

CORPORATE GOVERNANCE REPORT

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

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

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

2. Board of Directors

The Company's Board of Directors as on 31st March, 2011 comprises of Three Non Executive Directors including the Chairman.

Seven Meetings of the Board were held during the financial year 2010 - 2011 i.e. on 29/05/2010, 30/07/2010, 08/11/2010, 30/11/2010, 05/01/2011, 04/02/2011 and 28/03/2011.

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

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

Name of Director	Category	No. of Board Meetings attended	Whether last AGM Attended	No. of other Directorship	No. of other Committee (s) Membership/ Chairmanship
Mr. Satya Prakash Pachisia ***	Non Executive Independent Director	7	Yes	—	—
Mr. Hemant Marda **	Non Executive Independent Director	5	Yes	—	—
Mr. Bijay Kumar Agarwal	Non Executive Independent Director	7	Yes	3	—
Mr. Kishan jajodia *	Non Executive Independent Director	3	No	5	—
Mr. Prakash jajodia *	Non Executive Independent Director	3	No	5	—
Mr. Amit jajodia *	Non Executive Independent Director	3	No	3	—

* Appointed as Additional Directors w.e.f. 30.11.2011.

** Resigned from the Board w.e.f. 05.01.2011.

*** Resigned from the Board w.e.f. 28.03.2011.

3. Audit Committee

(a) Composition :

The Audit Committee comprises of three non-executive independent directors as on 31st March, 2011. The Committee met 4 (Four) times during the year i.e. on 29/05/10, 30/07/10, 08/11/10 and 04/02/11. The attendance of the members were as follows :

Sl. No.	Name	Status	No. of Meetings
1.	Mr. Satya Prakash Pachisia ***	Non Executive Independent Director	4
2.	Mr. Hemant Marda **	Non Executive Independent Director	3
3.	Mr. Bijay Kumar Agarwal	Non Executive Independent Director	4
4.	Mr. Amit Jajodia *	Non Executive Independent Director	1
5.	Mr. Kishan Kumar Jajodia *	Non Executive Independent Director	1

* Appointed w.e.f. 05.01.2011.

** Resigned from the Board w.e.f. 05.01.2011.

*** Resigned from the Board w.e.f. 28.03.2011.

(b) Terms of Reference :-

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

4. REMUNERATION COMMITTEE

(a) Composition of the Committee :

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

Sl. No.	Name	Status
1.	Mr. Satya Prakash Pachisia ***	Non Executive Independent Director
2.	Mr. Hemant Marda **	Non Executive Independent Director
3.	Mr. Bijay Kumar Agarwal	Non Executive Independent Director
4.	Mr. Amit Jajodia *	Non Executive Independent Director
5.	Mr. Kishan Kumar Jajodia *	Non Executive Independent Director

* Appointed w.e.f. 29.01.2011.

** Resigned from the Board w.e.f. 05.01.2011.

*** Resigned from the Board w.e.f. 28.03.2011.

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

(b) Terms of Reference :

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

(c) Remuneration Policy :

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

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5. Share Transfer & Investors Grievance Committee

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

Sl. No.	Name	Status
1.	Mr. Satya Prakash Pachisia ***	Non Executive Independent Director
2.	Mr. Hemant Marda *	Non Executive Independent Director
3.	Mr. Bijay Kumar Agarwal	Non Executive Independent Director
4.	Mr. Amit Jajodia *	Non Executive Independent Director
5.	Mr. Kishan Kumar Jajodia *	Non Executive Independent Director

* Appointed w.e.f. 29.01.2011.

** Resigned from the Board w.e.f. 05.01.2011.

*** Resigned from the Board w.e.f. 28.03.2011.

During the year the Committee met 4 (Four) times during the year i.e. on 20/07/2010, 25/11/2010, 29/01/2011 and 31/03/2011.

During the year, the Company has not received any requests / complaints from its shareholders.

6. General Body Meetings :

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

Financial Year	Date of AGM	Venue	Time
2009-2010	30-09-2010	454, Dum Dum Park, Kolkata - 700 055	11.00 A.M.
2008-2009	23-09-2009	454, Dum Dum Park, Kolkata - 700 055	11.00 A.M.
2007-2008	25-09-2008	454, Dum Dum Park, Kolkata - 700 055	11.00 A.M.

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

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

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

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

7. DISCLOSURES

- Related Party transactions have been disclosed under note "2" of schedule to the accounts for the year under review.
- The Company has complied with all the requirements of the listing agreement 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(s) on matters related to Capital Market so far.

- c. Certificate as stipulated in Clause 49 of the Listing Agreement was obtained and placed before the Board.
- d. The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement but has not adopted the non-mandatory requirements so far save and except the requirements under Remuneration Committee.

8. MEANS OF COMMUNICATIONS

Quarterly unaudited results of the Company were published in accordance with the The Calcutta Stock Exchange Association Ltd. Listing Agreement in the The Financial Express - English and Dainik Lipi -Bengali.

The quarterly and the annual results of the Company are submitted to the The Calcutta Stock Exchange Association Limited. The Annual Reports are posted to every shareholder of the Company. Management Discussion and Analysis forms part of the Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting :**
- **Date :** 30th September, 2011
- **Time :** 11.00 A.M.
- **Venue :** 454, Dum Dum Park, Kolkata - 700 055
- **Financial Calendar :**

Financial Year - 1st April, 2011 to 31st March, 2012	Relevant Dates
Board Meeting for consideration of accounts	On or before 30 th May, 2011
Posting of Annual Report along with notice of AGM	On or before 1 st September, 2011
Book Closure dates	26 th September, 2011 to 30 th September, 2011 (both days inclusive)
Last date for receipt of proxy forms	28 th September, 2011 (before 11.00 a.m.)
Unaudited results for the quarter ended on June 30, 2011	Within 15 th August, 2011
Unaudited results for the quarter ended on September 30, 2011	Within 15 th November, 2011
Unaudited results for the quarter ended on December 31, 2011	Within 15 th February, 2012
Unaudited results for the quarter ended on March, 31, 2012	On or before 30 th May, 2012

Listing on Stock Exchanges at :

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

The Company has paid the listing fee to the The Calcutta Stock Exchange Association Ltd. for the year 2010 - 2011.

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Stock Market Price for the Financial Year 2010 - 2011 :

Month	High (Rs.)	Low (Rs.)	Volume (Rs.)
April, 2010	60.75	60.75	26500
May, 2010	60.75	60.75	4400
June, 2010	60.75	60.75	134900
July, 2010	60.75	60.75	90700
August, 2010	60.75	60.75	38000
September, 2010	60.75	60.75	86000
October, 2010	60.75	60.75	51100
November, 2010	60.75	60.75	26900
December, 2010	61.05	60.75	36400
January, 2011	61.10	61.05	84000
February, 2011	61.10	61.10	107000
March, 2011	61.10	61.10	69500

- **Share Transfer System:** The Company's shares are in compulsory demat mode. The shares received for transfer in physical mode are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. Shares under objection are returned within two weeks. No physical shares were transferred during the year ended 31st March, 2011.
- **Dedicated email ID for Investors.** For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. investorsquestfinancial@yahoo.com
- **Registrar & Share Transfer Agent :**
M/s. Niche Technologies Private Ltd.
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata 700 001
Phone Nos. (033) 2235-7270/7271/3070.
- **Dematerialisation of Shares and Liquidity :**
The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE 064D01012. Nearly 96.72% of total equity shares have been dematerialized as on 31.03.2011.

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- Distribution of shareholding & shareholding pattern :

Distribution of shareholding as on 31/03/2011

Ordinary Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
Upto 500	388	18.60	90219	0.65
501 - 1000	392	18.80	319974	2.31
1001 - 5000	884	42.40	2461409	17.76
5001 - 10000	257	12.33	1906626	13.76
10001 - 50000	117	5.61	2479243	17.89
50001 - 100000	27	1.30	1797285	12.96
100001 and above	20	0.96	4805244	34.67
Total	2085	100.00	13860000	100.00

Pattern of Shareholding as on 31.03.2011

Sl. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters & their relatives including Associate Companies	90000	0.65
2.	Other bodies Corporate	5938802	42.84
3.	Indian public	7812324	56.37
4.	Clearing Member	18874	0.14
	TOTAL	13860000	100.00

- Outstanding AD Rs/GDRs : Not Applicable
- Address for matters related to shares, any correspondence :
M/s. Niche Technologies Private Ltd.,
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata 700 001,
Phone Nos. (033) 2235-7270/7271/3070
- Address for any kind of assistance / clarification :
Mr. Amit Jajodia, Compliance Officer
C/o. Quest Financial Services Ltd.
454, Dum Dum Park, Kolkata - 700 055

10. CODE OF CONDUCT

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

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

11. DECLARATION

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

For and on behalf of the Board of Directors

Place : Kolkata

Mr. Bijay Kumar Agarwal
Chairman

Date : 30th May, 2011