

QUEST FINANCIAL SERVICES LTD.

31ST ANNUAL REPORT

# **31<sup>st</sup> Annual Report & Accounts 2010 - 2011**

Board of Directors:

KISHAN KUMAR JAODIA Director

PRAKASH KUMAR JAODIA Director

AMIT JAODIA Director

BUAY KUMAR AGARWAL Director

Registered Office:

454, Dum Dum Park

Kolkata-700 055

Bankers:

AXIS BANK

BANK OF BARODA

Auditors:

ARUN JAIN & ASSOCIATES

28, Grant Lane

2<sup>nd</sup> Floor, Room No-74

Kolkata-700 012

## **QUEST FINANCIAL SERVICES LIMITED**

# Quest Financial Services Limited

454 Dum Dum Park (Ground Floor), Kolkata-700 055  
Phone - 2590 8598

## QUEST FINANCIAL SERVICES LTD.=====

### 31ST ANNUAL REPORT

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### ACCOUNTS 2010 - 2011

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company, 454 Dum Dum Park, Kolkata-700 055 at 11:00 a.m. to transact the following

#### Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Bijay Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.

#### Board of Directors:

KISHAN KUMAR JAJODIA Director

PRAKASH KUMAR JAJODIA Director

AMIT JAJODIA Director

BIJAY KUMAR AGARWAL Director

#### Special Business:

1. To consider and if thought fit, to pass the following with or without modification as an Ordinary Resolution:

#### Registered Office:

454, Dum Dum Park

Kolkata-700 055

#### Bankers:

AXIS BANK

BANK OF BARODA

#### Auditors:

ARUN JAIN & ASSOCIATES

2B, Grant Lane

2<sup>nd</sup> Floor, Room No-74

Kolkata-700 012

2. To consider and if thought fit, to pass the following with or without modification as an Ordinary Resolution:

"RESOLVED THAT Mr. Amit Jajodia who was appointed as an additional Director by the Board of Directors of the Company pursuant to Articles of Association and who

# Quest Financial Services Limited

454, Dum Dum Park (Ground Floor), Kolkata - 700 055  
Phone : 2590 6596

## NOTICE

**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of the Company will be held on Friday, the 30<sup>th</sup> day of September, 2011 at the Registered Office of the Company at 454, Dum Dum Park, Kolkata- 700 055 at 11.00 a.m. to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Bijay Kumar Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### Special Business without Postal Ballot:

4. To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Kishan Kumar Jajodia who was appointed as an additional Director by the Board of Directors of the Company pursuant to Articles of Association and who holds the office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Prakash Kumar Jajodia who was appointed as an additional Director by the Board of Directors of the Company pursuant to Articles of Association and who holds the office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass the following with or without modification as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Amit Jajodia who was appointed as an additional Director by the Board of Directors of the Company pursuant to Articles of Association and who

holds the office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**By order of the Board  
For Quest Financial Services Ltd.**

Regd. Office :  
454, Dum Dum Park  
Kolkata-700 055  
Dated : 30<sup>th</sup> May, 2011

*T. Bijay Agarwal*  
Mr. Bijay Kumar Agarwal  
Chairman

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING .
2. Members holding share in dematerialised form are requested to bring their Depository Account No. and Client I.D. No. for identification.
3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares shall remain closed from 26<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both days inclusive).
4. Members are requested to notify to the Company, change of address, if any, with pin code quoting reference of their folio number/DP ID and Client ID to our Registrar & Share Transfer Agent i.e. Niche Technologies Private Ltd., D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata 700 001, Phone Nos. 2235-7270/7271/3070.
5. In case, the mailing address mentioned on this Annual Report is without the PIN CODE, members are requested to kindly inform their PIN CODE immediately.
6. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the members in respect of shares held by them. Members holding shares in physical form may furnish their details in the prescribed form, which can be obtained from the Company/ Registrar and Share Transfer Agent. Members holding shares in electronic form may furnish their details in the prescribed form which can be obtained from the respective depository participant.
7. Members who are holding shares in identical order or names in more than one folio are requested to send the Company/Registrar and Share Transfer Agent the details of such folios together with the Share Certificates for consolidating their holdings in one such folio.
8. Members are requested to quote their Folio number/DP ID and Client ID in all correspondence.

9. A Member or his Proxy is requested to produce at the entrance of the Meeting Hall, attendance Slip forwarded to the member duly completed and signed by the member.
10. Members are requested to note that trading in securities of the Company are compulsorily in dematerialised form only. Hence members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with National Securities Depositories Ltd. (NSDL) and Central Depositories Services (I) Ltd. (CDSL) for Demat facilities.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

##### **Item No. 4**

Mr. Kishan Kumar Jajodia was appointed as an additional director of the Company w.e.f. 30<sup>th</sup> November, 2011 by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Kishan Kumar Jajodia is to hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received notice u/s 257(i) of the Companies Act, 1956 alongwith the deposit of Rs. 500/- from shareholder signifying his intension to propose Mr. Kishan Kumar Jajodia as Director of the Company.

Mr. Kishan Kumar Jajodia completed his Higher Secondary Education from Kolkata and thereafter completed his B.Com. (Hons.) . He is having 25 years of Corporate experience in the fields of finance, stock broking etc.

Your Directors are of the view that with his experience and wisdom the Company shall be immensely benefited and therefore it will be in the interest of the Company to appoint Mr. Kishan Kumar Jajodia as Director and recommend the adoption of resolution proposed under item 4 of the Notice.

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

None of the other Director of the Company is concerned or interested in the said Resolution.

##### **Item No. 5**

Mr. Prakash Kumar Jajodia was appointed as an additional director of the Company w.e.f. 30<sup>th</sup> November, 2011 by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Prakash Kumar Jajodia is to hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received notice u/s 257(i) of the Companies Act, 1956 alongwith the deposit of Rs. 500/- from shareholder signifying his intension to propose Mr. Prakash Kumar Jajodia as Director of the Company.

Mr. Prakash Kumar Jajodia completed his Higher Secondary Education from Kolkata. He is having 15 years of experience in the fields of finance, stock broking, embroidery, textiles, garments etc.

Your Directors are of the view that with his experience and wisdom the Company shall be immensely benefited and therefore it will be in the interest of the Company to appoint Mr. Prakash Kumar Jajodia as Director and recommend the adoption of resolution proposed under item 5 of the Notice.

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

None of the other Director of the Company is concerned or interested in the said Resolution.

#### **Item No. 6**

Mr. Amit Jajodia was appointed as an additional director of the Company w.e.f. 30<sup>th</sup> November, 2011 by the Board of Directors of the Company. In terms of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Amit Jajodia is to hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received notice u/s 257(i) of the Companies Act, 1956 alongwith the deposit of Rs. 500/- from shareholder signifying his intension to propose Mr. Amit Jajodia as Director of the Company.

Mr. Amit Jajodia completed his Higher Secondary Education from Kolkata and thereafter completed his B.Com. (Hons.) . He is having 3 years of Corporate experience in the fields of finance, stock broking, commodities and currency market, derivatives etc.

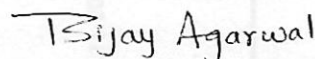
Your Directors are of the view that with his experience and wisdom the Company shall be immensely benefited and therefore it will be in the interest of the Company to appoint Mr. Amit Jajodia as Director and recommend the adoption of resolution proposed under item 6 of the Notice.

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

None of the other Director of the Company is concerned or interested in the said Resolution.

**By order of the Board  
For Quest Financial Services Ltd.**

Regd. Office :  
454, Dum Dum Park  
Kolkata-700 055  
Dated : 30<sup>th</sup> May, 2011

  
Mr. Bijay Kumar Agarwal  
Chairman

(PURSUANT TO CLAUSE 49(VI)(A) OF THE LISTING AGREEMENT)

(FORWARD TO CLAUSE 49(VI)(A) OF THE LISTING AGREEMENT)									
Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorship in other Companies	Membership of		Nature of Directorship	Remarks
						Committees in other Companies			
Mr. Bijay Kumar Agarwal	02.03.1974	31.01.2007	15 Years of Working Experience in the field of Iron & Steel Trading	B.Com.	1. Mahashakti Tracom Private Limited 2. Vivek Ply And Veneers Private Limited 3. Twinkle Tradelink Private Limited	-----		Non -Executive independent Director	Retiring by rotation at the forthcoming Annual General meeting & offers himself for re-appointment
Mr. Kishan Kumar Jajodia	28.07.1965	30.11.2010	25 Years of Working Experience in the field of Finance, stock broking etc.	B.Com. (Hons.)	1. Nova Merchants Private Limited 2. Rivergrove Merchandise Private Limited 3. Concord Vinimay Private Limited 4. Burnpur Power Private Limited 5. Jaisukh Dealer Private Limited	-----		Non -Executive independent Director	Term of office expires on the forthcoming Annual General meeting & notice has been received from the member for his appointment as director of the Company
Mr. Prakash Kumar Jajodia	02.03.1974	30.11.2010	15 Years of Working Experience in the field of Finance, stock broking, embroidery, textiles, garments etc.	H.S.	1. Nova Merchants Private Limited 2. Rivergrove Merchandise Private Limited 3. Concord Vinimay Private Limited 4. Burnpur Power Private Limited 5. Jaisukh Dealer Private Limited	-----		Non -Executive independent Director	Term of office expires on the forthcoming Annual General meeting & notice has been received from the member for his appointment as director of the Company
Mr. Amit Jajodia	27.09.1987	30.11.2010	3 Years of Working Experience in the field of Finance, stock broking, commodities & currency marketing.	B.Com. (Hons.)	1. Concord Vinimay Private Limited 2. Lokseva Texttrade Private Limited 3. Kwality Credit & Leasing Limited	-----		Non -Executive independent Director	Term of office expires on the forthcoming Annual General meeting & notice has been received from the member for his appointment as director of the Company

# Quest Financial Services Limited

454, Dum Dum Park (Ground Floor), Kolkata - 700 055

Phone : 2590 6596

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of the Company together with Audited Accounts for the year ended 31<sup>st</sup> March, 2011.

## FINANCIAL RESULTS :

Rs. In Lakhs

Particulars	2010-11	2009-10
Profit/(Loss) for the year before tax	1.49	0.24
(Less) : Provision for Taxation	0.50	0.06
Profit/(Loss) after tax	0.99	0.18
Less: Transferred to Statutory Reserve	0.30	0.05
Add : Brought forward from previous year	39.29	39.16
Balance Carried over to Balance Sheet	39.98	39.29

## DIVIDEND

In view of the inadequacy of profit, your Directors do not recommend any dividend.

## DIRECTORS

Mr. Bijay Kumar Agarwal, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Further Mr. Kishan Kumar Jajodia, Mr. Prakash Kumar Jajodia and Mr. Amit Jajodia have been appointed as Additional Directors of the Company with effect from 30<sup>th</sup> November, 2011 and as such they are to hold office till the conclusion of the ensuing Annual General Meeting of the Company. Notice has been received from the member signifying their intention to propose Mr. Kishan Kumar Jajodia, Mr. Prakash Kumar Jajodia and Mr. Amit Jajodia as Directors of the Company. The Board of Directors recommended their appointment as Directors of the Company.

Mr. Hemant Marda & Mr. S. P. Pachisia resigned from the office of directorship on 5<sup>th</sup> January, 2012 and 28<sup>th</sup> March, 2012 respectively as they were unable to continue as Directors of the Company and Board hereby records its appreciation of the services and advices rendered by them during their tenure of their office.

#### **AUDITORS**

M/s. Kapoor Mehrotra & Associates , Chartered Accountants of 23, Ganesh Chandra Avenue, Kolkata- 700 013 resigned from the office of the Auditors and in its place M/s. Arun Jain & Associates, Chartered Accountants of 2B, Grant Lane, 2<sup>nd</sup> Floor, Room No.74, Kolkata- 700 012 was appointed as a Statutory Auditors of the Company for the F.Y.2010-2011. Further, M/s. Arun Jain & Associates, Chartered Accountants of 2B, Grant Lane, 2<sup>nd</sup> Floor, Room No.74, Kolkata- 700 012 retire from the office of the Auditors at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

#### **AUDITORS' REPORT**

Auditors' Report is self explanatory and hence does not require any further explanations.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i. that in the preparation of the Company's Annual Accounts for the period ended March, 31, 2011, the applicable Accounting Standards have been followed and there are no material departures;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.

#### **CORPORATE GOVERNANCE REPORT**

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

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Company Secretary in whole time practice regarding compliance of condition of Corporate Governance is annexed to the said Report.

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

#### **PUBLIC DEPOSIT**

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

#### **PRUDENTIAL NORMS FOR NBFC'S**

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

#### **PARTICULARS OF EMPLOYEES :**

The Company has no employee of the category indicated under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The Company has no activity relating to conservation of energy and technology absorption in terms of Section 217 (1) (e) of the Companies Act, 1956. The Company has no Foreign exchange earnings and outgo during the year.

#### **LISTING FEES**

The Company's shares are listed in the Calcutta Stock Exchange Association Ltd. and listing fee has been paid up-to-date.

#### **CASH FLOW STATEMENT**

The Cash Flow statement for the year ended 31<sup>st</sup> March, 2011, pursuant to Clause 32 of the Listing Agreement with the Stock Exchange is annexed herewith.

#### **ACKNOWLEDGEMENT**

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

ON BEHALF OF THE BOARD OF DIRECTORS

*Bijay Agarwal*

Place : Kolkata

Mr. Bijay Kumar Agarwal

Date : 30<sup>th</sup> May, 2011

Chairman

# **Quest Financial Services Limited**

454, Dum Dum Park (Ground Floor), Kolkata - 700 055  
Phone : 2590 6596

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## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **TREND & DEVELOPMENT**

The Past few years have witnessed a rapid change in the segments of Indian Securities Market. Your Company will adopt appropriate strategies to meet the evolving market developments.

### **REGULATORY**

Reserve Bank of India issued several new guidelines namely Guidelines on Fair Practice Code for NBFCs, KYC Norms. Your Company has initiated necessary steps to adhere to the aforesaid guidelines.

### **OPERATING & FINANCIAL PERFORMANCE**

During the year under review, your Company has made significant improvement in performance in terms of earning.

Company's performance during the year under review are:

- Net owned Fund of the Company increased to Rs. 1739.31 lacs as against Rs. 1738.31 lacs, last year, a growth of about 0.06%.
- Profit Before Taxes increased to Rs. 1.49 lacs as against profit of Rs. 0.24 lacs in the last financial year.
- The net profit after taxation increased to Rs. 0.99 lacs as against profit of Rs. 0.18 lacs in the last year.

### **DEBT STRUCTURE**

During the year, your Company has not raised any amount.

### **OUTLOOK**

Your Company continues to remain focused on its chosen market segment of trading in shares and securities. However your Company's focus will be to trade in good company shares & securities so that the delinquencies can be kept at the minimum level.

# Quest Financial Services Limited

454, Dum Dum Park (Ground Floor), Kolkata - 700 055  
Phone : 2590 6596

## OPPORTUNITIES & THREATS, RISK & CONCERN

### RISK MANAGEMENT

Your Company's business is mainly exposed to Credit risk, interest rate risk, liquidity risk and operational risk. These are vigilantly monitored and managed to ensure that risk parameters remain within the limits.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control and Audit is an important procedure and the Audit committee of your Company on an ongoing basis reviews its effectiveness. The system of internal control and Audit of your Company is adequate considering the size of its business. These have been designed to ensure effective and efficient operation and compliance of applicable laws and regulations and to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported correctly.

### HUMAN RESOURCE DEVELOPMENT

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

### CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing company's expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that would make a difference to the Company's operation include demand supply conditions, change in government regulations, tax regimes, economic development within the country and abroad and such other factors.

## **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 31<sup>st</sup> 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 31<sup>st</sup> March, 2011. The Committee met 4 (Four) times during the year i.e. on 29/05/2010, 30/07/2010, 08/11/2010 and 04/02/2011. The attendances 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.

## 5. Share Transfer & Investors Grievance Committee

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

Sl. No.	Name	Status
1	Mr. 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 RESOLUTIONS AT THE LAST THREE ANNUAL GENERAL MEETINGS:

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

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

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

## 7. DISCLOSURES

a. Related Party transactions have been disclosed under note "2" of schedule to the accounts for the year under review.

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

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

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

## 8. MEANS OF COMMUNICATIONS

Quarterly unaudited results of the Company were published in accordance with the The Calcutta Stock Exchange Association Ltd. Listing Agreement in the 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** : 30<sup>th</sup> 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 <sup>th</sup> May, 2011
Posting of Annual Report along with notice of AGM.	on or before 1 <sup>st</sup> September, 2011
Book closure dates	26 <sup>th</sup> September, 2011 to 30 <sup>th</sup> September, 2011 (both days inclusive)
Last date for receipt of proxy forms	28 <sup>th</sup> September, 2011 (before 11.00 a.m.)
Unaudited results for the quarter ended on June 30, 2011	Within 15 <sup>th</sup> August, 2011
Unaudited results for the quarter ended on September 30, 2011	Within 15 <sup>th</sup> November, 2011
Unaudited results for the quarter ended on December 31, 2011	Within 15 <sup>th</sup> February, 2012
Unaudited results for the quarter ended on March, 31, 2012	On or before 30 <sup>th</sup> 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 Calcutta Stock Exchange Association Ltd. for the year 2010-2011.

- Stock Market Price for the Financial Year 2010-2011:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
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 31<sup>st</sup> 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.

- 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
	<b>TOTAL</b>	13860000	100.00

- Outstanding ADRs/GDRs : Not Applicable
- Address for matters related to shares, any correspondence:  
M/s. Niche Technologies Private Ltd.,  
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata 700 001,  
Phone Nos. (033) 2235-7270/7271/3070.

- Address for any kind of assistance/clarification :

Mr. 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.

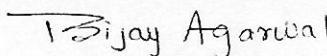
The Company has put in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and select employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

## 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.

Place : Kolkata  
Dated : 30<sup>th</sup> May, 2011

For and on behalf of the Board of Directors

  
Mr. Bijay Kumar Agarwal  
Chairman

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

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

To  
The Members of,  
Quest Financial Services Ltd.

I have examined the compliance of conditions of Corporate Governance by Quest Financial Services Ltd. for the year ended on 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, with relevant records and documents maintained by the Company and furnished to us.


The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to me and the representations made by the Directors and the management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

For ARUN JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
F.R.N.No.325867E

  
Proprietor  
CP No.053693

Dated The 30<sup>th</sup> Day of May, 2011

## CEO & CFO CERTIFICATION

The Board of Directors  
Kavayitri Chaudhary  
134, Deccan House  
5<sup>th</sup> Floor, Tower No. 102  
Kolkata - 700 059

### DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I, Bijay Kumar Agarwal, Chairman of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended on 31<sup>st</sup> March, 2011.

*Bijay Agarwal*

Bijay Kumar Agarwal  
Chairman

Place : Kolkata  
Date : 30.05.2011

- (a) There have been no significant changes in the internal control over financial reporting during this year.
- (b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control system over financial reporting.

*Bijay Agarwal*

Bijay Kumar Agarwal  
Chairman

*Tanmay Laha*

Tanmay Laha  
CFO

Place : Kolkata  
Date : 30.05.2011

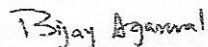
## CEO & CFO CERTIFICATION

The Board of Directors  
Kwality Credit & Leasing Limited  
13A, Decres Lane  
5<sup>th</sup> Floor, Room No. 502  
Kolkata - 700 069

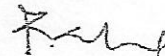
Re-Financial Statements for the year ended on 31<sup>st</sup> March, 2011 Certification

We, Bijay Kumar Agarwal, Chairman & Mr. Tanumay Laha, CFO, on the basis of the review of the financial statements and the cash flow statements for the Financial year ending on 31<sup>st</sup> March, 2011 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended On 31<sup>st</sup> March, 2011 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - (a) There have been no significant changes in the internal control over financial reporting during this year.
  - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
  - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.



Bijay Kumar Agarwal  
Chairman



Tanumay Laha  
CFO

Place : Kolkata  
Date : 30.05.2011


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

### AUDITORS' CERTIFICATE

To  
The Board of Directors  
Quest Financial Services Ltd.  
454, Dum Dum Park  
Kolkata-700 055

We have examined the attached Cash Flow Statement of **Quest Financial Services Ltd.** for the year ended 31<sup>st</sup> March, 2011. The statement has been prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and is in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our report dated 30<sup>th</sup> May, 2011 to the members of the Company.

For **ARUN JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**F.R.N.No.325867E**

  
Proprietor  
CP No.053693

Dated The 30<sup>th</sup> Day of May, 2011

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

The Board Of Directors  
QUEST FINANCIAL SERVICES LIMITED  
454, Dum Dum Park  
Kolkata-700 055

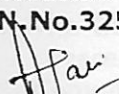
### AUDITORS' REPORT TO THE SHAREHOLDERS

- 1 We have audited the attached Balance Sheet of M/S. QUEST FINANCIAL SERVICES LIMITED as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - II. In our opinion proper books of accounts, as required by law, have been kept by the Company as far as appears from our examination of those books.
  - III. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - IV. In our opinion the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

Y

- V. On the basis of written representations received from the directors, as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31.03.2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting policies and other notes thereon give the information required by the companies Act, 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India:
- a) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011.
  - b) In so far as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date. And
  - c) In so far as it relates to Cash Flow Statement, of the cash flows for the year ended on that date.

For **ARUN JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**F.R.N.No.325867E**

  
Proprietor  
CP No.053693

Dated The 30<sup>th</sup> Day of May, 2011

### **Annexure to Auditors Report**

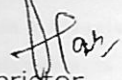
Referred to in Paragraph 3 of our report of even date

1. The Company does not have any fixed assets.
2. In respect of its inventories:
  - a) As explained to us, the management has conducted physical verification of stock at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of stock and as reported and explained to us by the management, no material discrepancies were noticed on physical verification of stocks.
3. The Company has neither granted nor taken any loan, Secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956:
  - a. The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, clause 3(b) to 3 (d) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
  - b. The Company has not taken any unsecured loans from the parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, and for the sale of goods and services. During the course of audit, we have not observed any major weakness in internal control system.
5. In respect on transactions covered under Section 301 of the Companies Act 1956:
  - a. In our opinion and according to the information and explanations given to us, there are no particulars of contracts or agreements that to be entered into in the register in pursuance of Section 301 of the Companies Act, 1956. Therefore, clause 5(b) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
6. The Company has not accepted any deposit from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. In our opinion the companies is not a manufacturing Company. Therefore clause 4 (viii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

9. In respect of statutory dues:

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date of becoming payable.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. The Company had no dues to any financial institutions, banks.
12. In our opinion and according to the information and explanation given to us, the Company has not granted any loans or advance on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual fund/ society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and others investment and timely entries have been made therein. All shares, debenture and other investment have been held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we are of the opinion that no funds raised on short term basis have been used for long-term investments.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money by way of debentures issued.
20. The company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **ARUN JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**F.R.N.No.325867E**

  
Proprietor  
CP No.053693

Dated The 30<sup>th</sup> Day of May, 2011

**QUEST FINANCIAL SERVICES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2011**

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
a) Share Capital	1	138,600,000	138,600,000
b) Reserves and surplus	2	35,330,781	35,231,395
	<b>TOTAL=A</b>	<b>173,930,781</b>	<b>173,831,395</b>
<b>Loan Funds</b>			
Unsecured Loans		117,680,507	0
	<b>TOTAL=B</b>	<b>117,680,507</b>	<b>0</b>
	<b>TOTAL=A+B</b>	<b>291,611,288</b>	<b>173,831,395</b>
<b>APPLICATION OF FUNDS</b>			
Investments	3	213,490,250	77,761,491
<b>Current Assets, Loans and Advances</b>			
Closing Stock	4	48,244,325	45,426,182
Sundry Debtors	5	226,739	0
Cash & bank balance	6	1,295,908	83,858
Loans and advances	7	38,776,968	110,238,179
		<b>88,543,940</b>	<b>155,748,219</b>
<b>Less: Current Liabilities &amp; Provision</b>	8		
Current liabilities		9,070,258	58,414,281
Provision		1,352,644	1,264,034
		<b>10,422,902</b>	<b>59,678,315</b>
<b>Current Assets</b>		<b>78,121,038</b>	<b>96,069,904</b>
	<b>TOTAL</b>	<b>291,611,288</b>	<b>173,831,395</b>

Notes on Accounts

12

Balance Sheet Abstract & Companies

13

General Business Profile

For our report of even date

For Arjun Jain & Associates

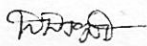
Chartered Accountants


25867E

for  
a in

Director

Partnership No.053693

  
**Kishan Kumar Jajodia**  
 Director

  
**Prakash Kumar Jajodia**  
 Director

Kolkata

30th May, 2011

**QUEST FINANCIAL SERVICES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

Schedule	For the Period Ended 31.03.2011 ₹	For the Period Ended 31.03.2010 ₹
<b>INCOME</b>		
Sales	39,708,954	37,950,839
Difference in Shares	426,500	(1,235,226)
Dividend	0	1,080
Interest on Loan	2,032,565	144,655
Other Income	226,739	0
Increase /(Decrease) of Stock	2,818,143	(268,676)
	<b>45,212,901</b>	<b>36,592,672</b>
<b>EXPENDITURE</b>		
Purchase	42,338,245	35,409,000
Operating, Administrative & Other expenses	826,938	1,141,737
Financial Expenses	1,859,722	17,843
Contingent Provision against Standard Asset	38,610	0
	<b>45,063,515</b>	<b>36,568,580</b>
Profit before Tax	149,386	24,092
Provision for Income Tax		
Current	(50,000)	(6,000)
Fringe Benefit Tax	0	0
<b>PROFIT AFTER TAX</b>	<b>99,386</b>	<b>18,092</b>
Transferred to Reserve	(29877)	(5000)
Balance brought forward	3,928,637	3,915,545
	<b>3,998,146</b>	<b>3,928,637</b>

Balance Sheet Abstract & Companies  
 General Business Profile

For our report of even date

For Arun Jain & Associates

Chartered Accountants

N-325867E

*Arun Jain*  
 Arun Jain  
 Director

Membership No.053693

*Kishan Kumar Jajodia*  
 Kishan Kumar Jajodia  
 Director

*Prakash Kumar Jajodia*  
 Prakash Kumar Jajodia  
 Director

**QUEST FINANCIAL SERVICES LIMITED**

Schedules Annexed to and Forming Part of the Accounts :

**SCHEDULE-1****As on 31.03.11****As on 31.03.10**

₹

₹

**Share Capital****AUTHORISED**

1,40,00,000 Equity share of Rs. 10/- each

140,000,000

140,000,000

**ISSUED, SUBSCRIBED AND PAID-UP**1,38,60,000 Equity share of Rs. 10/- each  
fully paid-up in cash

138,600,000

138,600,000

**138,600,000****138,600,000****SCHEDULE-2****Reserves and Surplus**

Profit &amp; Loss Account

3,998,146

3,928,637

Special Reserve Account

282,635

252,758

Securities Premium Account

31,050,000

31,050,000

**35,330,781****35,231,395****SCHEDULE-3****INVESTMENTS (At Cost)**

Share of the Company

**Unquoted-Equity Shares**

Arav Infotech Pvt. Ltd.

0

1,000,000

K Power Industries Pvt. Ltd.

0

1,500,000

Sul Motors Pvt. Ltd.

0

500,000

APP Complex Pvt. Ltd.

0

320,000

Wind Inorganics Pvt.Ltd

0

600,000

Wind Polypack Pvt.Ltd

0

300,000

Hicon Resources Pvt. Ltd.

0

700,000

Castle Distributors Pvt. Ltd.

4,000,000

4,000,000

Citywings Carriers &amp; Travels Pvt.Ltd.

700,000

700,000

Pan Multipoly Pack (India) Pvt. Ltd.

1,000,000

1,000,000

Electrolugs &amp; Terminal Ltd.

0

100,000

Evergrow Investments Pvt. Ltd.

1,000,000

1,000,000

Angotri Dealers Pvt. Ltd

895,000

1,200,000

India Steels Ltd.

18,500,000

18,500,000

Indo Chains (Raipur) Pvt. Ltd.

0

800,000

**QUEST FINANCIAL SERVICES LIMITED**

Schedules Annexed to and Forming Part of the Accounts :

	As on 31.03.11	As on 31.03.10
Infinity Projects Pvt. Ltd	0	199,375
Isha Agro Tech Pvt. Ltd	0	300,000
Isha Educare Pvt. Ltd.	0	1,000,000
Jspat Damodar Ltd.	0	11,500,000
Jaykalp Tradewell Pvt. Ltd.	1,500,000	0
JC Infra Corporation Pvt. Ltd.	1,000,000	1,000,000
Jarji Properties Pvt. Ltd.	1,000,000	1,000,000
Krish RealCon Pvt. Ltd.	0	200,000
Manik Mercantiles Pvt. Ltd.	1,600,000	0
Mullick Project Pvt. Ltd.	0	500,000
MKGS Trading Co. Pvt. Ltd.	0	1,010,616
Monika Builders & Fincon Pvt. Ltd.	2,500,000	2,500,000
Navyug Tradelink Pvt. Ltd.	0	1,000,000
Neha Projects Pvt. Ltd	0	1,000,000
Northern Oil Manufacturing Pvt. Ltd.	0	500,000
Nupur Fiscal Services Pvt. Ltd	0	200,000
Om Food Suppliers Pvt. Ltd.	0	500,000
Orient Newsprint Ltd	70,000,000	0
Original Fashion Traders Pvt. Ltd.	5,000,000	0
Paramsukh Nirman Pvt. Ltd	0	237,500
Pears Mercantiles Pvt. Ltd.	5,000,000	0
Rakash Alloy Pvt. Ltd.	0	300,000
Reet Real Estate Pvt. Ltd.	0	200,000
Sai Medicare Pvt. Ltd.	0	600,000
Shrover Dealers Pvt. Ltd	7,295,250	7,374,000
Shri Manik Mercantiles Pvt. Ltd.	0	2,100,000
Shri Hare Krishna Sponge Iron Ltd	0	500,000
Singal Tubes Co, Pvt. Ltd	0	1,050,000
Sri Infra - Con Pvt. Ltd	0	500,000
Sri Real - Con Pvt. Ltd	0	1,000,000
SRG Logistics Pvt. Ltd.	0	1,000,000
Sumit Fiscal Services Pvt. Ltd.	0	300,000
Sumit Properties Pvt. Ltd.	0	100,000
Sunil Mantri Realty Ltd.	90,000,000	0
Swadha Properties Pvt. Ltd.	0	1,000,000
Swar Enterprises Pvt. Ltd.	0	1,000,000
Swaraj Goods Pvt. Ltd.	2,500,000	2,500,000
Swaraj Imfo Solution	0	500,000
Swaraj Exports Pvt. Ltd.	0	220,000
Swaraj Hospital & Medical Science Pvt. Ltd.	0	300,000
Swaraj Infrastructure & Mari Pvt. Ltd.	0	400,000
Swaraj Merchants Pvt. Ltd.	0	450,000
Swaraj International Pvt. Ltd.	0	1,000,000

# QUEST FINANCIAL SERVICES LIMITED

Schedules Annexed to and Forming Part of the Accounts :

As on 31.03.11

As on 31.03.10

## SCHEDULE-4

### Closing Stock (At Cost)

### Quoted - Equity Shares

Adhunik Steels Ltd.	0	271
Tajaj Hindusthan Ltd.	0	342,340
Cals Refinery Ltd.	20,500	20,500
Subhkam Capital Market Ltd.	48,223,825	45,063,071
	<b>48,244,325</b>	<b>45,426,182</b>

## SCHEDULE-5

### Sundry Debtors

Sundry debtors:(Unsecured Considered Good)

Debts outstanding for a period exceeding six months	0	0
Other Debts	226,739	0
	<b>226,739</b>	<b>0</b>

## SCHEDULE-6

### Cash and Bank Balances

Cash in hand	1,295,908	9,917
Cash at Bank	0	73,941
With scheduled banks in current account	<b>1,295,908</b>	<b>83,858</b>

## SCHEDULE-7

### Gains and Advances

Unsecured, Considered Goods)		
Advances Recoverable in cash or in kind or value	37,502,433	108,814,283
be received	0	21,935
Sing Benefit Tax	0	1,302,708
Securities Transaction Tax	1,112,775	99,253
Tax Deducted at Source	161,760	

# QUEST FINANCIAL SERVICES LIMITED

Schedules Annexed to and Forming Part of the Accounts :

As on 31.03.11

As on 31.03.10

## SCHEDULE-8

### Current Liabilities

Sundry Creditors including advances

8,846,588

16,677

Liabilities for excess cheque issued

39,171

58,397,604

DS Payable

184,499

0

9,070,258

58,414,281

### Provisions

Tax

1,297,034

1,247,034

Fringe Benefit Tax

17,000

17,000

Contingent of Standard Assets

38,610

0

1,352,644

1,264,034

## SCHEDULE-9

### Increase /(Decrease) of Stock

Closing Stock

48,244,325

45,426,182

Less: Opening Stock

(45,426,182)

(45,694,858)

### Increase /(Decrease) of Stock

2,818,143

(268,676)

## SCHEDULE-10

### Operating, Administrative & Other expenses

Salary & Bonus

320,000

315,000

Staff Welfare

22,180

23,725

Printing & Stationary

3,800

8,905

Advertisement & Business promotion

13,340

24,277

Listing Fees

38,605

42,328

Telephone Charges

37,120

38,926

Banking Fees

5,500

2,500

Accounting Expenses

84,000

110,000

Legal and Professional Charge

7,750

85,149

Office Maintenance Expenses

48,845

49,148

General Expenses

41,795

78,715

Security Transaction Tax

10,118

129,372

Auditor's remuneration

Y

Audit Fees

12,360

12,360

Selling and Conveyance

30,750

32,887

Postage & Telegram

8,140

7,732

Service Tax, Stamp Charge & TDS

**QUEST FINANCIAL SERVICES LIMITED**

Schedules Annexed to and Forming Part of the Accounts :

	As on 31.03.11	As on 31.03.10
Rent	18,000	30,000
CDSL Charges	33,700	33,590
Demat charges	0	830
NSDL Charges	45,808	22,390
Miscellaneous expenses	43,236	41,015

**Significant Accounting Policies****826,938****1,141,737****a) Principles & Practice :**

The Financial Statements have been prepared under the historic cost convention, in accordance with generally accepted accounting principles, following Accounting Standards and other provisions of the Companies Act, 1956 and on going concern concept.

**b) System of Accounting :**

Generally Mercantile System of Accounting is followed except unascertained items which have been taken on cash basis.

**c) Recognition of Income & Expenses :**

Items of income and expenditure are recognized on accrual basis as shown above.

**d) Fixed assets & Depreciation :**

The company has not acquired any fixed assets during the year under review and as such depreciation has not been provided in the accounts.

**e) Investment :**

All investments are stated at cost i.e. cost of acquisition inclusive of expenditure incidental to acquisition. Income from investments is recognized in the accounts in the year in which it is accrued and stated at gross value.

**f) Retirement Benefit :**

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

**g) Taxation :**

Provision for taxation has been made in the accounts in order to meet the future tax liability of the Company.

**2. Related Party Disclosure**

Disclosures as required by the Accounting Standard 18 "Related party Disclosures" issued by the Institute of Chartered accountants of India.

**A. Relationship are given below:-****Directors:-**

1. Mr. Satya Prakash Pachisia
2. Mr. Hemant Marda
3. Mr. Bijay Kumar Agarwal
4. Mr. Kishan Kumar Jajodia
5. Mr. Prakash Kumar Jajodia
6. Mr. Amit Jajodia

**B. Transaction with related parties****C. Amount outstanding (receivable) as on 31.03.2011****D. Amount outstanding (payable) as on 31.03.2011**

Nil

Nil

Nil

**SCHEDULE-11****Financial Expenses**

Interest

Bank Charges

## QUEST FINANCIAL SERVICES LIMITED

### SCHEDULE- "12"

#### Notes on Accounts

(Annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March 2011 and the annexed Profit & Loss account for the year ended on that date)

#### 1. Significant Accounting Policies:

##### a) Principles & Practice :

The Financial Statements have been prepared under the historic cost convention, in accordance with generally accepted accounting principles, following Accounting Standards and other provisions of the Companies Act, 1956 and on going concern concept.

##### b) System of Accounting:

Generally Mercantile System of Accounting is followed except unascertained items which have been taken on cash basis.

##### c) Recognition of Income & Expenses :

Items of income and expenditure are recognized on accrual basis save as above.

##### d) Fixed assets & Depreciation :

The company has not acquired any fixed assets during the year under review and as such depreciation has not been provided in the accounts.

##### e) Investment :

All investments are stated at cost i.e. cost of acquisition inclusive of expenditure incidental to acquisition. Income from investments is recognized in the accounts in the year in which it is accrued and stated at gross value..

##### f) Retirement Benefit:

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

##### g) Taxation :

Provision for taxation has been made in the accounts in order to meet the future tax liability of the Company.

#### 2. Related Party Disclosure

Disclosures as required by the Accounting Standard 18 "Related party Disclosures" issued by the Institute of Chartered accountants of India.

##### A. Relationship are given below:-

##### Directors:-

- 1.Mr. Satya Prakash Pachisia
- 2.Mr. Hemant Marda
- 3.Mr. Bijay Kumar Agarwal
- 4.Mr. Kishan Kumar Jajodia
- 5.Mr. Prakash Kumar Jajodia
- 6.Mr.Amit Jajodia

B .	Transaction with related parties	:	Nil
C .	Amount outstanding (receivable) as on 31.03.2011	:	Nil
D .	amount outstanding ( payable) as on 31.03.2011	:	Nil

### 3. Earning per Share

	2010-2011	2009-2010
Calculation of weighted average no. of shares of Rs. 10/-each		
No. of shares at the beginning of the period	1,38,60,000	1,38,60,000
Shares issued during the year	Nil	Nil
No. of shares at the close of the period	1,38,60,000	1,38,60,000
Weighted average no. of equity shares during the period	1,38,60,000	1,38,60,000
Net Profit for the period attributable to equity Shares (in Rupees)	99,386	18,092
Basic & Diluted earning (in rupees) per share	0.007	0.001

### 4. Deferred Tax Assets/ Liabilities

In accordance with AS 22 -" accounting for taxes on income " as issued by the Institute of Chartered Accountants of India, the Company has not accounted for deferred tax during the year. The Company does not have any depreciable assets. So nothing is required to be reported.

### 5. Current Assets / Liabilities

In the opinion of the Board, the Current Assets and Loans & Advances are approximately of the value stated in the accounts, if realized in the ordinary course of business, unless otherwise stated. The provision of all known liabilities are adequate and is not in excess of the amount considered reasonably necessary by the management.

6. Additional Information pursuant to the provision of Paragraph 3 of Part II of schedule VI to the Companies Act, 1956:-
  - a. Earning / outgo in foreign currency on export / import of goods on F.O.B basis Nil
  - b. Quantitative information in respect of goods traded during the year Nil
7. As informed by the Management the payment of Gratuity Act, 1972 is not applicable to the Company as the number of staffs is less than the minimum number specified under the Act.
8. The Company has only one reportable business segment i.e. trading and one geographical segment in India and hence no further disclosure is required under Accounting Standard-17 on Segment reporting.
9. As required by the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions. 1998 a schedule to the Balance Sheet containing additional particulars as per format prescribed by the Bank has been attached herewith.
10. There was no contingent liability as on 31.03.2011.
11. The quantitative details of shares during the year are given below:-

	As on 31.03.2011		As on 31.03.2010	
	Qty. (Nos.)	Value (₹)	Qty. (Nos.)	Value (₹)
Opening Stock	162519	45426182	142558	45694858
Purchase	567618	42338245	380467	35409000
Sales	565801	39708954	360506	37950839
Closing Stock	164336	48244325	162519	45426182

## 12. Payments to Auditors

Particulars	Amount (₹)
Statutory Audit Fees	8825
Tax Audit Fees	3535

## 13. Information relating to Micro and Small Enterprises (MSEs) :

(I) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year	
Principal	----
Interest	----
(II) The amount of interest accrued and remaining unpaid at the end of accounting year	----
(III) The amount of interest paid by the buyer in terms of Section 16 to the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	----
Principal	
Interest	

The above particulars, as applicable, have been given in respect of MSEs. No party could be identified on the basis of information available with the Company and pursuant to amendment of Schedule VI to the Act vide Notification dated 16<sup>th</sup> November, 2007 issued by the Central Government

## 14. In terms of our report of even date attached herewith

V

**QUEST FINANCIAL SERVICES LIMITED**

Cash Flow Statement for the year ended 31st March, 2011  
[Pursuant to clause 32 of the listing agreement]

	2010-2011	2009-2010
	₹	₹
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before Tax and Extra ordinary items	149,386.00	24,092.00
Adjustment for :		
Preliminary Expenses Written Off	-	-
Operating Profit before working Capital Change	149,386.00	24,092.00
Adjustment for :		
Current Assets	68,416,329.00	(92,455,607.00)
Current Liabilities	(49,255,413.00)	(10,162,707.00)
Cash Flow Operation	19,160,916.00	(102,618,314.00)
Less : Provision for Taxation	(50,000.00)	(6,000.00)
Net Cash Flow from Investing Activities	19,260,302.00	(102,600,222.00)
<b>B. Cash Flow from Investing Activities</b>		
Decrease / (Increase) in Investment	(135,728,759.00)	100,751,384.00
Net Cash flow from Investing Activities	(135,728,759.00)	100,751,384.00
<b>C. Cash Flow from Financing Activities</b>		
Unsecured Loan taken	117,680,507.00	-
Net Increase / (Decrease in Cash and Cash equivalent	1,212,050.00	(1,848,838.00)
Add : Opening Balance of Cash & Cash Equivalent	83,858.00	1,932,696.00
Closing Balance of Cash & Cash Equivalent	1,295,908.00	83,858.00

In terms of our Report of even date

For Arun Jain & Associates  
Chartered Accountants  
FRN-325867E

Arun Jain  
Proprietor  
Membership No.053693

Place: Kolkata  
Dated: 30th May, 2011

Kishan Kumar Jajodia  
Director

Prakash Kumar Jajodia  
Director

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

(Amount in Rs.)

Particulars	Amount Outstanding	Amount Overdue
<b>Liabilities Side :</b>		
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures: Secured	-	-
Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter- corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans (Specify Nature)	117,680,507	-
<b>Particulars</b>	<b>Amount Outstanding</b>	
<b>Assets Side :</b>		
(2) Break up of Loans and Advances including bills receivables [other than those included in (4) below]		
(a) Secured	-	
(b) Unsecured	37,502,433	
(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	-	
(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)	213490250 - - - - -		
<b>Long term investments</b> <b>(I) Quoted:</b>  (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please Specify)  <b>(II) Unquoted:</b> (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (Please Specify)	   - - - - - -  - - - - -		
<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above :</b>			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1 Related Parties** (a) Subsidiaries (b) Companies in the same group (c) Other related Parties	- - -	- - -	- - -
2 Other than related parties	-	-	-
Total	-	-	-

<b>(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>		
Category	Market Value/Break up of Fair value or NAV	Book value (Net of Provisions)
1 Related Parties**		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related Parties	-	-
2 Other than related parties	-	-
Total	-	-
<b>(7) Other Information:</b>		
Particulars	Amount	
(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	-	

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**Schedule-13**

Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule - VI of the Companies Act, 1956

**I. Registration Details :**

Registration No.	33060	State Code	21
Balance Sheet Date	31.03.2011		

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	291611	Total Assets	291611
-------------------	--------	--------------	--------

**Sources of Funds**

Paid up Capital	138,600
Reserves & Surplus	35330
Secured Loans	NIL
Unsecured Loans	117,681

**Application of Funds**

Net Fixed Assets	NIL
Investments	213490
Net Current Assets	78121
Miscellaneous Expenditure	NIL
Deferred Tax Assets	NIL

**IV. Performance of Company (Amount in Rs. Thousands)**

Total Income	45213	Total Expenditure	45064
Profit/Loss before tax	149	Profit/Loss after tax	99
Earnings per share (in Rs.)	0.007	Dividend Rate %	NIL

**V. Generic names of three Principal Products/Services of the Company**  
(As per monetary terms)

Item Code No.	Not Applicable	Product Description	Dealing in Shares & Securities Investment & Finance
---------------	----------------	---------------------	--