 2015-16 on a consolidated basis was Rs. 332.59 lacs as compared to Rs. 1606.18 lacs for the previous financial year. The total expenses for the year reduced to Rs. 364.27 lacs as compared to Rs. 1976.46 lacs in previous year. In view of the same, Rs. 31.69 lacs loss before tax was recorded by the Company in the reporting year.

Debt Structure

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

Future Outlook

The Company is trying to recover from the losses of the Company by stabilizing its position as an NBFC and also in its Embroidery business. The Company is focused on financing conservatively to the customers after closely assessing their profile during the year under review. Further, the Company incurred comparatively less loss during the year as compared to 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.

Opportunities and Threats

Reports from the World Bank indicate that Non Banking Financial Institutions act as critical pillars contributing to macroeconomic stability and sustained economic growth and prosperity, due to their ability to finance firms and individuals at a reasonable cost, reduce volatility by providing multiple sources to finance and park funds and enable creation of a competitive environment characterized by a diverse array of products. This has been proven time and again in developed markets.

Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial Services

accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space. Going forward, one should expect NBFCs to further strengthen their presence in retail finance and grow at a reasonably healthy pace.

Whereas, the biggest challenge before NBFCs is ever-increasing competition from commercial counterparts whose capacity to absorb losses is higher, counter-party failures, recommendations being made to increase the purview of monitoring by regulatory authorities increase the threat of losing the essence of Non-banking Finance Companies which are specifically designed to reach out and finance certain target groups.

Risk Management

The Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and Regulation 17 (9) of the Listing Regulations. It establishes various levels of risks with its varying levels of probability, the likely impact on the business and its mitigation measures. Further, the Company has voluntarily constituted Risk Management Committee which oversees the Risk Management and reports to the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status from time to time.

Risks and Concerns

The NBFC industry in general faces the risk of re-entry and new entry of players and existence of several unorganized regional players increasing the competition which mainly affects the asset quality. This is further characterized by captive NBFCs floated by other business houses. The ever existing systemic and delinquency risks and fluctuations in interest rates and risk weight make the companies more vulnerable. Deployment of funds in sensitive and volatile sectors increases the risk exposure while concentration risk increases dependency.

Internal Control Systems and their adequacy

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. Internal Control and Audit is an important the Management ensures adherence to all internal control policies and procedures as well as compliance with regulatory guidelines. The audit committee of the Board of Directors reviews the adequacy of internal controls. This has improved the management of the affairs of the Company and strengthened transparency and accountability.

Human Resource Development

The Company always considers its human resources as a valuable asset and is committed towards their development for continuous growth. Focus on training to enhance the skill-sets of employees in line with the business and market requirements continued throughout the year and it confers rewards and recognition based on merit.

The total employee's strength of the Company was 17 as on March 31, 2016.

Cautionary Statement

Statements made in the Management Discussion and analysis describing the Company's objectives, projections, estimates, predictions and expectations may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results might differ materially from those either expressed or implied.

Important factors that could influence the Company's operations include economic and political conditions in which the Company operates interest rate fluctuations, changes in Government / RBI regulations, Tax laws, other statutes and incidental factors.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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 March 31, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange for the period from April 1, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period from December 01, 2015 to March 31, 2016.

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 above. 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 the above mentioned Listing Agreement/Listing Regulations.

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
[FRN - 325867E]**

**2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012**

Date : 30th May, 2016

**(CA ARUN KUMAR JAIN)
Proprietor
Membership No. 053693**

CORPORATE GOVERNANCE REPORT

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

Corporate Governance is a value based framework to manage the Company's 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.

At Quest Financial Services Ltd., Corporate Governance practices are based on the principles of adoption of transparent procedures and practices and complete and timely disclosures of corporate, financial and operational information to its stakeholders. The 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

- a) The Company's Board of Directors as on March 31, 2016 comprises of One Executive Director and Five Non-Executive Directors.
- b) The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of Board and Committees of other companies as well as his holding in the Company, as on March 31, 2016 are given below :-

Name of Director	Category of Directors	No. of Board Meetings attended	No. of other Directorship		No. of other Committee(s) Membership/Chairpersonship		No. of Equity Shares held as on March 31, 2016
			Public	Private	Membership	Chairpersonship	
Prakash Kumar Jajodia* (DIN: 00633920)	Executive-Non Independent- Managing Director	8	9	4	2	-	5,98,000
Bijay Kumar Agarwal (DIN: 00634259)	Chairperson- Non-Executive - Independent	8	-	1	-	-	-
Rabindra Kumar Hisaria** (DIN: 05170751)	Non-Executive- Non Independent & CFO	8	-	1	-	-	-
Kishan Kumar Jajodia (DIN: 00674858)	Non-Executive- Non Independent	8	9	4	1	-	7,05,000
Amit Jajodia (DIN: 02291113)	Non-Executive- Non Independent	8	4	2	-	-	-
Jyoti Lohia (DIN: 07113757)	Non-Executive - Independent- Woman Director	8	1	-	2	-	-

*re-designated from Whole-time Director to Managing Director w.e.f. 8 February, 2016.

**appointed as CFO w.e.f. 29 May, 2016.

- c) The Companies Act, 2013 (hereinafter 'Act') read with relevant Rules made there under, facilitates the participation of the Director in the Board/ Committee meetings through video conferencing or other audio mode. However none of the Directors have availed such a facility.
- d) Eight (8) Meetings of the Board of Directors of the Company were held at the Registered Office of the Company during the financial year 2015-2016 i.e. on 30/04/2015, 13/05/2015, 29/05/2015, 13/08/2015, 26/10/2015, 13/11/2015, 08/02/2016 and 29/03/2016. As is evident, the maximum time gap between any two Board Meetings was not more than four months.
- e) Mr. Kishan Kumar Jajodia, Mr. Prakash Kumar Jajodia and Mr. Amit Jajodia, Directors of the Company are related to each other.
- f) Mr. Bijay Kumar Agarwal (DIN- 00634259), Non-Executive Independent Director is the Chairperson of the Board.
- g) Mr. Anand Chandak was Company Secretary of the Company as well as of the Committees w.e.f. November 1, 2015.
- h) All the directors of the Company attended the last Annual General Meeting held on September 29, 2015.
- i) Each Director informs the Company on an annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairpersonships and notifies changes periodically and regularly during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors.
- j) The web link where details of familiarisation programmes imparted to Independent directors as disclosed in the website of the Company is: <http://questfinancial.in/familiarisation-program-for-independent-directors.html>
- k) Independent Directors' Meeting

One exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and sub-regulation 3 of Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (hereinafter referred to as "the Listing Regulations") was held on 29/03/2016, inter alia to discuss the following:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. Audit Committee

a) Composition

The Audit Committee of the Company comprises of two non-executive independent directors and one non-executive non independent director as on March 31, 2016. The Committee is chaired by a non-executive Independent Director, Mr. Bijay Kumar Agarwal.

The Committee met 5 (Five) times during the year i.e. on 30/04/2015, 29/05/2015, 13/08/2015, 13/11/2015, 08/02/2016. The attendances of the members were as follows:-

Sl. No.	Name	Status	No. of Meetings
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent	5
2	Mr. Rabindra Kumar Hisaria	Non-Executive-Non Independent	5
3	Mrs. Jyoti Lohia	Non-Executive-Independent	5

The Chairman of the Audit Committee was present at the last Annual General Meeting.

b) Terms of Reference

The Audit Committee has been constituted in compliance with (i) Section 177 of the Act (ii) Regulation 18 of the Listing Regulations as mandated by the Stock Exchange and (iii) the Reserve Bank of India Non-Banking Financial Companies Guidelines.

4. Nomination And Remuneration Committee

a) Composition

The Nomination and Remuneration Committee of the Company comprises of two non-executive independent directors and one non-executive non independent director as on March 31, 2016. The Committee is chaired by a non-executive Independent Director, Mrs. Jyoti Lohia.

The Committee met 4 (Four) times during the year i.e. on 29/05/2015, 13/08/2015, 26/10/2015 and 08/02/2016. The attendances of the members were as follows:-

Sl. No.	Name	Status	No. of Meetings
1	Mrs. Jyoti Lohia	Chairperson-Non-Executive-Independent	4
2	Mr. Bijay Kumar Agarwal	Non-Executive-Independent	4
3	Mr. Amit Jajodia	Non-Executive-Non Independent	4

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 the Listing Regulations.

c) Remuneration Policy & and Criteria of Making Payments to Directors, Senior Management and Key Managerial Personnel

Remuneration to Non-Executive / Independent Directors

Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof only by the approval of Board for the same, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and rules made thereunder, per meeting of the Board or Committee.

At present the Directors are not receiving any Sitting Fees for attending the Board Meeting or any Committee Meeting.

Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

Remuneration to Managing/Whole-time / Executive / KMP, Senior Management Personnel and Other Employees:

The Remuneration/ Compensation/ Commission etc. to be paid to Managing Directors and Whole-Time Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The Remuneration shall be broadly divided into the following components:

- The Fixed Components: Salary, allowances, perquisites, etc.
- The Variable Components: Performance based promotion and bonus.

Further, in determining remuneration of other executive Directors, Senior Management and Other Employees will comprise of above two components and other factors as deemed fit by the Board, based on the recommendation of the committee and subject to statutory approvals, if any. In determining the Director's remuneration their performance evaluation as duly carried out by the board and/or Independent Directors, shall also be given due weightage.

Further, The Nomination and Remuneration Policy is reproduced in Directors' Report as **Annexure-III**.

d) Details of Remuneration paid to the Directors and Key Managerial Personnel

During the reported financial year, the Non-Executive and Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission except, Mr. Rabindra Kumar Hisaria, Non-Executive-Non Independent Director and CFO of the Company as remuneration being paid for the post of CFO.

Further, the details of remuneration paid to the Key Managerial Personnel of the Company during the F.Y. 2015-16 are given below:

Name	Designation	Salary Rs.	Perquisite & Allowances Rs.	Sitting Fees Rs.	Total Rs.
Mr. Prakash Kumar Jajodia*	Managing Director	1,80,000/-	0.00	0.00	1,80,000/-
Mr. Rabindra Kumar Hisaria**	CFO	75,000/-	0.00	0.00	75,000/-
Mr. Anand Chandak***	Company Secretary	62,500/-	0.00	0.00	62,500/-

*re-designated from Whole-time Director to Managing Director w.e.f. February 8, 2016.

**appointed as CFO w.e.f. May 29, 2016.

***appointed as Company Secretary w.e.f. November 1, 2015.

5. Stakeholders' Relationship Committee

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee has been constituted

The Committee under the Chairpersonship of Mr. Bijay Kumar Agarwal, approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Share Registrars, oversee overall improvement of the quality of Investor services, performance of Registrar and Share Transfer Agent, oversee compliance relating to dividend payment, transfer of unclaimed amount to IEPF, implementation of the Code of Conduct for prevention

of Insider Trading. Mr Anand Chandak, Company Secretary is also the Compliance Officer.

The composition of the committee members is as under:-

Sl. No.	Name	Status
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent
2	Mrs. Jyoti Lohia	Non-Executive-Independent
3	Mr. Prakash Kumar Jajodia	Executive-Non Independent-Managing Director
4	Mr. Amit Jajodia	Non-Executive-Non Independent

During the year, one meeting of the Stakeholders' Relationship Committee was held on 13/08/2015.

During the year no requests/complaints were received from the shareholders.

Sl. No.	Name of request	Nos.
1	Issue of Duplicate Share Certificates	Nil
2	Rematerialisation of Shares	Nil

6. Risk Management Committee

The Risk Management Committee of the Company monitors and reviews the risk management plan of the Company. It is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

All the members of the Committee are Board members.

The details are as follows:

Sl. No.	Name	Status
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent
2	Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent
3	Mrs. Jyoti Lohia	Non-Executive-Independent

7. Code of Conduct

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company and separate Code of Conduct has also been incorporated for assigning the duties of Independent Directors.

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

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

The aforesaid Code was effective till 14th May, 2015 & thereafter repealed with the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", made effective from 15th May, 2015 pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code has been disclosed on the website of the Company via the link: <http://questfinancial.in/code-of-conduct.html>.

8. Profile of the Directors appointed/Re-appointed

Profile of the Directors appointed/Re-appointed alongwith the shareholding in the Company is provided below:

Name of the Director	Category	Work experience	Date of Appointment	No of shares held & % of shareholding in the Co.	Qualification
Mr. Rabindra Kumar Hisaria	Non Executive Non Independent Director	30 Years of Experience in the field of Finance & Garments	14.02.2012	Nil	B.Com, FCA
Mr. Prakash Kumar Jajodia	Managing Director	22 years of experience in Finance & Working (Embroidery) Designing and Textile Sector	30.11.2010	5,98,000	Matriculation

9. General Body Meetings

a) Location and time for last three Annual General Meetings were:-

Financial Year	Date of AGM	Venue	Time
2014-2015	29/09/2015	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2nd Floor, Kolkata- 700 001	11.00 A.M.
2013-2014	29/09/2014	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2nd Floor, Kolkata- 700 001	11.00 A.M.
2012-2013	30/09/2013	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2nd Floor, Kolkata- 700 001	11.30 A.M.

b) Special Resolutions in the last three Annual General Meetings:-

One Special resolution has been passed during the Financial Year 2012-2013 in Annual General Meeting held on 30/09/2013 for appointment of Mr. Prakash Kumar Jajodia as Whole-Time Director of the Company.

c) Special Resolutions by postal ballot last year:-

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

d) 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.

10. Means of Communications

Quarterly unaudited financial results and annual financial result of the Company were published in accordance the Listing Agreement/Listing Regulations with stock exchange in the Business Standard (English Daily) and Sukhabar (Bengali Daily) and the aforesaid results are also available on the Company's website i.e. www.questfinancial.in.

The quarterly and the annual results of the Company are submitted to the Calcutta Stock Exchange Limited. The Annual Reports are e-mailed to every shareholders having their e-mail ID registered with DPs and are

posted to every shareholder of the Company at their registered address whose e-mail ID is not registered. Section on Management Discussion and Analysis form part of this Annual Report.

11. General Shareholder Information

a) Annual General Meeting:-

- i. Date : September 29, 2016
- ii. Time : 10.00A.M.
- iii. Venue : "Centre Point", 21, Hemanta Basu Sarani, 2nd Floor, Room No. 230, Kolkata - 700 001

b) Financial Calendar :- (Tentative)

Financial Year – 1st April, 2016 to 31st March, 2017	Relevant Dates
Board Meeting for consideration of annual accounts	30th May, 2016
Book closure dates	23rd September, 2016 to 29th September, 2016
Unaudited results for the quarter ended June 30, 2016	On or before 14th August, 2016
Unaudited results for the quarter ended September 30, 2016	On or before 14th November, 2016
Unaudited results for the quarter ended December 31, 2016	On or before 14th February, 2017
Unaudited results for the quarter ended March, 31, 2017	On or before 30th May, 2017

c) Listing on Stock Exchange at:-

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

d) Stock Market Price for the Financial Year 2015-2016:-

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2015	Not Traded	Not Traded	Not Traded
May, 2015	Not Traded	Not Traded	Not Traded
June, 2015	Not Traded	Not Traded	Not Traded
July, 2015	Not Traded	Not Traded	Not Traded
August, 2015	Not Traded	Not Traded	Not Traded
September, 2015	Not Traded	Not Traded	Not Traded
October, 2015	Not Traded	Not Traded	Not Traded
November, 2015	Not Traded	Not Traded	Not Traded
December, 2015	Not Traded	Not Traded	Not Traded
January, 2016	Not Traded	Not Traded	Not Traded
February, 2016	Not Traded	Not Traded	Not Traded
March, 2016	Not Traded	Not Traded	Not Traded

e) Share Transfer System:-

The Company's shares are in compulsory demat mode. No physical shares were transferred during the year ended March 31, 2016.

f) 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

g) Registrar & Share Transfer Agent:-

M/s. Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 5th Floor, 71, B.R.B. Basu Road, Kolkata 700 001,
Phone Nos. (033) 2235-7270/7271/2234-3576.

h) Dematerialisation of Shares and Liquidity:-

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE064D01012. 87.56% (Approx.) of total equity shares are in dematerialized form as on March 31, 2016.

i) Distribution of shareholding & shareholding pattern

Distribution of shareholding as on March 31, 2016:-

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	384	12.33	87,924	0.07
501-1000	334	10.72	2,72,524	0.22
1001-5000	873	28.02	25,25,270	2.05
5001-10000	438	14.06	36,22,123	2.94
10001 -50000	821	26.36	1,89,99,185	15.41
50001-100000	152	4.88	1,04,88,888	8.50
100001 and above	113	3.63	8,73,20,586	70.81
Total	3,115	100.00	12,33,16,500	100.00

Shareholding Pattern as on March 31, 2016 :-

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	24,77,500	2.01
2	Public - Bodies Corporate	7,30,12,484	59.21
3	Public – Individuals	4,78,23,816	38.78
4	NRI/OCBs	2000	0.00
5	Clearing Member	700	0.00
	Total	12,33,16,500	100.00

- j) **Outstanding ADRs/GDRs:-** Not Applicable
- k) **Address for matters related to shares, any correspondence**
M/s. Niche Technologies Private Ltd.,
D-511, Bagree Market, 5th Floor, 71, B.R.B. Basu Road, Kolkata 700 001,
Phone Nos. (033) 2235-7270/7271/3070.
- l) **Address for any kind of assistance/clarification**
Mr. Anand Chandak, Company Secretary cum Compliance Officer
C/o. Quest Financial Services Ltd.
Centre Point, 21, Hemanta Basu Sarani,
2nd Floor, Room No. 230,
Kolkata – 700 001

12. Disclosure of Materially Significant Related Party Transactions

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The policy on Related Party Transactions is available on the Company's website at <http://questfinancial.in/subsidiary&related-party-transaction-policy.html>.

13. Subsidiary Monitoring Framework

The Company have fourteen subsidiaries and none of the subsidiaries is a “material non-listed Indian Subsidiary”. All subsidiaries companies of the Company are managed by their respective Board of Directors in the best interest of their stake holders.

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

Further, the Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or which has generated 20% of the consolidated income of the Company during the previous financial year.

Pursuant to the Listing Agreement / Listing Regulations, the Audit Committee recommended a Policy for Determining Material Subsidiaries to the Board of Directors. The same was subsequently approved and disclosed in the Company's website and the link is as follows: <http://questfinancial.in/subsidiary&related-party-transaction-policy.html>

14. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Part B of Schedule II of Listing Regulations. The annual compliance certificate given by the Managing Director and the Chief Financial Officer is part of the Annual Report.

15. Compliance Report on Non-mandatory requirements under Listing Regulation 27(1)

- a) **The Board- Non-Executive Chairman's Office:**



As per para A of Part E of Schedule II of the Listing Regulations, the Board of Directors is chaired by Mr. Bijay Kumar Agarwal (DIN- 00634259), a Non-executive Independent Director.

b) Shareholders rights:

The Company display quarterly and half yearly results on its web site www.questfinancial.in and also publishes the results in widely circulated newspapers. The Company also publishes the voting results of shareholder meetings and makes it available on its website www.questfinancial.in, and report the same to Stock Exchange in terms of regulation 44 of the Listing Regulations.

c) Modified opinion(s) in audit report:

The Auditors have issued an un-qualified opinion on the financial statements of the Company.

d) Separate posts of Chairperson and Chief Executive Officer:

The Board of Directors is chaired by Mr. Bijay Kumar Agarwal (DIN- 00634259), a Non-executive Independent Director and Mr. Prakash Kumar Jajodia (DIN- 00633920) is Managing Director of the Company. Further, the Company does not have a Chief Executive Officer.

e) Reporting of Internal Auditor:

Reporting of Head of Internal Audit is to the Chairman of the Audit Committee of the Board and administratively to the Managing Director of the Company.

16. Other Disclosures

- a) There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large were held during the reported year.
- b) The Company has complied with all the requirements of the listing agreement/ listing regulations with the Stock Exchange as well as regulations and guidelines of SEBI. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange or any statutory authority on any matters related to Capital Market so far.
- c) The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Company has established Vigil Mechanism and formulated a policy for the same under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Vigilance Officer who operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee.
Further, during the year under review, no employee was denied access to the Audit Committee. No personnel have been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, the Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

17. Declaration

All Directors and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2016.

Place : Kolkata
Dated : May 30, 2016

For and on behalf of the Board of Directors
Mr. Bijay Kumar Agarwal
Chairman
DIN-00634259



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

This is to confirm that the Company has adopted Code of Conduct for its Members of the Board of Directors and Senior Management Employees including the Managing Director. The Company has also 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 31st March, 2016, received from its Members of the Board of Directors and Senior Management Employees 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 31st March, 2016.

Place : Kolkata
Date : 30.05.2016

Prakash Kumar Jajodia
Managing Director
DIN-00633920



CEO & CFO COMPLIANCE CERTIFICATE

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

Re: CEO and CFO Compliance Certificate on Financial Statements for the year ended on 31st March, 2016

We, Mr. Prakash Kumar Jajodia, Managing Director & Mr. Rabindra Kumar Hisaria, CFO, certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2016 and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year ending on 31st March, 2016 which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- D. We further certify that:
1. There have been no significant changes in the internal control over financial reporting during this year;
 2. 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; and
 3. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Mr. Prakash Kumar Jajodia
Managing Director
DIN: 00633920

Mr. Rabindra Kumar Hisaria
CFO

Place : Kolkata
Date : 30.05.2016

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF QUEST FINANCIAL SERVICES LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Quest Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and 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 it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred by the Company to the Investor Education and Protection Fund.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central

PHONE 4064 6049

Arun Jain & Associates

chartered accountants

2b, grant lane
2nd floor, room no. 74
kol kata - 700 012

Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Arun Jain & Associates
Chartered Accountants
[FRN - 325867E]**

**2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012**

Date : 30th May, 2016

**(CA ARUN KUMAR JAIN)
(Proprietor)
(Membership No. 053693)**

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Quest Financial Services Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable

Arun Jain & Associates

*chartered accountants*2b, grant lane
2nd floor, room no. 74
kol kata - 700 012

assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Arun Jain & Associates
Chartered Accountants
[FRN - 325867E]**

**2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012**

Date : 30th May, 2016

**(CA ARUN KUMAR JAIN)
(Proprietor)
(Membership No. 053693)**

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - c) Company does not have any immovable property.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) With respect to loans, investments, guarantees and securities, provisions of Sec. 185 & 186 of Companies Act, 2013 is not applicable to company. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, as applicable. The Company has not granted any security in terms of Section 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, incometax, sales tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, government, banks and

Arun Jain & Associates

*chartered accountants*2b, grant lane
2nd floor, room no. 74
kol kata - 700 012

dues to debenture holders. Except, One EMI of Rs.5,22,000 (excluding interest) was due and not paid within March 31, 2016.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The company is a Non-Banking Financial Institution without accepting Public Deposits registered under section 45 IA of the Reserve Bank of India Act, 1934 having valid Certificate of Registration.

For Arun Jain & Associates
Chartered Accountants
[FRN - 325867E]

2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012

Date : 30th May, 2016

(CA ARUN KUMAR JAIN)
(Proprietor)
(Membership No. 053693)

Standalone Balance Sheet as at March 31, 2016

	Note No.	Figures as at the end of	
		March 31, 2016	March 31, 2015
I - EQUITY & LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	1,233,165,000	1,233,165,000
(b) Reserves & Surplus	3	(527,092,488)	(524,339,247)
2 Non-Current Liabilities			
(a) Long Term Borrowings	4	849,861	2,398,518
3 Current Liabilities			
(a) Short Term Borrowings	5	4,087,157	4,610,514
(b) Trade Payables	6	18,837,846	126,611,195
(c) Other Current Liabilities	7	2,601,899	2,437,511
(d) Short - Term Provisions	8	2,458,426	2,458,426
		734,907,701	847,341,917
II - ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		6,332,931	8,091,963
(ii) Intangible Assets		3,366	9,639
(b) Non - Current Investments	10	129,575,850	89,963,350
2 Current Assets			
(a) Inventories	11	424,659,701	426,474,344
(b) Trade Receivables	12	32,597,831	77,155,831
(c) Cash & Cash Equivalents	13	4,355,934	7,622,645
(d) Short Term Loans and advances	14	127,536,026	228,859,348
(e) Other Current Assets	15	9,846,062	9,164,797
		734,907,701	847,341,917

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.

Arun Jain
Proprietor
Membership No.053693

Prakash Kumar Jajodia
Managing Director
DIN-00633920

Bijay Kumar Agarwal
Director
DIN-00634259

Place :- Kolkata
Dated : The 30th Day of May, 2016

For Quest Financial Services Ltd.

For Quest Financial Services Ltd.

Anand Chandak
Company Secretary

Rabindra Kumar Hisaria
CFO

Standalone Statement of Profit & Loss Account for the Year ended March 31, 2016

Particulars	Note No.	Figures as at the end of	
		March 31, 2016	March 31, 2015
I. Revenue from Operations	16	33,258,708	160,617,605
II. Total Revenue (I)		33,258,708	160,617,605
III. Expenses:			
Purchases of Stock-in-trade	17	24,058,000	314,413,482
Change in inventories of finished goods, work-in-progress and stock -in -trade	18	1,814,643	(143,130,052)
Employee Benefits Expenses	19	953,545	2,785,014
Finance Cost	20	1,140,204	1,335,086
Depreciation and amortization Expenses	9	1,765,305	2,519,617
Other Expenses	21	6,280,252	19,696,481
Total Expenses		36,011,949	197,619,628
IV. Profit/(Loss) before exceptional and extra ordinary items and Tax (II- III)		(2,753,241)	(37,002,023)
V. Exceptional Items		-	-
VI. Profit/(Loss) before extraordinary items and Tax (IV - V)		(2,753,241)	(37,002,023)
VII. Extraordinary Items		-	-
VIII. Profit/(Loss) before Tax (VI - VII)		(2,753,241)	(37,002,023)
IX. Tax Expenses			
1 Current Tax		-	-
2 Deferred Tax		-	-
X. Profit/(loss) for the period from Continuing Operations (VIII -IX)		(2,753,241)	(37,002,023)
XI. Profit/(loss) from Discontinuing operations		-	-
XII. Tax expenses of Discontinuing operations		-	-
XIII. Profit/(loss) from Discontinuing operations (after tax) (XI - XII)		-	-
XIV. Profit/(Loss) for the Period (XII + XIII)		(2,753,241)	(37,002,023)
XV. Earnings Per Equity Share	22		
1 Basic		(0.02)	(0.30)
2 Diluted		(0.02)	(0.30)

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

Arun Jain
Proprietor
Membership No.053693
Place :- Kolkata
Dated : The 30th Day of May, 2016

For Quest Financial Services Ltd.

Prakash Kumar Jajodia
Managing Director
DIN-00633920

For Quest Financial Services Ltd.

Anand Chandak
Company Secretary

For Quest Financial Services Ltd.

Bijay Kumar Agarwal
Director
DIN-00634259

For Quest Financial Services Ltd.

Rabindra Kumar Hisaria
CFO

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Figures as at March 31, 2016	Figures as at March 31, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary item	(27,53,241)	(3,70,02,023)
<u>Adjustment for</u>		
Depreciation	17,65,305	25,19,617
Operating Profit before working capital change	(9,87,936)	(3,44,82,406)
<u>Change in working capital</u>		
<u>Adjustment for (increase)/decrease in operating assets</u>		
Inventories	18,14,643	(14,31,30,052)
Trade Receivables	4,45,58,000	(3,80,71,978)
Short Term Loans & Advances	101,323,322	13,13,92,954
Other Current Assets	(6,81,265)	(10,21,803)
	147,014,700	(5,08,30,879)
<u>Adjustment for increase/(decrease) in operating liabilities</u>		
Trade Payable	(10,77,73,349)	36,71,051
Other Current Liabilities	164,388	89,533
Short Term Borrowings	(523,357)	5,32,004
Short Term Provisions	-	-
	(10,81,32,318)	42,92,588
Cash Generated from Operations		
Income Tax	-	-
Net Cash from Operating Activities	37,894,446	(8,10,20,697)
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	-	(6,97,867)
(Purchase)/Sale of Investments	(3,96,12,500)	8,40,15,590
Net Cash Flow from Investing Activities	(3,96,12,500)	8,33,17,723
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(15,48,657)	(13,54,932)
Net Cash Flow from Financing Activities	(15,48,657)	(13,54,932)
Net Increase/(decrease) in cash and cash equivalents	(3,266,711)	9,42,094
Opening Cash & Bank Balance	76,22,645	66,80,551
Closing Cash & Bank Balance	4,355,934	76,22,645

As per our separate report of even date attached

For Arun Jain & Associates

Chartered Accountants

Registration No. 325867E

Arun Jain

Proprietor

Membership No.053693

Place :- Kolkata

Dated : The 30th Day of May, 2016

For Quest Financial Services Ltd.

Prakash Kumar Jajodia

Managing Director

DIN-00633920

For Quest Financial Services Ltd.

Anand Chandak

Company Secretary

For Quest Financial Services Ltd.

Bijay Kumar Agarwal

Director

DIN-00634259

For Quest Financial Services Ltd.

Rabindra Kumar Hisaria

CFO

1 Notes forming Part of Financial Statement for the Year 2015-2016

A NATURE OF BUSINESS

QUEST FINANCIAL SERVICES LIMITED is a Non Banking Financial Company.

B SIGNIFICANT ACCOUNTING POLICIES

a Preparation of Accounts

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 II of the Companies Act, 2013.
- (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 is treated as revenue expenditure.

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 Inventories

Goods are valued at cost.

p 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.

q Foreign Currency transaction

No Foreign Currency Transactions has been made by the Company in the Financial Year 2015-16.

r 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.

s 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.

t 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.

u 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.

v NBFC Requirement regarding transfer of profit to reserve

As per prudential Norms, 20% of profit after tax (rounded off to next hundred) to be transferred to Statutory Reserve Fund appropriating the Statement of Profit & Loss as per requirement of the R.B.I. Act. Further, the Company has incurred loss during the financial year. Therefore, no amount has been transferred to the Statutory Reserve Fund.

w 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.

RELATED PARTIES DISCLOSURE AS PER ACCOUNTING STANDARD 18

A. LIST OF RELATED PARTIES

Party	Relationship
Prakash Kumar Jajodia	Managing Director
Kishan Kumar Jajodia	Director
Amit Jajodia	Director
Bijay Kumar Agarwal	Director
Rabindra kumar Hisaria	Director & CFO
Jyoti Lohia	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
Campbell Builders Ltd.	Wholly owned Subsidiary Company
Campbell Constructions Ltd.	Wholly owned Subsidiary Company
Campbell Consultants Ltd.	Wholly owned Subsidiary Company
Campbell Developers Ltd.	Wholly owned Subsidiary Company
Campbell Homes Ltd.	Wholly owned Subsidiary Company
Campbell Housing Ltd.	Wholly owned Subsidiary Company
Campbell Marketing Ltd.	Wholly owned Subsidiary Company
Campbell Projects Ltd.	Wholly owned Subsidiary Company
Campbell Real Estates Ltd.	Wholly owned Subsidiary Company
Campbell Residency Ltd.	Wholly owned Subsidiary Company

B. RELATED PARTY TRANSACTION

Director's Remuneration	31.03.2016	31.03.2015
Prakash Kumar Jajodia	180,000	180,000
Investment in Wholly owned Subsidiary Company	31.03.2016	31.03.2015
Campbell Builders Ltd.	500,000	Nil
Campbell Constructions Ltd.	500,000	Nil
Campbell Consultants Ltd.	500,000	Nil
Campbell Developers Ltd.	500,000	Nil
Campbell Homes Ltd.	500,000	Nil
Campbell Housing Ltd.	500,000	Nil
Campbell Marketing Ltd.	500,000	Nil
Campbell Projects Ltd.	500,000	Nil
Campbell Real Estates Ltd.	500,000	Nil
Campbell Residency Ltd.	500,000	Nil
QFS Paper Limited	Nil	500,000
QFS Gem & Jewelleries Limited	Nil	500,000
QFS Properties Limited	Nil	500,000
QFS Textiles Limited	Nil	500,000
Trade Receivable from Wholly owned Subsidiary Company	31.03.2016	31.03.2015
QFS Paper Limited	4,145,000	4,145,000
QFS Gem & Jewelleries Limited	792,500	792,500



QFS Properties Limited	3,745,000	3,745,000
QFS Textiles Limited	4,595,000	4,545,000

Expenses incurred for incorporation of Wholly owned Subsidiary Companies, yet commencement of business

	31.03.2016	31.03.2015
	-	2,39,700

y 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.

	31.03.2016	31.03.2015
i- Net Profit/(Loss) After Tax	(2,753,241)	(3,70,02,023)
ii- Weighted Number of Equity Shares of Rs. 10 each	123,316,500	12,33,16,500
iii- Equity Shares for Diluted Earning Per Share	123,316,500	12,33,16,500
iv- Basic Earnings Per Share (Rs.)	(0.02)	(0.30)
v Diluted Earning Per Share (Rs.)	(0.02)	(0.30)

y.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.

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

Notes forming Part of Standalone Financial Statement for the Year 2015-2016

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-2		
Share Capital		
Equity		
Authorized		
12,33,40,000 Equity Shares of Rs.10.00 each (P.Y. 12,33,40,000 Equity Shares of Rs 10.00 each)	1,233,400,000	1,233,400,000
Issued, Subscribed and fully Paid up		
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)	1,233,165,000	1,233,165,000

The Company has only one class of shares referred to as equity shares having a par value of Rs 10/-.

- 2.1. 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**
- | | 31st March, 2016 | 31st March, 2015 |
|-----------------------------------|------------------|------------------|
| Number of shares at the beginning | 123,316,500 | 123,316,500 |
| Add : Issue during the year | - | - |
| Number of shares at the end | 123,316,500 | 123,316,500 |
- 2.3 **Shareholders holding more than 5% Share**
NIL
- 2.4. The Company does not have any Holding Company/Ultimate Holding Company but have fourteen Subsidiary Companies .

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-3		
Reserve & Surplus		
Amalgamation Reserve		
Opening Balance (Credit/(Debit))	(490,846,586)	(490,846,586)
Add/Less: Reserve generated during the year	-	-
Closing Balance(Credit/ Debit)	(490,846,586)	(490,846,586)
Profit & Loss Account		
Opening Balance (Credit/Debit)	(34,390,762)	2,611,261
Less : Transferred to Amalgamation Reserve	-	-
Add/Less: Surplus/Deficit in Profit & Loss for the Year	(2,753,241)	(37,002,023)
Less : Adjustment with Provision for Income Tax	-	-
Less : Transferred to Special Reserve	-	-
	(37,144,003)	(34,390,762)
Special Reserve Account		
Opening Balance (Credit/(Debit))	898,101	898,101
Add/Less: Reserve generated during the year	-	-
	898,101	898,101
	(527,092,488)	(524,339,247)

PARTICULARS	Non-Current Maturities		Current Maturities	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Note-4 Long Term Borrowings				
Term Loan-Secured Loans	849,861	2,398,518	2,106,105	2,386,385
	849,861	2,398,518	2,106,105	2,386,385

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.

One EMI of Rs.5,22,000 (excluding interest) was due and not paid within 31/03/2016.

Loan from HDFC Bank Ltd. of Rs.560000/- is secured against I 20 and is repayable in monthly installments till 07/05/2017.

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-5 Short Term Borrowings		
Secured Loans		
Bank Overdraft-Loan payable on demand from Bank	4,087,157	4,610,514
	4,087,157	4,610,514

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.

Interest for the period from January, 2016 to March, 2016 due but not paid as on 31/03/2016. The same was paid on 15/04/2016.

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-6 Trade Payable		
Sundry Creditors	18,837,846	126,611,195
	18,837,846	126,611,195

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-7		
Other Current Liabilities		
Liability for expenses	280,794	51,126
TDS Payable	215,000	-
Current Maturities on Long Term Debts	2,106,105	2,386,385
	2,601,899	2,437,511
PARTICULARS	Figures as at the end of	
	<u>31st March 2016</u>	<u>31st March 2015</u>
Note-8		
Short Term Provisions		
Provision for Taxation	1,558,116	1,558,116
Contingent provision of Standard Assets	900,310	900,310
	2,458,426	2,458,426
PARTICULARS	Figures as at the end of	
	<u>31st March 2016</u>	<u>31st March 2015</u>
Note-11		
Inventories		
Raw Materials	-	-
Stock-in-trade (Mode of Valuation-At Cost)	424,659,701	426,474,344
	424,659,701	426,474,344
PARTICULARS	Figures as at the end of	
	<u>31st March 2016</u>	<u>31st March 2015</u>
Note-12		
Trade Receivables		
Unsecured considered good		
Related Parties		
Subsidiaries		
Outstanding exceeding six months	13,277,500	13,277,500
Others	-	-
Others		
Outstanding exceeding six months	19,320,331	9,360,000
Others	-	54,518,331
	32,597,831	77,155,831

NOTE-9

FIXED ASSETS
Tangible Assets

Amount in `

Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost	Addition	Deduction	Book value as on 31.03.2016	Opening balance	Depreciation for 2015-16	Impairment	Depreciation	Net block as at 31.03.2016	Net block as at 31.03.2015
Building	170,500	-	-	170,500	51,782	11,290	-	63,072	107,428	118,718
Factory Flooring	575,125	-	-	575,125	174,870	38,264	-	213,134	361,991	400,255
Factory Shed										
Plant & Machinery	10,550,380	-	-	10,550,380	4,694,003	1,142,579	-	5,836,582	4,713,798	5,856,377
Embroidery Machine	1,068,796	-	-	1,068,796	592,929	136,112	-	729,041	339,755	475,867
Furniture & Fixture	1,125,630	-	-	1,125,630	430,477	217,248	-	647,725	477,905	695,153
Motor Vehicle										
Office Equipments										
Air conditioner	515,000	-	-	515,000	406,778	75,248	-	482,026	32,974	108,222
Stabilizer	141,960	-	-	141,960	109,364	21,743	-	131,107	10,853	32,596
Fire Extinguisher	17,500	-	-	17,500	8,490	2,752	-	11,242	6,258	9,010
Computers										
Computer	333,352	-	-	333,352	316,155	528	-	316,683	16,669	17,197
Electrical Installations and Equipments										
Electric Equipments	654,638	-	-	654,638	338,267	94,658	-	432,925	221,713	316,371
Electric Installation	128,700	-	-	128,700	66,503	18,610	-	85,113	43,587	62,197
Total of Tangible Assets	15,281,581	-	-	15,281,581	7,189,618	1,759,032	-	8,948,650	6,332,931	8,091,963
Intangible Assets										
Computer Software	34,500	-	-	34,500	24,861	6,273	-	31,134	3,366	9,639
Total of Tangible Assets	34,500	-	-	34,500	24,861	6,273	-	31,134	3,366	9,639
Total Assets- Tangible+Intangible	15,316,081	-	-	15,316,081	7,214,479	1,765,305	-	8,979,784	6,336,297	8,101,602
Previous year										
Tangible Assets	14,583,714	697,867	-	15,281,581	4,687,962	2,501,656	-	7,189,618	8,091,963	9,895,752
Intangible Assets	34,500	-	-	34,500	6,900	17,961	-	24,861	9,639	27,600
Total	14,618,214	697,867	-	15,316,081	4,694,862	2,519,617	-	7,214,479	8,101,602	9,923,352

	Figures as at the end of 31st March 2016		Figures as at the end of 31st March 2015	
Note - 10				
Non Current Investments as Trade Investments				
Name of Companies	No. of Shares		No. of Shares	
Investment in Equity Instruments				
Unquoted Equity Shares				
Anurodh Infrastructure Pvt. Ltd.	1,990,435	19,904,350	1,747,685	17,476,850
Blue Chip Projects Pvt. Ltd.	-	-	99,000	1,980,000
Cyrus Infocomm Pvt. Ltd.	15,000	3,000,000	15,000	3,000,000
Expressware Housing Ltd.	25,000	2,500,000	25,000	2,500,000
Fastner Machinery Dealers Pvt. Ltd.	38,220	19,110,000	44,800	22,400,000
Impex Services Ltd.	400,000	8,000,000	-	-
Jaguar Infra Developers Pvt. Ltd.	35,500	17,750,000	60,500	30,250,000
Kali Confectioners Pvt. Ltd.	169,000	4,225,000	170,000	4,250,000
K.S. Consultancy Services Pvt. Ltd.(Face Value-Rs.100/-)	1,050	105,000	1,050	105,000
Linkup Financial Consultants Pvt. Ltd.	3,219	1,126,500	3,219	1,126,500
Original Fashion Traders Pvt. Ltd.	2,350,000	23,500,000	-	-
Shree Nidhi Trading Co. Ltd.	110,000	18,480,000	-	-
Victoria Cloth Merchants Pvt. Ltd.	5,000	875,000	5,000	875,000
Zonal Commercial Pvt. Ltd.	8,000	4,000,000	8,000	4,000,000
Investment in Unquoted Equity Shares of Subsidiary Companies				
QFS Gem & Jewelleries Ltd.	50,000	500,000	50,000	500,000
QFS Paper Ltd.	50,000	500,000	50,000	500,000
QFS Properties Ltd.	50,000	500,000	50,000	500,000
QFS Textiles Ltd.	50,000	500,000	50,000	500,000
Campbell Residency Ltd.	50,000	500,000	-	-
Campbell Real Estates Ltd.	50,000	500,000	-	-
Campbell Projects Ltd.	50,000	500,000	-	-
Campbell Marketing Ltd.	50,000	500,000	-	-
Campbell Housing Ltd.	50,000	500,000	-	-
Campbell Homes Ltd.	50,000	500,000	-	-
Campbell Developers Ltd.	50,000	500,000	-	-
Campbell Consultants Ltd.	50,000	500,000	-	-
Campbell Construction Ltd.	50,000	500,000	-	-
Campbell Builders Ltd.	50,000	500,000	-	-
Grand Total		129,575,850		89,963,350

*Face Value is Rs.10/- each or otherwise specified.

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-13		
Cash & Cash Equivalents		
Balance with Banks in Current Account	2,581,553	7,039,182
Cash On hand (As Certified by the Management)	1,774,381	583,463
	4,355,934	7,622,645

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-14		
Short Term Loans and Advances		
Unsecured, Considered Goods		
Loan & Advances to related Parties-Subsidiaries	-	239,700
Advances Recoverable in cash or in kind	127,536,026	228,619,648
	127,536,026	228,859,348

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-15		
Other Current Assets		
Tax Deducted at Source	6,994,062	6,312,797
Security Deposit For Land	600,000	600,000
Advance against Properties	2,250,000	2,250,000
Share Application Money- Refund	-	-
Share Application Money Given	-	-
CDSL-Security deposit	2,000	2,000
	9,846,062	9,164,797

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-16		
Revenue from Operations		
Interest on Loan	8,564,604	31,703,446
Profit on sale of Investment	-	1,204,989
Sales	24,693,844	127,654,591
Dividend	260	-
Difference in Shares	-	54,579
Currency Derivative profit	-	-
	33,258,708	160,617,605

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-17		
Purchases of Stock-in -trade		
Purchases	24,058,000	314,413,482
	24,058,000	314,413,482

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-18		
Change in Inventories of finished goods, work-in progress and stock-in-trade		
Closing Stock	424,659,701	426,474,344
Less: Opening Stock	(426,474,344)	(283,344,292)
Increase/ (Decrease) of Stock	(1,814,643)	143,130,052

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-19		
Employee Benefits Expense		
Wages	-	2,042,665
Salary & Bonus	745,474	520,897
Directors Remuneration	180,000	180,000
Staff Welfare Exp	28,071	41,452
	953,545	2,785,014

PARTICULARS	Figures as at the end of	
	31st March 2016	31st March 2015
Note-20		
Finance Cost		
Interest	1,140,204	1,335,086
	1,140,204	1,335,086

	Figures as at the end of	
	<u>31st March 2016</u>	<u>31st March 2015</u>
Note-21		
Other Expenses		
Advertisement	7,014	4,684
Bank Charges	1,38,136	1,19,593
CDSL Charges	90,375	61,798
Currency Derivative Loss	10,33,660	1,51,45,336
Demat Charges	12,275	5,557
Filing Fees	24,600	9,600
General Expenses	66,776	48,052
Insurance	47,712	-
Listing Fees	24,70,846	7,95,396
Loss on sale of Investment	14,85,000	-
NSDL Charges	85,875	56,180
Office Maintenance Expenses	37,011	42,269
Postage & telegram	98,342	1,15,011
Printing & Stationery	71,524	39,425
Professional Fees	61,161	-
Stamp Charges, STT, Transaction Charges, Service Tax etc.	4,644	4,14,087
Telephone Charges	30,263	42,403
Travelling & Conveyance	4,26,456	41,254
Business promotion	-	8,89,554
Car Maintenance Expenses	53,533	1,26,507
Electric Charges	-	5,75,360
Repairs & Maintenance-Machinery	-	75,000
Repairs & Maintenance-Hardware & Software	13,294	22,540
Accounting Expenses	-	90,000
Interest Written off	-	6,537
Recovery Written Off	-	60
Rent	-	9,40,500
Auditors Remuneration		
For Statutory Audit	17,175	16,854
For Tax Audit	4,580	4,495
For Other Services	-	8,429
	62,80,252	1,96,96,481

Segment Information

The following table presents segment revenue, results, assets & liabilities with AS- 17 as on March 31, 2016

SEGMENT REPORTING

(Rs. in Lac)

Business Segment	Financing Operations		Embroidery		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE						
Segment Revenue	313.29	1026.42	19.29	579.76	332.59	1606.18
Inter Segment Revenue	-	-	-	-	-	-
Total Revenue	313.29	1026.42	19.29	579.76	332.59	1606.18
RESULTS						
Segment Results	2.72	(371.41)	(30.25)	1.39	(27.53)	(370.02)
Unallocated Income (net of expenses)	-	-	-	-	-	-
Unallocated Expenditure	-	-	-	-	-	-
Profit before tax	-	-	-	-	(27.53)	(370.02)
Less: Income Tax	-	-	-	-	-	-
: Deferred Tax	-	-	-	-	-	-
Profit after tax	-	-	-	-	(27.53)	(370.02)
OTHER INFORMATION						
Segment Assets	7118.28	7268.22	230.79	1205.20	7349.07	8473.42
Unallocated Assets	-	-	-	-	-	-
Total Assets	7118.28	7268.22	230.79	1205.20	7349.07	8473.42
Segment Liabilities	(5233.13)	(4558.45)	250.55	700.22	(4982.58)	(3858.23)
Unallocated Liabilities	-	-	-	-	12331.65	12331.65
Total Liabilities	(5233.13)	(4558.45)	250.55	700.22	7349.07	8473.42
Capital Expenditure	-	-	-	-	-	-
Depreciation	1.80	0.25	15.85	16.93	17.65	17.18
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.

[As required in terms of Para 13 of Non Systematically Important Non - Banking Financial (Non Deposit Accepting or Holding) Companies, Prudential Norms (Reserve Bank), Directions, 2015]

(Amount in Rs.)

Particulars		Amount Outstanding	Amount Overdue
Liabilities Side :			
(1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
	(a) Debentures: Secured	-	-
	Unsecured (other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	29,55,966	-
	(d) Inter- corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (Specify Nature)	4,087,157	-
Particulars		Amount Outstanding	
Assets Side :			
(2)	Break up of Loans and Advances including bills receivables [other than those included in (4) below]		
	(a) Secured	-	
	(b) Unsecured	160,133,857	
(3)	Break up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
	(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	-	

Particulars		Amount Outsatnding		
(4)	Break up of Investments Current Investments			
	1 Quoted:			
	(i) Shares :(a) Equity		-	
	(b) Preference		-	
	(ii) Debentures and Bonds		-	
	(iii) Units of mutual funds		-	
	(iv) Government Securities		-	
	(v) Others (Please Specify)		-	
	2 Unquoted:			
	(i) Shares :(a) Equity		-	
	(b) Preference		-	
	(ii) Debentures and Bonds		-	
	(iii) Units of mutual funds		-	
	(iv) Government Securities		-	
	(v) Others (Please Specify)		-	
	Long term investments			
	(I) Quoted:			
	(i) Shares :(a) Equity		-	
	(b) Preference		-	
	(ii) Debentures and Bonds		-	
	(iii) Units of mutual funds		-	
	(iv) Government Securities		-	
	(v) Others (Please Specify)		-	
	(II) Unquoted:			
	(i) Shares :(a) Equity		12,95,75,850	
	(b) Preference		-	
	(ii) Debentures and Bonds		-	
	(iii) Units of mutual funds		-	
	(iv) Government Securities		-	
	(v) Others (Please Specify)		-	
(5)	Borrower group wise classification of assets financed as in (2) and (3) above :			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1 Related Parties**			
	(a) Subsidiaries	-	1,32,77,500	1,32,77,500
	(b) Companies in the same group	-	-	-
	(c) Other related Parties	-	-	-
	2 Other than related parties	-	146,856,357	146,856,357
	Total	-	160,133,857	160,133,857

(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
Category	Market Value/Break up of Fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**		
(a) Subsidiaries	70,00,000	70,00,000
(b) Companies in the same group	-	-
(c) Other related Parties	-	-
2 Other than related parties	12,25,75,850	12,25,75,850
Total	12,95,75,850	12,95,75,850
(7) Other Information		
Particulars	Ammount	
(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 AUDITORS' REPORT
TO THE MEMBERS OF QUEST FINANCIAL SERVICES LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of M/s. Quest Financial Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements includes the Group's share on net loss of Rs. (31,68,601)/- for the year ended March 31, 2016, in respect of fourteen subsidiaries, whose financial statements/ financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting

Arun Jain & Associates

chartered accountants

2b, grant lane
2nd floor, room no. 74
kol kata - 700 012

Standards prescribed under Section 133 of the Act, as applicable.

- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary companies, to the extent reported by the statutory auditors of such companies, none of the directors of the Group companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary companies, internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred by the Group to the Investor Education and Protection Fund.

For Arun Jain & Associates
Chartered Accountants
[FRN - 325867E]

2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012

Date : 30th May, 2016

(CA ARUN KUMAR JAIN)
(Proprietor)
(Membership No. 053693)

ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Quest Financial Services Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company, its subsidiary companies and jointly controlled entity incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

2b, grant lane
2nd floor, room no. 74
kol kata - 700 012

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies, considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Arun Jain & Associates
Chartered Accountants
[FRN - 325867E]

2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012

Date : 30th May, 2016

(CA ARUN KUMAR JAIN)
(Proprietor)
(Membership No. 053693)

Consolidated Balance Sheet as at March 31, 2016

	Note No.	Figures as at the end of	
		March 31, 2016 Consolidated	March 31, 2015 Consolidated
I - EQUITY & LIABILITIES			
1 Shareholders' funds			
(a). Share Capital	2	1,233,165,000	1,233,165,000
(b). Reserves & Surplus	3	(527,623,585)	(524,454,984)
2 Non-Current Liabilities			
(a). Long Term Borrowings	4	849,861	2,398,518
4 Current Liabilities			
(a). Short Term Borrowings	5	4,087,157	4,610,514
(b). Trade Payables	6	18,837,846	126,611,195
(c). Other Current Liabilities	7	2,704,521	2,468,983
(d). Short - Term Provisions	8	2,458,426	2,458,426
		734,479,226	847,257,652
II - ASSETS			
1 Non - Current Assets			
(a). Fixed Assets	9		
(i) Tangible Assets		6,332,931	8,091,963
(ii) Intangible Assets		3,366	9,639
(b). Non - Current Investments	10	139,862,350	101,249,850
2 Current Assets			
(a). Inventories	11	424,659,701	426,474,344
(b). Trade Receivables	12	19,320,331	63,878,331
(c). Cash & Cash Equivalents	13	6,918,459	9,529,380
(d). Short Term Loans and advances	14	127,536,026	228,859,348
(e). Other Current Assets	15	9,846,062	9,164,797
		734,479,226	847,257,652

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

Arun Jain
Proprietor
Membership No.053693
Place :- Kolkata
Dated : The 30th Day of May, 2016

For Quest Financial Services Ltd.

Prakash Kumar Jajodia
Managing Director
DIN-00633920

For Quest Financial Services Ltd.

Anand Chandak
Company Secretary

For Quest Financial Services Ltd.

Bijay Kumar Agarwal
Director
DIN-00634259

For Quest Financial Services Ltd.

Rabindra Kumar Hisaria
CFO

Consolidated Statement of Profit & Loss Account for the Year ended March 31, 2016

PARTICULARS	Note No.	Figures as at the end of	
		March 31, 2016 Consolidated	March 31, 2015 Consolidated
I. Revenue from Operations	16	33,258,708	160,617,605
II. Total Revenue (I)		33,258,708	160,617,605
III. Expenses:			
Purchases of Stock-in-trade	17	24,058,000	314,413,482
Change in inventories of finished goods, work-in-progress and stock -in -trade	18	1,814,643	(143,130,052)
Employee Benefits Expenses	19	953,545	2,785,014
Finance Cost	20	1,140,204	1,335,086
Depreciation and amortisation Expenses	21	2,005,005	2,519,617
Other Expenses	22	6,455,912	19,722,903
Total Expenses		36,427,309	197,646,050
IV. Profit/(Loss) before exceptional and extra ordinary items and Tax (II- III)		(3,168,601)	(37,028,445)
V. Exceptional Items		-	-
VI. Profit/(Loss) before extraordinary items and Tax (IV - V)		(3,168,601)	(37,028,445)
VII. Extraordinary Items		-	-
VIII. Profit/(Loss) before Tax (VI - VII)		(3,168,601)	(37,028,445)
IX. Tax Expenses			
1 Current Tax		-	-
2 Deferred Tax		-	-
X. Profit/(loss) for the period from Continuing Operations (VIII - IX)		(3,168,601)	(37,028,445)
XI. Profit/(loss) from Discontinuing operations		-	-
XII. Tax expenses of Discontinuing operations		-	-
XIII. Profit/(loss) from Discontinuing operations (after tax) (XI - XII)		-	-
XIV. Profit/(Loss) for the Period (X + XIII)		(3,168,601)	(37,028,445)
XV. Earnings Per Equity Share	23		
1 Basic		(0.03)	(0.30)
2 Diluted		(0.03)	(0.30)

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

 Arun Jain
 Proprietor
 Membership No.053693
 Place :- Kolkata
 Dated : The 30th Day of May, 2016

For Quest Financial Services Ltd.

 Prakash Kumar Jajodia
 Managing Director
 DIN-00633920

For Quest Financial Services Ltd.

 Anand Chandak
 Company Secretary

For Quest Financial Services Ltd.

 Bijay Kumar Agarwal
 Director
 DIN-00634259

For Quest Financial Services Ltd.

 Rabindra Kumar Hisaria
 CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Figures as at	Figures as at
	March 31, 2016 Consolidated	March 31, 2015 Consolidated
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary item	(31,68,601)	(3,70,28,445)
<u>Adjustment for</u>		
Depreciation	20,05,005	25,19,617
Operating Profit before working capital change	(11,63,596)	(3,45,08,828)
<u>Change in working capital</u>		
<u>Adjustment for (increase)/decrease in operating assets</u>		
Inventories	18,14,643	(14,31,30,052)
Trade Receivables	4,45,58,000	(2,47,94,478)
Short Term Loans & Advances	101,323,322	13,12,64,714
Other Current Assets	(6,81,265)	(10,21,803)
	147,014,700	(3,76,81,619)
<u>Adjustment for increase/(decrease) in operating liabilities</u>		
Trade Payable	(10,77,73,349)	36,71,051
Other Current Liabilities	235,538	1,21,005
Short Term Borrowings	(523,357)	5,32,004
Short Term Provisions	-	-
	(10,80,61,168)	43,24,060
Cash Generated from Operations		
Income Tax	-	-
Net Cash from Operating Activities	37,789,936	(6,78,66,387)
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets	(2,39,700)	(6,97,867)
(Purchase)/Sale of Investments	(3,86,12,500)	7,07,29,090
Net Cash Flow from Investing Activities	(3,88,52,200)	7,00,31,223
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(15,48,657)	(13,54,932)
Net Cash Flow from Financing Activities	(15,48,657)	(13,54,932)
Net Increase/(decrease) in cash and cash equivalents	(2,610,921)	8,09,904
Opening Cash & Bank Balance	95,29,380	87,19,476
Closing Cash & Bank Balance	6,918,459	95,29,380

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

Arun Jain
Proprietor
Membership No.053693
Place :- Kolkata
Dated : The 30th Day of May, 2016

For Quest Financial Services Ltd.

Prakash Kumar Jajodia
Managing Director
DIN-00633920

For Quest Financial Services Ltd.

Anand Chandak
Company Secretary

For Quest Financial Services Ltd.

Bijay Kumar Agarwal
Director
DIN-00634259

For Quest Financial Services Ltd.

Rabindra Kumar Hisaria
CFO

1 **Consolidated Notes forming Part of Financial Statement for the Year 2015-2016**

A **NATURE OF BUSINESS**

Quest Financial Services Limited ('the Holding Company') is a Public Company, incorporated in India and regulated by Reserve Bank of India ('RBI') as an Investment and Loan Company - Non-Banking Finance Company. During the year, the Holding Company and its fourteen subsidiary companies constituted the Group.

B **SIGNIFICANT ACCOUNTING POLICIES**

a **Basis of Consolidation**

The Consolidated Financial Statements comprise the individual financial statements of the Holding Company and its subsidiaries as on March 31, 2016 and for the year ended on that date. The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of line items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- ii. The financial statements of the subsidiaries used in the consolidation are drawn up to the same Balance Sheet date as that of the Holding Company, i.e. March 31, 2016.
- iii. The financial statements of the following subsidiaries have been consolidated as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014:

Name of Subsidiary	Proportion of effective ownership interest (%) As on March, 2016	Proportion of effective ownership interest (%) As on March, 2015
QFS Paper Limited	100%	100%
QFS Gem & Jewelleries Limited	100%	100%
QFS Properties Limited	100%	100%
QFS Textiles Limited	100%	100%
Campbell Builders Ltd.	100%	NIL
Campbell Constructions Ltd.	100%	NIL
Campbell Consultants Ltd.	100%	NIL
Campbell Developers Ltd.	100%	NIL
Campbell Homes Ltd.	100%	NIL
Campbell Housing Ltd.	100%	NIL
Campbell Marketing Ltd.	100%	NIL
Campbell Projects Ltd.	100%	NIL
Campbell Real Estates Ltd.	100%	NIL
Campbell Residency Ltd.	100%	NIL

b Preparation of Accounts

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c 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.

d 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.

e 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.

f 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. 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.

g 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.

h 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.

i Depreciation

- (i) Depreciation on fixed assets is provided using the Written Down Value Method at the rates prescribed under schedule II of the Companies Act, 2013.
- (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 is treated as revenue expenditure.

j 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.

k 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.

l Retirement & other employees benefits

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

m 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.

n Advances, Debtors & Creditors

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

o 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.

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 2015-16.

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 MSME 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

As per prudential Norms, 20% of profit after tax (rounded off to next hundred) to be transferred to Statutory Reserve Fund appropriating the Statement of Profit & Loss as per requirement of the R.B.I. Act. Further, the Company has incurred loss during the financial year. Therefore, no amount has been transferred to the Statutory Reserve Fund.

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	Managing Director
Kishan Kumar Jajodia	Director
Amit Jajodia	Director
Bijay Kumar Agarwal	Director
Rabindra kumar Hisaria	Director & CFO
Jyoti Lohia	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
Campbell Builders Ltd.	Wholly owned Subsidiary Company
Campbell Constructions Ltd.	Wholly owned Subsidiary Company
Campbell Consultants Ltd.	Wholly owned Subsidiary Company
Campbell Developers Ltd.	Wholly owned Subsidiary Company
Campbell Homes Ltd.	Wholly owned Subsidiary Company
Campbell Housing Ltd.	Wholly owned Subsidiary Company
Campbell Marketing Ltd.	Wholly owned Subsidiary Company
Campbell Projects Ltd.	Wholly owned Subsidiary Company
Campbell Real Estates Ltd.	Wholly owned Subsidiary Company
Campbell Residency Ltd.	Wholly owned Subsidiary Company

B. RELATED PARTY TRANSACTION
Director's Remuneration

	31.03.2016	31.03.2015
Prakash Kumar Jajodia	180,000	180,000

Investment in Wholly owned Subsidiary Company

	31.03.2016	31.03.2015
Campbell Builders Ltd.	500,000	Nil
Campbell Constructions Ltd.	500,000	Nil
Campbell Consultants Ltd.	500,000	Nil
Campbell Developers Ltd.	500,000	Nil
Campbell Homes Ltd.	500,000	Nil
Campbell Housing Ltd.	500,000	Nil
Campbell Marketing Ltd.	500,000	Nil
Campbell Projects Ltd.	500,000	Nil
Campbell Real Estates Ltd.	500,000	Nil
Campbell Residency Ltd.	500,000	Nil
QFS Paper Limited	Nil	500,000
QFS Gem & Jewelleries Limited	Nil	500,000
QFS Properties Limited	Nil	500,000
QFS Textiles Limited	Nil	500,000

Trade Receivable from Wholly owned Subsidiary Company

	31.03.2016	31.03.2015
QFS Paper Limited	4,145,000	4,145,000
QFS Gem & Jewelleries Limited	792,500	792,500
QFS Properties Limited	3,745,000	3,745,000
QFS Textiles Limited	4,595,000	4,595,000

Expenses incurred for incorporation of Wholly owned Subsidiary Companies, yet commencement of business

	31.03.2016	31.03.2015
	-	2,39,700

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

	31.03.2016	31.03.2015
i- Net Profit/(Loss) After Tax	(3,168,601)	(37,002,023)
ii- Weighted Number of Equity Shares of Rs. 10.00	123,316,500	123,316,500
iii- Equity Shares for Diluted Earning Per Share (Rs.)	123,316,500	123,316,500
iv- Basic Earnings Per Share (Rs.)	(0.03)	(0.30)
v Diluted Earning Per Share (Rs.)	(0.03)	(0.30)

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.

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 2015-2016

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-2		
Share Capital		
Equity		
Authorized		
12,33,40,000 Equity Shares of Rs.10.00 each (P.Y. 12,33,40,000 Equity Shares of Rs 10.00 each)	<u>1,233,400,000</u>	<u>1,233,400,000</u>
Issued, Subscribed and fully Paid up		
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)	<u>1,233,165,000</u>	<u>1,233,165,000</u>

The Company has only one class of shares referred to as equity shares having a par value of Rs 10/

2.1. 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	31st March, 2016	31st March, 2015
Number of shares at the beginning	123,316,500	123,316,500
Add : Issue on account of merger	-	-
Number of shares at the end	123,316,500	123,316,500

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

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-3		
Reserve & Surplus		
Amalgamation Reserve		
Opening Balance (Credit/Debit)	(490,846,586)	(490,846,586)
Add/Less: Reserve generated during the year	-	-
Closing Balance(Credit/ Debit)	(490,846,586)	(490,846,586)
Profit & Loss Account		
Opening Balance (Credit/Debit)	(34,506,499)	2,521,946
Less : Transferred to Amalgamation Reserve	-	-
Add/Less: Surplus/Deficit in Profit & Loss for the Year	(3,168,601)	(37,028,445)
Less : Adjustment with Provision for Income Tax	-	-
Less : Transferred to Special Reserve	-	-
	(37,675,100)	(34,506,499)
Special Reserve Account		
Opening Balance (Credit/(Debit))	898,101	898,101
Add/Less: Reserve generated during the year	-	-
	898,101	898,101
	(527,623,585)	(524,454,984)

PARTICULARS	Non-Current Maturities		Current Maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Note-4				
Long Term Borrowings				
Term Loan-Secured Loans	849,861	2,398,518	2,386,385	2,386,385
Unsecured Loans	-	-	-	-
	849,861	2,398,518	2,386,385	2,386,385

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.

One EMI of Rs.5,22,000 (excluding interest) was due and not paid within 31/03/2016.

Loan from HDFC Bank Ltd. of Rs.560000/- is secured against I 20 and is repayable in monthly installments till 07/05/2017.

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-5		
Short Term Borrowings		
Secured Loans		
Bank Overdraft	4,087,157	4,610,514
	4,087,157	4,610,514

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.

Interest for the period from January, 2016 to March, 2016 due but not paid as on 31/03/2016. The same was paid on 15/04/2016.

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-6		
Trade Payable		
Sundry Creditors	18,837,846	126,611,195
	18,837,846	126,611,195

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-7		
Other Current Liabilities		
Liability for expenses	383,416	9,000
TDS Payable	215,000	73,598
Current Maturities on Long Term Debts	2,106,105	2,386,385
Liabilities for Expenses from Holding Co.	-	-
Recd. From Head office	-	-
	2,704,521	2,468,983

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-8		
Short Term Provisions		
Provision for Taxation	1,558,116	1,558,116
Contingent Provision of Standard Assets	900,310	900,310
	2,458,426	2,458,426

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-11		
Inventories		
Traded Goods (Mode of Valuation - At Cost)	424,659,701	426,474,344
	424,659,701	426,474,344

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-12 Trade Receivables		
Unsecured considered good		
Outstanding exceeding six months	19,320,331	9,360,000
Others	-	54,518,331
	19,320,331	63,878,331

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-13 Cash & Cash Equivalents		
With Schedule Banks in Current Account	2,760,128	7,114,957
Cash in hand (As Certified by the Management)	4,158,331	2,414,423
	6,918,459	9,529,380

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-14 Short Term Loans and Advances		
Advances Recoverable in cash or in kind	127,536,026	228,619,648
Advance to Subsidiaries	-	239,700
	127,536,026	228,859,348

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-15 Other Current Assets		
Securities Transaction Tax	-	-
Tax Deducted at Source	6,994,062	6,312,797
Security Deposit For Land	600,000	600,000
Advance against Properties	2,250,000	2,250,000
Share Application Money- Refund	-	-
Share Application Money Given	-	-
CDSL-Security deposit	2,000	2,000
	9,846,062	9,164,797

NOTE-9

FIXED ASSETS
Tangible Assets

Amount in `

Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Original Cost	Addition	Deduction	Book value as on 31.03.2016	Opening balance	Depreciation for 2015-16	Impairment	Depreciation	Net block as at 31.03.2016	Net block as at 31.03.2015
Building	170,500	-	-	170,500	51,782	11,290	-	63,072	107,428	118,718
Factory Flooring	575,125	-	-	575,125	174,870	38,264	-	213,134	361,991	400,255
Plant & Machinery	10,550,380	-	-	10,550,380	4,694,003	1,142,579	-	5,836,582	4,713,798	5,856,377
Embroidery Machine	1,068,796	-	-	1,068,796	592,929	136,112	-	729,041	339,755	475,867
Furniture & Fixture	1,125,630	-	-	1,125,630	430,477	217,248	-	647,725	477,905	695,153
Motor Vehicle										
Office Equipments										
Air conditioner	515,000	-	-	515,000	406,778	75,248	-	482,026	32,974	108,222
Stabilizer	141,960	-	-	141,960	109,364	21,743	-	131,107	10,853	32,596
Fire Extinguisher	17,500	-	-	17,500	8,490	2,752	-	11,242	6,258	9,010
Computers										
Computer	333,352	-	-	333,352	316,155	528	-	316,683	16,669	17,197
Electrical Installations and Equipments										
Electric Equipments	654,638	-	-	654,638	338,267	94,658	-	432,925	221,713	316,371
Electric Installation	128,700	-	-	128,700	66,503	18,610	-	85,113	43,587	62,197
Total of Tangible Assets	15,281,581	-	-	15,281,581	7,189,618	1,759,032	-	8,948,650	6,332,931	8,091,963
Intangible Assets										
Computer Software	34,500	-	-	34,500	24,861	6,273	-	31,134	3,366	9,639
Total of Tangible Assets	34,500	-	-	34,500	24,861	6,273	-	31,134	3,366	9,639
Total Assets- Tangible+Intangible	15,316,081	-	-	15,316,081	7,214,479	1,765,305	-	8,979,784	6,336,297	8,101,602
Previous year										
Tangible Assets	14,583,714	697,867	-	15,281,581	4,687,962	2,501,656	-	7,189,618	8,091,963	9,895,752
Intangible Assets	34,500	-	-	34,500	6,900	17,961	-	24,861	9,639	27,600
Total	14,618,214	697,867	-	15,316,081	4,694,862	2,519,617	-	7,214,479	8,101,602	9,923,352

Note - 10 Non Current Investments	Figures as at the end of March 31, 2016		Figures as at the end of March 31, 2015	
	Name of Companies	No. of Shares	No. of Shares	
Unquoted Equity Shares				
Anurodh Infrastructure Pvt. Ltd.	19,90,435	1,99,04,350	17,47,685	1,74,76,850
Blue Chip Projects Pvt. Ltd.	-	-	99,000	19,80,000
Cyrus Infocomm Pvt. Ltd.	15,000	30,00,000	15,000	30,00,000
Expressware Housing Ltd.	25,000	25,00,000	25,000	25,00,000
Fastner Machinery Dealers Pvt. Ltd.	38,220	1,91,10,000	44,800	2,24,00,000
Glorious Vincom Pvt. Ltd.	79,250	7,92,500	79,250	7,92,500
Impex Services Ltd.	400,000	80,00,000	-	-
Jaguar Infra Developers Pvt. Ltd.	35,500	1,77,50,000	60,500	3,02,50,000
Kali Confectioners Pvt. Ltd.	169,000	42,25,000	170,000	4,250,000
K.S. Consultancy Services Pvt. Ltd.(Face Value-Rs.100/-)	1,050	1,05,000	1,050	1,05,000
Linkup Financial Consultants Pvt. Ltd.	3,219	11,26,500	3,219	11,26,500
Original Fashion Traders Pvt. Ltd.	2,750,000	2,75,00,000	-	-
Pears Mercantiles Pvt. Ltd.	4,59,800	45,98,000	4,59,800	45,98,000
Shree Nidhi Trading Co. Ltd.	110,000	1,84,80,000	-	-
Shreyans Embroidery Machine Pvt. Ltd.	3,74,800	37,48,000	3,74,800	37,48,000
Victoria Cloth Merchants Pvt. Ltd.	5,000	8,75,000	5,000	8,75,000
Wonderland Paper Suppliers Pvt. Ltd.	414,800	41,48,000	-	-
Zonal Commercial Pvt. Ltd.	8,000	40,00,000	4,22,800	81,48,000
Grand Total		13,98,62,350		10,12,49,850

*Face Value is Rs.10/- each or otherwise specified.

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-16		
Revenue from Operations		
Sales	24,693,844	127,654,591
Currency Derivatives	-	-
Difference in Shares	-	54,579
Dividend	260	-
Interest on Loan	8,564,604	31,703,446
Profit on sale of Investment	-	1,204,989
	33,258,708	160,617,605
PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-17		
Purchases of Stock-in-trade		
Purchases	24,058,000	314,413,482
	24,058,000	314,413,482
PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-18		
Change in Inventories of finished goods, work-in progress and stock-in-trade		
Closing Stock	424,659,701	426,474,344
Less: Opening Stock	(426,474,344)	(283,344,292)
Increase/ (Decrease) of Stock	(1,814,643)	(143,130,052)
PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-19		
Employee Benefits Expense		
Wages	-	2,042,665
Salary & Bonus	745,474	520,897
Directors Remuneration	180,000	180,000
Staff Welfare Exp	28,071	41,452
	953,545	2,785,014
PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-20		
Finance Cost		
Interest	1,140,204	1,335,086
	1,140,204	1,335,086

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-21 Depreciation & Amortisation		
Depreciation	17,65,305	25,19,617
Amortisation	2,39,700	-
	20,05,005	25,19,617

PARTICULARS	Figures as at the end of March 31, 2016	Figures as at the end of March 31, 2015
Note-22 Other Expenses		
Advertisement	7014	4684
Bank Charges	145336	120343
CDSL Charges	90375	61798
Currency Derivative Loss	1033660	15145336
Demat Charges	12275	5557
Filing Fees	24600	12800
General Expenses	125086	48052
Insurance	47712	-
Listing Fees	2470846	795396
Loss on sale of Investment	1485000	-
NSDL Charges	85875	56180
Office Maintenance Expenses	37011	42269
Postage & telegram	98342	115011
Printing & Stationery	71524	39425
Professional Fees	91161	-
Stamp Charges, STT, Transaction Charges, Service Tax etc.	4644	414087
Telephone Charges	30263	42403
Travelling & Conveyance	426456	41254
Business promotion	-	889554
Car Maintenance Expenses	53533	126507
Electric Charges	-	575360
Repairs & Maintenance-Machinery	-	75000
Repairs & Maintenance-Hardware & Software	13294	22540
Accounting Expenses	-	90000
Interest Written off	-	6537
Recovery Written Off	-	60
Rent	-	940500
Auditors Remuneration		
For Statutory Audit	97325	39326
For Tax Audit	4580	4495
For Other Services	-	8429
	64,55,912	1,97,22,903

Statement of Net Assets and Profit or Loss

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	Amount in `	As % of Consolidated Profit or Assets	Amount in `
1	2	3	4	5
Parent Company				
Quest Financial Services Limited	99.09	70,60,72,512	86.89	(27,53,241)
Indian Subsidiaries				
QFS Gem & Jewelleries Ltd.	0.06	4,56,162	0.46	(14,935)
QFS Papers Ltd.	0.06	4,56,472	0.46	(14,625)
QFS Properties Ltd.	0.06	4,56,672	0.46	(14,425)
QFS Textiles Ltd.	0.06	4,56,547	0.46	(14,425)
Campbell Residency Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Real Estates Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Projects Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Marketing Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Housing Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Homes Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Developers Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Consultants Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Constructions Ltd.	0.07	4,64,305	1.13	(35,695)
Campbell Builders Ltd.	0.07	4,64,305	1.13	(35,695)
Foreign Subsidiaries	-	-	-	-
Minority Interests in all subsidiarie	-	-	-	-
Associates	-	-	-	-
Joint Ventures	-	-	-	-
Total	100.00	71,25,41,415	100.00	(31,68,601)