

# **Annual Report**

**2012-2013**



**Quest Softech (India) Limited**

**BOARD DIRECTORS**

Mr. Dhiren B. Kothary	: Executive Director
Mr. Suresh Shanker Vishwasrao	: Non Executive Director
Mr. Paresh Zaveri	: Independent Director

**STATUTORY AUDITORS**

M/s. Chokshi & Co,  
Chartered Accountants  
101-102, Kshamalaya,  
37, Sir, V. Thackersey Marg,  
Mumbai- 400020

**REGISTERED OFFICE**

27, Maker Bhavan No 2,  
2nd Floor, 18th New Marine Lines,  
Mumbai 400020.

**REGISTRAR AND TRANSFER AGENT**

PURVA SHAREGISTRY (I) PRIVATE LIMITED  
Unit no. 9, Shiv Shakti Industrial Estate,  
J .R. Boricha marg, Opp. Kasturba Hospital Lane  
Lower Parel (E),  
Mumbai 400 011

**BANKERS**

HDFC Bank Ltd  
Crawford Market Branch  
Mumbai, Maharashtra.

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**NOTICE**

Notice is hereby given that the Fourteenth Annual General Meeting of the members of Quest Softech (India) Limited will be held on Monday, 30th day of September, 2013 at 10.00 a.m at 27, Maker Bhavan II, 2nd Floor, 18, New Marine Lines, Mumbai- 400020 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Suresh S.Vishwasrao who retires by rotation and being eligible offers himself for re-appointment
3. To re-appoint M/s Chokshi and Co, Chartered Accountants, as Statutory Auditors of the company and authorise the Board to fix their remuneration.

By Order of the Board of Directors

Sd/-

(Dhiren B. Kothary)  
Director

DATE: 3rd September, 2013

PLACE: New Delhi

**Registered Office:**

27, Maker Bhavan II  
2nd Floor, 18, New Marine Lines  
Mumbai - 400020.

**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 /HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting
3. The Register of members and the share transfer book of the company shall remain closed from Friday, 27th September, 2013 to Monday, 30th September, 2013 (both days inclusive)
4. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the company a certified true copy of the resolution passed at the Board Meeting authorizing their representative to attend and vote on behalf of the Company
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Securities Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant with whom they are maintaining their Demat accounts. Members holding shares in physical forms can submit their PAN details to the R & T Agent.
8. Members holding shares in electronic form are requested to intimate any changes in their address or bank mandates to their depositories participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change of address immediately to M/s. Purva share registry (India) Private Limited, the Registrar & Share Transfer Agent.
9. The Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance by issuing Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 allowing paperless compliance by Companies through electronic mode. The Shareholders can now receive various notice and documents through electronic mode by registering their e-mail addresses with the company. **Shareholders who have not registered their e-mail address with the Company can now register the same by sending e-mail to M/s. Purva Shareregistry (India) Private Limited, R&T of the Company at [busicomp@vsnl.com](mailto:busicomp@vsnl.com)** The Members holding shares in electronic form are requested to register their email address with their Depository Participant only. Even after registering for E-Communication the shareholders of the Company are entitled to receive such communication in physical form, upon request.
10. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, following information is furnished about the Directors proposed to be re-appointed at the ensuing Annual General Meeting:

Name of the Director	Suresh Shankar Vishwasrao
Date of Birth	4th October, 1946
Date of appointment	2nd January, 2008
Qualification	BA. CAIIB
Expertise in specific functional area	He is an ex-banker having more than 35 years of experience in banking and finance with a long stint with State Bank of India. He is well networked with various Government agencies and financial institutions. During his tenure in the Bank, Mr. Vishwasrao had held various positions both at the operational areas as well as at the Corporate centre. He was on deputation for over 5 years at the Bank's New York office.
List of other Directorships held	1. Yuroas Textiles Private Limited 2. Quest Profin Advisor Private Limited 3. Bombay Rayon Fashions Limited 4. Quest (East India) Advisor Private Limited 5. Quest Finlease Private Limited
Chairman or members of the Committee of the Board of Directors of other Companies	NIL
No of Shares held in the Company as on 31.03.2013	100

## DIRECTORS' REPORT

To  
The Members,  
Your Directors have pleasure in presenting the 14th Annual Report of Quest Softech (India) Limited (the Company) along with the Audited Accounts for the financial year ended 31st March, 2013.

### FINANCIAL PERFORMANCE:

(Rs. in Lacs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Total Income	9.52	121.39
Profit/(Loss) before Depreciation, Interest & Tax	1.83	19.14
Interest	Nil	Nil
Depreciation	32.44	3.35
Profit/(Loss) before Tax	(30.61)	15.78
<b>Profit/(Loss) after Tax</b>	<b>(41.83)</b>	<b>1.27</b>
<b>Balance Carried over to the Balance Sheet</b>	<b>(496.93)</b>	<b>(455.09)</b>

### FINANCIAL REVIEW

During the year under review, your Company recorded income from operations aggregating to Rs. 9.00 lakhs as against Rs. 104.36 lakhs in the previous year. The Net loss for the year was Rs. 41.83 lakhs as against Profit of Rs. 1.27 lakhs in the previous year.

### DIVIDEND:

In view of unavailability of sufficient profits, the Board of Directors of the Company regrets their inability to recommend any dividend for the financial year ended 31st March, 2013.

### BUSINESS OUTLOOK

The main business of the company is IT/BPO services related to the preparation and maintenance of accounting information and reports. Your Company seeks to elevate the clients' finance and accounting functions from transactional requirements into tools that can be used to effectively manage the business. Our unique business process outsourcing methodology and approach, work to optimize operations across the full range of finance and accounting functions. We serve as a single window outsourcing solution for all Finance, Accounting and Tax Related services. The future prospects for the services offered by your Company are very encouraging.

### LISTING OF EQUITY SHARES

We are pleased to inform to all the member that the Equity shares of the Company have been listed with Bombay Stock Exchange ( BSE) and trading on equity shares of the company has been open with BSE since 5th July, 2013. Hence we request all the members to approach respective Depository Participant (DP) for transfer, sale and purchase of securities of the company

### DIRECTORS

In accordance with the provision of the Companies Act, 1956 and in terms of Articles 121 of Articles of the company, Mr. Suresh S. Vishwasrao will be retiring by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

**PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any Public Deposits from the Public under section 58A of the Companies Act, 1956 and rules framed there under.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibilities Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the company for the year under review;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the accounts for the year under review on a 'going concern' basis.

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

The provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors), directors furnish herein below the additional information

**Conservation of Energy**

Although the operation of the Company is not energy intensive, it continues to adopt energy conservation measure at all operational levels. The disclosure of particulars in the prescribed format A under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988, is not applicable to the company.

**Technology Absorption**

Your Company has not imported any technology during the year under review Foreign Exchange Earning and Outgo.

During the year under review, there were no transactions in Foreign Currency.

**PARTICULARS OF EMPLOYEES:**

There are no employees covered under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of the Employees) Rules, 1975 as amended

**AUDITORS**

It is proposed to appoint M/s Chokshi & Co., Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration. The Board of Directors recommends the appointment of M/s Chokshi & Co., as Statutory Auditors of the Company.

**AUDIT COMMITTEE**

The Audit Committee comprises Mr. Paresh Zaveri, Mr. Suresh Vishwasrao and Mr. Dhiren Kothary as its members. Mr. Paresh Zaveri is the Chairman of the Audit Committee. The Committee meets to review the accounts, internal control systems and significant accounting policies of the Company and to discuss the audit findings and recommendations of statutory auditors.

**ACKNOWLEDGEMENTS:**

The Board of Directors put on record their sincere thanks to the clients, vendors, bankers for their continued support and co-operation. Your Directors also place on record their appreciation for the business associates and shareholders. Your Directors also thank all the Government and regulatory authorities connected with the Company's business for their support during the year. Your Directors also appreciate the contribution and hard work of the employees at all levels for the growth of the organization.

For and on behalf of Board of directors

Sd/-  
(Dhiren B. Kothary)  
Director

Date: 3rd September, 2013  
Place: Mumbai

**Regd. Office:**  
27, Maker Bhavan II  
2nd Floor, 18, New Marine Lines,  
Mumbai – 400020.

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

The frame work of Corporate Governance is based on the existing regulatory requirements as well as the practice prevailing in the Corporate Sector. The Principle of Corporate Governance is imbibed in the business. It emphasizes on long term prosperity of the Corporations while abiding with their National, Human, Social, Economic and Political Obligation. The Corporate Governance principles have become an important constituent for corporate success. The practice of good Corporate Governance has become a necessary prerequisite for any corporation to effective function in the globalised market scenario

A detailed report of Corporate Governance, pursuant to Clause 49 of the Listing Agreements, is set out below.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company believes in adopting the best practice of Corporate Governance with an aim to maximize the interest of the stakeholders to achieve long term sustained value while ensuring accountability in the exercise of company's financial, legal and contractual obligation

The management and employees of your company are committed to uphold the core values of transparency integrity, honesty and accountability which are the fundamental of the corporate framework of the company. Your company is fully committed to and continues to follow the requirement of the code of corporate governance as conceived in the listing agreements.

### CORPORATE ETHICS

The Company endeavours to adhere to the highest possible standards of business ethics, compliance and commitment to transparency in business dealings.

### BOARD OF DIRECTORS

#### a) Composition of Board

- i) Total strength of the Board of Directors of the Company is three Directors comprising one Executive Director, one Non-Executive Director and one Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements.
- ii) None of the Directors is a members of more than ten committees or Chairman of more than five committees across all the companies in which he/ she is a director as required under clause 49 of the Listing Agreements.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships /memberships held by them in other companies as on 31st March, 2013 are given below:

Name of Director	Category (Executive/ Non- Executive/ Independent	No. of Board Meetings Attended	Attendance at previous AGM on 29th September, 2012	No. of outside Director- ships Held	No. of Committee positions held in other Public Companies
Dhiren B. Kothary	Executive Director	6/6	Yes	8	Nil
Suresh S. Vishwasrao	Non Executive Director	6/6	Yes	5	Nil
Paresh C. Zaveri	Independent Director	2/6	No	2	Nil

- iv) Six (6) Board Meetings were held during the financial year ended 31st March, 2013 and the gap between the two meetings did not exceed four months.
- v) The Board meetings were held on 19th May, 2012, 20th July, 2012, 1st September, 2012, 09th October, 2012, 14th November, 2012 and 12th February, 2013.

## BOARD COMMITTEES

The Board has constituted following three Committees of Directors:

- I. Audit Committee
- II. Remuneration Committee
- III. Shareholders / Investors Grievance and Share Transfer Committee

### I. Audit Committee

#### a) Composition of Audit Committee & Attendance at Meeting:

The Audit Committee of the Company comprises of three members. Four Audit Committee Meetings were held during the year on 19th May, 2012, 1st September, 2012, 14th November, 2012 and 12th February, 2013. The necessary quorum was present for all the Meetings. The Audit Committee meetings are usually held at the registered office of the Company and are normally attended by the Chairman, Directors and representative of the Statutory Auditor.

The composition and attendance of the members at the Audit Committee Meetings are as follows:

Name of the Member	Designation	Category
Paresh C. Zaveri	Chairman	Independent Director
Suresh S. Vishwasrao	Member	Non Executive Director
Dhiren B. Kothary	Member	Executive Director

#### Meeting and Attendance

Name of the Member	No. of Audit Committee Meetings held	No. of Audit Committee Meetings Attended
Paresh C. Zaveri	4	2
Suresh S. Vishwasrao	4	4
Dhiren B. Kothary	4	4

The minutes of the meeting of the Audit Committee are placed before the Board and the company is following the recommendation of the Audit Committee.

#### b) Terms of Reference:

The Constitution of the audit committee also meets the requirements under section 292A of the Companies Act, 1956. The terms of reference and power of the audit committee are in line with those contained under clause 49 of the Listing Agreement.

## II. Remuneration Committee

The company has reconstituted the Remuneration Committee with effect from April, 2010.

### a) Composition of Remuneration Committee

The Remuneration Committee comprises of three directors. One is Independent Director, One Non - Executive Director and Executive Director.

The composition of the members at the Remuneration Committee as follows:

Name of the Member	Designation	Category
Paresh C. Zaveri	Chairman	Independent Director
Suresh S. Vishwasrao	Member	Non Executive Director
Dhiren B. Kothary	Member	Executive Director

### b) Terms of reference:

1. Review the overall compensation policy, service agreement and employment condition of the Director and other employees of appropriate cadres with a view to motivating the best managerial talents, their remuneration packages.
2. Evaluate the remuneration paid by comparable organization.
3. Review the performance of the Directors and recommendations to the Board in this regard.
4. Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.

### c) Remuneration Policy:

#### Remuneration to Executive Director and Non Executive Directors

None of the Executive Director, Non Executive Director and Independent Directors are drawing any salary nor sitting fees for attending Board meeting or any commission from the Company.

There is no pecuniary relationship or transaction between any of the Non Executive Director and the Company.

#### No. of Equity Shares held by Directors

Name	Number of Equity Shares held
Dhiren B. Kothary	24,50,444
Suresh S. Vishwasrao	100
Paresh C. Zaveri	Nil

**III. Shareholders' / Investors' Grievance and Share Transfer Committee:**

The Share Transfer & Shareholders / Investor's Grievance Committee of the Company looks into the matter like transfer / transmission, issue of duplicate shares, non-receipt of declared dividend etc. and investigate the investor's complaints and take necessary steps for redress thereof.

The Shareholders' / Investors' Grievance and Share Transfer Committee comprised of three Directors. Two meetings of the Committee were held during the financial year 2012-13. The composition of the members at the Shareholders' / Investors' Grievance and Share Transfer Committee is as follows: -

Name of the Member	Designation	Category
Suresh S. Vishwasrao	Chairman	Non Executive Director
Dhiren B. Kothary	Member	Executive Director

**Meeting and Attendance**

Name of the Member	No. of Meetings held	No. of Meetings Attended
Suresh S. Vishwasrao	2	2
Dhiren B. Kothary	2	2

Purva Sharegistry (India) Private Limited has been appointed as the Registrar and Transfer Agent of the Company and the Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor's services. The Committee also advises on the matter enabling better investor services and relations.

Status of complaints received for the year 2012-13

No. of Complaints received - 3

No. of Complaints resolved - 3

No. of Complaints pending - Nil

No Complaints were pending /outstanding as on 31st March 2013.

**COMPLIANCE OFFICER**

Mr. Siluvairajan Antony, Company Secretary, is the Compliance officer of the Company.

**NOTE ON APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS**

Particulars of Directors to be re-appointed at the ensuing Annual General Meeting is given under the note no. 10 of the Notice convening the meeting.

**SUBSIDIARY COMPANY**

The company does not have any subsidiary company at present. Therefore, provisions of Clause 49(III) of the Listing Agreement do not apply to the Company.

**GENERAL BODY MEETINGS****1. Annual General Meetings**

Details of Special Resolution passed in the previous three Annual General Meetings are given below:

Year	Venue	Date & Time	Special Resolution Passed
2009 -10	Chithpavan Brahman Sangh, S.V. Sovani Marg, Girgaon, Mumbai- 40004	17th September 2010 10.00 a.m.	No Special Resolution passed
2010 - 11	27, Maker Bhavan II, 2nd Floor, 18, New Marine Lines, Mumbai- 400020	30th September, 2011 10.00 a.m.	No Special Resolution passed
2011 - 12	27, Maker Bhavan II, 2nd Floor, 18, New Marine Lines, Mumbai- 400020	29th September, 2012 10.00 a.m.	No Special Resolution passed

All the Resolutions were passed with requisite majority.

**1. Postal Ballot**

No Special Resolution was passed through Postal Ballots during the financial year and no special resolution is being proposed to be conducted through postal ballot

**OTHER DISCLOSURES****a. Related Party Transactions**

There are no materially significant related party transactions i.e. transaction material in nature with its promoters, directors, their relatives or the management, subsidiaries of the Company etc. having potential conflict with the interest of the Company at large.

**b. Statutory Compliance, Penalties and structures**

The company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the years.

**c. Accounting Standards**

In preparation of the financial statements, the Company follows Accounting Standards issued by the Institute of Chartered Accountants of India.

**d. Risk management**

The Company has formulated and laid down the procedure for assessment and minimization of risks. These procedures have been considered by the Board and a properly defined framework is being laid down to ensure that executive management controls the identified risks.

**f. Proceeds from Public Issue**

There was no public issue of equity shares of the Company during the year 2012-13,

**g. Compliance with the Mandatory /Non Mandatory requirements.**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited with effect from 5th July, 2013. Hence, the Provisions under Listing Agreement were not applicable to the Company during the year ending on 31st March, 2013. However, the Company has made efforts to comply with requirements of clause 49 of the Listing Agreement, to the maximum extent possible.

**CEO/CFO CERTIFICATION**

In terms of Clause 49(V) of the Listing agreement, Mr. Dhiren B. Kothary, Executive Director, has issued certificate to the Board of Directors which forms a part of the Annual Report of the Company.

**MEANS OF COMMUNICATIONS**

1. The quarterly, half yearly results and annual financial results are sent to the Stock Exchanges immediately after they have been taken on record by the board. The same are published in newspapers in Regional Language.
2. The quarterly and annual Financial Result, Shareholding Pattern, Code of Conduct for the Board of Directors and Senior Management as well as Code of Conduct for prohibition of Insider Trading are also posted on the Company's website namely, [www.questsoftech.co.in](http://www.questsoftech.co.in). for the benefit of the shareholders.
3. Whenever the Company issues any press release, it is sent to the Stock Exchanges.

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Management Discussion and Analysis Report are appended to and forms part of the Annual Report.

**GENERAL SHAREHOLDER INFORMATION**

1) Date, Time and Venue of AGM	30th September, 2013 at 10.00 am 27, Maker Bhavan II, 2nd Floor, 18, New Marine Lines, Mumbai - 400 020.
2) Financial Year	April 1, 2012- March 31, 2013
3) Dates of Book Closure	27th September 2013 to 30th September , 2013 (both days inclusive)
4) Dividend Payment Date	There is no dividend recommended by the Board
5) Listing on Stock Exchange	Bombay Stock Exchange Ltd
6) BSE Scrip Code	535719

**MARKET PRICE DATA: HIGH LOW DURING EACH MONTH IN LAST FINANCIAL YEAR**

The equity shares of the Company have been listed with Bombay Stock Exchange ( BSE) and trading on equity shares of the company has been open with BSE since 5th July 2013. Therefore, market price of the shares is not available with the Company during the financial year 2012-13.

**PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE SENSEX, Etc**

As equity shares of the company has been listed with Bombay Stock Exchange with effect from 5th July, 2013, performance in comparison to the BSE SENSEX could not be done.

**SHARE TRANSFER SYSTEM**

Purva Sharegistry (India) Private Limited has been appointed as Registrar & Share Transfer Agent from of the company.

Address for communication for Shareholding related queries is as follows:

M/s. Purva Sharegistry (India) Private Limited  
9, Shiv Shakti Industrial Estate  
J.R. Boricha Marg, Lower Parel (E)  
Mumbai – 400011

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013**

Range (in Rs)	Number of Shareholders	% of Shareholde	Amount in Rs.	% of Paid up Capital.
0001- 5000	4885	85.31	91,55,690	9.16
5001-10,000	401	7.00	33,00,830	3.30
10,001- 20,000	193	3.37	28,80,120	2.88
20,001- 30,000	106	1.85	26,92,560	2.69
30,001- 40,000	30	0.52	10,25,510	1.03
40,001- 50,000	32	0.56	15,06,720	1.51
50,001- 1,00,000	43	0.75	29,82,380	2.98
1,00,000- and above	36	0.63	7,64,56,190	76.46
<b>Total</b>	<b>5726</b>	<b>100.00</b>	<b>10,00,00,000</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013**

Category	No. of shares held	Percentage to shareholding (%)
Foreign Companies	-	-
Non Resident	9,399	0.09
Foreign Financial Institution	-	-
Financial Institutions	-	-
Mutual Fund	-	-
Promoters	24,50,444	24.50
Director Relative	19,01,500	19.02
Resident Individual	53,24,362	53.25
Nationalized Bank	13,926	0.14
Other Bodies corporate	2,17,137	2.17
HUF	83,232	0.83
In Transit	-	-
Others (shares underlying under GDR)	-	-
<b>Total</b>	<b>1,00,00,000</b>	<b>100.00</b>

**OUTSTANDING GDRs:**

The company has not issued any GDR/ADRs/ Warrants or any convertible instruments. No amounts were outstanding on accounts of the same as on the date of the Balance Sheet.

**ADDRESS FOR CORRESPONDENCE:**

**Mr. Siluvairajan Antony**

Compliance Officer

**Quest Softech (India) Limited**

27, Maker Bhavan, No. II,

2nd, Floor, 18, New Marin Lines,

Mumbai-400020

Email ID: qsil@questprofin.co.in

By order of the Board of Directors  
sd/-

**Dhiren B. Kothary**  
Director

Date: 3rd September, 2013

Place: Mumbai

## CEO's Certificate

The Board of Directors  
**Quest Softech (India) Limited**  
27 Maker Bhavan II, New Marine Lines  
Mumbai - 400 020.

I, Dhiren B. Kothary, Director of **Quest Softech (India) Limited** ("the Company") do certify to the Board that:-

- (a) I have reviewed the Balance Sheet and the Profit and Loss Account and all the schedules and notes on accounts as well as the cash flow statement for the year ended 31st March 2013 and that to the best of our knowledge and belief:
  - (i) the said statements do not contain any false, misleading or materially untrue statement or figures or omit any material fact, which may make the statement or figures contain therein misleading; and
  - (ii) the said 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.
- (b) I further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee that
  - (i) There have been no significant changes in internal control over financial reporting during the year;
  - (ii) 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; and
  - (iii) There has been no commitment of any fraud, whether or not significant, that involves management or other employee who have a significant role in the company's internal controls.

For **Quest Softech (India) Limited**

Sd/-  
**Dhiren Kothary**  
Executive Director

Place: Mumbai  
Date: 3rd September, 2013

## MANAGEMENT DISCUSSION AND ANALYSIS

The management of Quest Softech (India) Limited presents the analysis of the performance of the company for the year 2012-13 and its outlook for the future. This outlook is based on an assessment of the current business environment. It may vary due to future economy and other developments both in India and Abroad.

### Industry Structure

The BPO Industry has and will be witnessing growth due to its intrinsic strength. In the Competitive global environment, India continues to be one of the major players in the BPO industry and for skills relating to software & its training.

### Financial Performance

During the year under review, your Company recorded income from operations aggregating to Rs. 9.00 lakhs as against Rs. 104.36 lakhs in the previous year. The Net loss for the year was Rs. 41.83 lakhs as against Profit of Rs. 1.27 lakhs in the previous year.

### Future Outlook

The Indian ITeS-BPO industry is expected to continue its growth in future as well in spite of the expected rise in challenges. The economic slowdown has opened up opportunities for the Indian ITeS-BPO industry, as it is expected that the global companies would adopt outsourcing as an initiative to reduce cost. With the rise in the demand for the outsourcing, the growth rate for the BPO Industry is expected to be on the upward trend.

### Opportunities and Threats

Rising demand for the BPO development in the overseas market will provide more impetus and opportunities for the growth of this industry.

### Internal Control Systems and Adequacy

Your company has a well settled internal control system and policies and procedures for operations accounting and financial reporting as well as compliance. An effective internal Audit function adds the elements of completeness to the System of Internal Control, The Internal Auditor are an Independent firm who present their finding and report to the Audit Committee on the regular basis.

### Human Resources/ Industrial Relations

The company realized and understands that the human resources are the most valuable assets that it has and it takes pains to see that there are not overlook in the process of trying business and profit The company also understand that it depends on the experience ability skills and knowledge of his employee and therefore takes pains to encourage them to expand the knowledge and as and when as required sends them for courses which will develop their skills and knowledge. The Company also offers attractive remuneration, conducive working atmosphere. The Company had peaceful industrial relation with employees and the company continues to focus on Human Resource Development to enhance the employee performance and promote knowledge integration

### Cautionary Statement

Statements in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates are forward looking statements and progressive within the meaning of applicable security laws and regulations. Actual results may vary from those expressed or implied, depending upon the economic conditions, government policies and other incidental/ related factors.

## INDEPENDENT AUDITOR'S REPORT

To,  
**THE MEMBERS OF QUEST SOFTECH (INDIA) LIMITED**

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of **QUEST SOFTECH (INDIA) LIMITED**, which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes.

### 2. Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes complying with the relevant statutes, safeguarding the assets, designing, implementing and maintenance of effective internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### 3. Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;  
and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**5. Report on Other Legal and Regulatory Requirements:**

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the annexure a statement on the matters specified in the paragraph 4 and 5 of the said Order.

As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Chokshi and Co.**  
Chartered Accountants  
FRN: 131228W  
Sd/-  
**Kalpen Chokshi**  
(Partner)  
M. No. : 135047

Place: Mumbai  
Date : 27th June, 2013

**ANNEXURE TO THE AUDITORS' REPORT****ANNEXURE REFERRED TO IN PARAGRAPH '5' OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF QUEST SOFTECH (INDIA) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013.**

1. (a) The Company records showing full particulars, including quantitative details and situation of fixed assets are under preparation;
  - (b) All the assets have not been physically verified by the management but there is a regular program for verification which in our opinion is reasonable having regard to the size and nature of fixed assets of the Company. As informed to us, no material discrepancies have been noticed on such verification with the available records;
  - (c) During the year, the Company has not disposed off any part of its fixed assets so as to effect going concern assumption.
2. During the year, the Company does not carry any inventory. Hence, the question of physical verification of the same does not arise.
3. (a) According to information & explanations given to us, the Company, during the year has not granted any loan to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) According to information & explanations given to us, the Company, during the year, has not taken any loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchases of fixed assets and for the sale of goods and services. We have not observed any continuing failure to correct major weaknesses in internal control;
5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act have been entered;
  - (b) As mentioned in clause 5(a) above, since no transaction is entered which exceed Rupees five lacs, question of it is made at reasonable prices having regard to the prevailing market prices does not arise;
6. (a) The Company has not accepted any deposits from the public within the meaning of section 58A and section 58AA of the Companies Act and the rules framed there under;
  - (b) There have been no proceedings before the Company Law Board, National Company Law Tribunal, Reserve Bank of India, any Court and any other Tribunal.
7. In our opinion, and based on the information and explanations provided to us, the internal audit system of the Company is commensurate with the size and the nature of its business.
8. Maintenance of cost records has not been prescribed by the central government under clause (d) of subsection (1) of section 209 of the Companies Act, 1956;
9. (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education Fund and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Excise Duty, Wealth Tax, Service Tax, Cess and any other statutory dues with the appropriate authorities whenever applicable. There is no delay in payment except for the following:

Sr. No.	Name of the statute	Amount (In Lacs)	Forum where dispute is pending
1)	Tax Deducted at Source	2008-09	28,08,930
2)	Tax Deducted at Source	2009-10	3,42,613
3)	Service Tax	2010-11	1,80,250

(b) There is no statutory dues on account of disputes which have not been deposited as on 31st March 2013.

10. The Company has no accumulated losses at the end of the financial year which is more than fifty percent of its net worth. It has not incurred cash losses in such financial year or in the immediately preceding such financial year;
11. The Company has not borrowed any amount from bank / financial institution. Hence, this clause is not applicable.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to a chit fund/ nidhi/ mutual benefit fund/society are not applicable to the company;
14. The company is not dealing or trading in shares, securities, debentures and other investments;
15. On the basis of the information and explanations given to us, the Company has not given any guarantee for loans and advances taken by others from banks or financial institutions;
16. According to the information and explanations given to us, no fresh term loans have been obtained during the year.
17. On the basis of our examination of the books of account and the information and explanations given to us, in our opinion, the funds raised on short-term basis have not been used for long term investments.
18. 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;
19. The Company did not have any outstanding debentures during the year;
20. The Company has not raised any money by public issues during the year;
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **Chokshi and Co.**  
Chartered Accountants  
FRN: 131228W

Sd/-  
**Kalpen Chokshi**  
Partner  
M.No.135047

Place: Mumbai  
Date : 27th June, 2013

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Notes	AS AT 31/03/2013 ₹	AS AT 31/03/2012 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	100,000,000	100,000,000
(b) Reserves and surplus	4	<u>(49,693,304)</u>	<u>(45,509,645)</u>
		<b>50,306,696</b>	<b>54,490,355</b>
<b>2 Non current liabilities</b>			
(a) Deferred tax liabilities (net)	5	<u>2,519,330</u>	<u>1,397,338</u>
		<b>2,519,330</b>	<b>1,397,338</b>
<b>3 Current liabilities</b>			
(a) Trade payables	6	6,152,140	15,632,825
(b) Other current liabilities	7	<u>3,563,690</u>	<u>3,577,339</u>
		<b>9,715,830</b>	<b>19,210,164</b>
<b>Total</b>		<b><u>62,541,855</u></b>	<b><u>75,097,857</u></b>
<b>II. ASSETS</b>			
<b>1 Non current assets</b>			
(a) Fixed assets	8		
(i) Tangible assets		181,931	248,289
(ii) Intangible Assets		12,443,402	15,621,549
(b) Non current investments	9	777,000	5,777,000
(c) Loans and advances	10	<u>47,338,606</u>	<u>50,816,823</u>
		<b>60,740,939</b>	<b>72,463,661</b>
<b>2 Current assets</b>			
(a) Cash and bank balances	11	405,367	1,306,594
(b) Trade Receivables	12	882,000	-
(c) Short term loans and advances	13	<u>513,549</u>	<u>1,327,601</u>
		<b>1,800,916</b>	<b>2,634,196</b>
<b>Total</b>		<b><u>62,541,855</u></b>	<b><u>75,097,857</u></b>

Notes to financial statements Significant accounting policies<sup>1</sup> to 24

As per our report of even date attached

For **Quest Softech (India) Ltd.**For **Chokshi and Co.**

Chartered Accountants

Firm registration No. 131228W

Sd/-  
(DIRECTOR)Sd/-  
(DIRECTOR)

Sd/-

**Kalpen Chokshi**

Partner

Membership No.: 135047

Place : Mumbai

Date : 27th June, 2013

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING ON 31ST MARCH 2013**

Particulars	Notes	AS AT	AS AT
		31/03/2013 ₹	31/03/2012 ₹
I. Revenue from operations	14	<b>900,000</b>	10,436,804
II. Other income	15	<b>52,163</b>	1,702,522
<b>III. Total Revenue (A)</b>		<b><u>952,163</u></b>	<b><u>12,139,326</u></b>
IV. Expenses:			
Cost of Goods Sold	16	-	9,765,532
Employee benefits expense	17	<b>360,100</b>	360,000
Depreciation and amortization expense	8	<b>3,244,505</b>	335,546
Administrative And Other Expenses	18	<b>409,224</b>	99,926
<b>V. Total Expenses (B)</b>		<b><u>4,013,829</u></b>	<b><u>10,561,004</u></b>
VI. Profit before exceptional and extraordinary items and tax (A-B)		<b>(3,061,666)</b>	<b>1,578,322</b>
VII. Profit before tax		<b>(3,061,666)</b>	<b>1,578,322</b>
IX. Tax expense:			
Current tax		-	-
Deferred tax		1,121,993	1,510,028
Income tax for earlier years		-	(58,941)
<b>X. Profit for the year</b>		<b><u>(4,183,659)</u></b>	<b><u>127,235</u></b>
Earning per share on Equity Shares of Rs. 10 each (Refer note 21)			
- Basic		<b>(0.42)</b>	0.01
- Diluted		<b>(0.42)</b>	0.01

Notes to financial statements Significant accounting policies 1 to 24

As per our report of even date

For **Quest Softech (India) Ltd.**For **Chokshi and Co.**Chartered Accountants  
Firm registration No. 131228WSd/-  
(DIRECTOR)Sd/-  
(DIRECTOR)

Sd/-

**Kalpen Chokshi**

Partner

Membership No.: 135047

Place : Mumbai

Date : 27th June, 2013

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2013

	2012-13 ₹	2011-12 ₹
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax as per statement of profit and loss	<b>(3,061,666)</b>	1,578,322
<u>Adjustments for :</u>		
Depreciation	<b>3,244,505</b>	335,546
Interest Income	<b>(52,163)</b>	(1,702,522)
<b>Operating Cash Flow Before Working Capital Changes</b>	<b>130,676</b>	211,346
<b>Changes in current assets and liabilities</b>		
(Increase)/ Decrease in trade receivables	<b>(882,000)</b>	16,516,984
(Increase)/ Decrease in Short term loans and advances	<b>814,052</b>	4,153,505
(Increase)/ Decrease in Long Term loans and advances	<b>3,478,217</b>	(241,306)
Increase/ (Decrease) in trade payables	<b>(9,480,685)</b>	(13,180,150)
Increase/ (Decrease) in other current Liabilities	<b>(13,649)</b>	(288,264)
Increase/ (Decrease) in short term Borrowings	-	(560,150)
<b>Cash Generated From Operations</b>	<b>(5,953,389)</b>	<b>(1,695,045)</b>
Payment of Taxes (Net of Refunds)	-	58,941
<b>Net Cash Flow From Operating Activities (A)</b>	<b>(5,953,389)</b>	<b>(1,636,104)</b>
<b>B. Cash Flow From Investing Activities :</b>		
Non-Current Investments	5,000,000	-
Interest income	52,163	1,702,522
<b>Net Cash Flow From Investment Activities (B)</b>	<b>5,052,163</b>	<b>1,702,522</b>
<b>C. Cash Flow From Financing Activities :</b>		
<b>Net Cash From / (Used In) Financing Activities (C)</b>	-	-
<b>Net Increase In Cash Or Cash Equivalents (A+B+C)</b>	<b>(901,226)</b>	66,417
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>1,306,593</b>	<b>1,240,176</b>
<b>Cash And Cash Equivalents As At The End Of The Year</b>	<b>405,367</b>	<b>1,306,593</b>

As per our report of even date

For Quest Softech (India) Ltd.

For **Chokshi and Co.**

Chartered Accountants

Firm registration No. 131228W

Sd/-  
(DIRECTOR)Sd/-  
(DIRECTOR)

Sd/-

**Kalpen Chokshi**

Partner

Membership No.: 135047

Place : Mumbai

Date : 27th June, 2013

**Notes Forming Part of Accounts for the Year Ended March 31, 2013.****Note 1: Corporate Information**

Quest Softech (India) Limited ("the company") is engaged in providing Information Technology Services.

**Note 2: Significant Accounting Policies:****1. Method of accounting:**

The financial statements are prepared under the historical cost convention on accrual basis of accounting and in accordance with the generally accepted accounting principles in India. The financial statements comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) amendment Rules, 2011 and the relevant provisions of the Companies Act, 1956.

**2. Use of estimates :**

The preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the Contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes, and the useful life of fixed assets and intangible assets.

**3. Revenue Recognition:**

- a) Sales are recorded net of trade discounts, sales tax/ value added tax, rebates. Revenue from sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.
- b) Incomes from services are recognised as they are rendered based on agreements/arrangements with the concerned parties and net of service tax.
- c) Interest income is recognised on time proportion basis.

**4. Inventories:**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on FIFO basis.

**5. Investments:**

Investments are classified into non-current investments and current investments. Investments which are intended to be held for more than one year are classified as non-current investments and investments which are intended to be held for less than one year, are classified as current investments. Non-current investments are stated at cost and a provision for diminution in value of non-current investments is made only if the decline is other than temporary in the opinion of the management. Current investments are valued at cost or market/fair value whichever is lower. In case of investments in mutual funds, the net asset value of units is considered as market/fair value.

**6. Provisions, Contingent Liabilities and Contingent Assets:**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

Contingent assets are neither recognized, nor disclosed.

Provision, Contingent liabilities and Contingent assets are reviewed at each balance sheet date.

**7. Fixed Assets :**

Fixed assets are stated at historical cost. Cost includes related taxes, duties (net of CENVAT/ VAT credit), freight insurance, impairment etc. attributable to bringing the assets to working condition for intended use, pre-operational expenses and technical fees paid for transfer of technology, relating to assets less accumulated depreciation. All amounts incurred for fixed assets pending completion/installation /ready for use are taken as Capital Work-in-Progress.

**8. Intangible assets :**

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprises and the cost of asset can be measured reliably.

Administrative and other general overhead expenses that are specifically attributed to the acquisition of intangible asset are allocated and capitalized as a part of the cost of intangible assets.

**9. Depreciation :**

Depreciation on Fixed Assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in case of the following assets which are depreciated as given below:

- a) Computer Software - 5 years

Fixed assets costing less than Rs 5,000 are fully depreciated in the year of purchase.

**10. Impairment of Assets :**

At each balance sheet date, the carrying amounts of fixed assets are reviewed by the management to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset.

If at the Balance Sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at revised recoverable amount.

**11. Foreign Currency Transactions:**

- a) Transactions denominated in foreign currency are normally recorded at the exchange rate prevailing at the time of transaction.
- b) Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account.
- c) Monetary items denominated in foreign currencies at the year-end are restated at the year-end rates.
- d) Non monetary items denominated in foreign currencies are carried at cost.

**12. Taxation :**

Income Tax expenses comprise current tax, deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the accounting year, for which the financial statements are prepared by applying the tax rates as applicable. The deferred tax charge or credit is recognized on timing differences between incomes accounted in the financial statements and the taxable income for the year and quantified using prevailing enacted or substantively enacted tax rates. Deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on development during the year and available case laws to reassess realization / liabilities.

**13. Borrowing Costs:**

Interest and other costs incurred in connection with the borrowing of the funds are charged to revenue on accrual basis except those borrowing costs which are directly attributable to the acquisition or construction of those fixed assets, which necessarily take a substantial period of time to get ready for their intended use. Such costs are capitalized with the fixed assets.

**14. Earnings Per Share:**

The basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that reduce profit / loss per share are included.

**15. Cash & Cash Equivalents:**

Cash and cash equivalent for the purpose of cash flow statement comprised cash at bank and cash in hand and other short term investment with maturity of three months or less.

**16. Inventories :**

Finished Goods are valued at cost or net realizable value whichever is lower.

**17. Net Profit/Loss for the period, prior period items and change in accounting policies :**

During the year under review, there is no material changes in the accounting policies and the same are consistently followed by the Company.

Income in Profit and Loss account contains interest, commission and creditors waived off and details of the same are disclosed separately in the financial statements.

**Notes to the financial statements for the year ended March 31, 2013**

Particulars	March 31, 2013 Amount in Rs.	March 31, 2012 Amount in Rs.
<b>NOTE 3 SHARE CAPITAL</b>		
<b>AUTHORISED</b> 10,000,000 (Previous Year 10,000,000) Equity Shares of Rs.10 each	<u>100,000,000</u>	<u>100,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>  10,000,000 (Previous Year 10,000,000) Equity Shares of Rs.10 each fully paid up	<b>100,000,000</b>	100,000,000
<b>Total</b>	<u><b>100,000,000</b></u>	<u><b>100,000,000</b></u>

**Note 3 (a) :** The company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity share is entitle to one vote per share.

**Note 3(b) :The details of shareholder holding shares more than 5% Shares.**

	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	% holding in shares	No. of Shares held	% holding in shares
<b>Equity shares with voting rights</b>				
Dhiren Bhogilal Kothary	<b>2,450,444</b>	<b>25.50%</b>	2,450,444	25.50%
Nita Dhiren Kothary	<b>1,901,500</b>	<b>19.02%</b>	1,901,500	19.02%
Amit Seth	<b>950,000</b>	<b>9.50%</b>	950,000	9.50%

Particulars	March 31, 2013 Amount in Rs.	March 31, 2012 Amount in Rs.
<b>NOTE 4 RESERVES AND SURPLUS</b>		
Profit and Loss Account As per last balance sheet	(45,509,645)	(45,636,880)
Add: Net profit for the year	(4,183,659)	127,235
Closing balance	(49,693,304)	(45,509,645)
<b>TOTAL</b>	<u><b>(49,693,304)</b></u>	<u><b>(45,509,645)</b></u>
<b>NOTE 5 DEFERRED TAX LIABILITIES (Net)</b>		
Opening	1,397,338	(112,690.13)
Addition during the year (on account of depreciation)	1,121,993	1,510,028
<b>Deferred tax Liabilities (Net)</b>	<u><b>2,519,331</b></u>	<u><b>1,397,338</b></u>

**Notes to the financial statements for the year ended March 31, 2013**

Particulars	March 31, 2013 Amount in Rs.	March 31, 2012 Amount in Rs.
<b>NOTE 6</b>		
<b>PAYABLES</b>		
Trade payables	6,057,177	15,557,177
Others	94,963	75,649
<b>TOTAL</b>	<u><u>6,152,140</u></u>	<u><u>15,632,826</u></u>
<b>NOTE 7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Refund of Share Application Money	236,000	236,000
Statutory Liabilities	3,327,690	3,341,339
<b>TOTAL</b>	<u><u>3,563,690</u></u>	<u><u>3,577,339</u></u>

**NOTE 8**

**FIXED ASSETS (At Cost)**

Description	Gross Block			Depreciation/amortization			Net Block			
	As at April 1, 2012	Addition during the year	Deduction during the year	As at 31st March 2013	Up to April 1, 2012	Addition during the year	Deletions during the year	Up to 31st March 2013	As at 31st March 2013	As at 31st March 2012
<b>Tangible</b>										
Electrical Installation	110,451	-	-	110,451	84,934	5,246	-	90,180	20,271	25,517
Furniture & Fixture	859,564	-	-	859,564	694,713	54,410	-	749,123	110,441	164,851
Intercom Service	141,100	-	-	141,100	83,178	6,702	-	89,880	51,219.75	57,922
<b>Total Tangible assets</b>	<b>1,111,115</b>	<b>-</b>	<b>-</b>	<b>1,111,115</b>	<b>862,825</b>	<b>66,359</b>	<b>-</b>	<b>929,184</b>	<b>181,931</b>	<b>248,290</b>
<b>Intangible Assets</b>										
Softwares	15,890,736	-	-	15,890,736	269,187	3,178,147	-	3,447,334	12,443,402	15,621,549
<b>Total Intangible assets</b>	<b>15,890,736</b>	<b>-</b>	<b>-</b>	<b>15,890,736</b>	<b>269,187</b>	<b>3,178,147</b>	<b>-</b>	<b>3,447,334</b>	<b>12,443,402</b>	<b>15,621,549</b>
<b>Total</b>	<b>17,001,851</b>	<b>-</b>	<b>-</b>	<b>17,001,851</b>	<b>1,132,012</b>	<b>3,244,506</b>	<b>-</b>	<b>4,376,518</b>	<b>12,625,333</b>	<b>15,869,839</b>
<b>Previous Year</b>	<b>28,002,129</b>	<b>-</b>	<b>-</b>	<b>28,002,129</b>	<b>27,687,481</b>	<b>335,546</b>	<b>-</b>	<b>28,023,027</b>	<b>15,869,839</b>	<b>-</b>

**Notes to the financial statements for the year ended March 31, 2013**

Particulars	March 31, 2013 Amount in Rs.	March 31, 2012 Amount in Rs.
<b>NOTE 9</b>		
<b>NON CURRENT INVESTMENTS</b>		
(Unquoted, at cost)		
In Indian Company		
15,540 Equity shares of Quest Fincap Limited.	777,000	777,000
Share Application Money in Fortune Stones Limited	-	5,000,000
<b>TOTAL</b>	<b><u>777,000</u></b>	<b><u>5,777,000</u></b>
<b>NOTE 10</b>		
<b>LOAN AND ADVANCES</b>		
Loans and advances to Body Corporate	47,338,606	50,816,823
<b>TOTAL</b>	<b><u>48,892,606</u></b>	<b><u>62,370,823</u></b>
<b>NOTE 11</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	12,979	12,979
In Current accounts	392,389	1,293,616
<b>TOTAL</b>	<b><u>405,367</u></b>	<b><u>1,306,594</u></b>
<b>NOTE 12</b>		
<b>TRADE RECEIVABLES</b>		
More than Six Months	-	-
Others	882,000	-
<b>TOTAL</b>	<b><u>882,000</u></b>	<b><u>-</u></b>
<b>NOTE 13</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
TDS Receivables	261,733	748,698
Balance with Government authorities	251,816	578,903
<b>TOTAL</b>	<b><u>513,549</u></b>	<b><u>1,327,601</u></b>

## Notes to the financial statements for the year ended March 31, 2013

Particulars	March 31, 2013 Amount in Rs.	March 31, 2012 Amount in Rs.
<b>NOTE 14</b>		
<b>REVENUE FROM OPERATIONS</b>		
Revenue From Operations	900,000	10,436,804
<b>TOTAL</b>	<u><u>900,000</u></u>	<u><u>10,436,804</u></u>
<b>NOTE 15</b>		
<b>OTHER INCOME</b>		
Interest:		
- on inter corporate deposits	24,265	1,698,983
- on income tax refund	27,898	3,539
<b>TOTAL</b>	<u><u>52,163</u></u>	<u><u>1,702,522</u></u>
<b>NOTE 16</b>		
<b>COST OF GOODS SOLD</b>		
Opening Stock	-	15,890,736
Purchases	-	9,765,532
Less : Stock Capitalized	-	15,890,736
Less : Closing stock	-	-
	<u>-</u>	<u>9,765,532</u>
<b>NOTE 17</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salary, bonus and allowances	360,100	360,000
<b>TOTAL</b>	<u><u>360,100</u></u>	<u><u>360,000</u></u>
<b>NOTE 18</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Audit Fees	10,000	10,000
Depository charges	15,000	15,000
Professional Fees	35,000	72,426
Professional tax	2,500	2,500
ROC Fees	500	-
Prior Period Expenses	7,500	-
Other Office Expenses	338,724	-
<b>TOTAL</b>	<u><u>409,224</u></u>	<u><u>99,926</u></u>

**Notes to the financial statements for the year ended March 31, 2013****19 Auditors Remuneration :**

Particulars	As on 31st March 13	As on 31st March 12
For Statutory Audit	10,000	7,500
For Tax Audit	-	2,500
Service Tax	1,236	-
	<u>11,236</u>	<u>10,000</u>

**20 Related party transactions**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

**20.1 Relationships during the year**

Key Managerial Personnel:

- i. Dhiren Bhogilal Kothary - Director
- ii. Suresh S Vishwasrao - Director

Enterprises controlled by Key Management personnel and Individual having significant influence:

1. Quest Profin Advisor Private Limited
2. Quest Fincap Limited
3. Quest (East India) Advisory Private Limited
4. Quest Finlease Private Limited
5. Niyamak Consultancy Private Limited
6. Niyamak Advisor Private Limited
7. PNP Developers Private Limited
8. Ricco International Private Limited

**20.2 Related party transactions during the year**

Particulars	As on 31st March 13	As on 31st March 12
<b>Loans &amp; Advances</b>		
<u>From Quest Profin Advisors Pvt Ltd</u>		
- Opening Balance	-	560,150
- Received During The Year	850,000	6,297,810
- Repaid During The Year	-	6,857,960
- Closing Balance	850,000	-

**21 Earnings per share**

Particulars	As on 31st March 13	As on 31st March 12
Net profit after tax as per statement of profit and loss	(4,183,659)	127,235
Weighted average number of equity shares outstanding during the year	10,000,000	10,000,000
Nominal value per equity share	10	10
Basic and diluted earnings per share	(0.42)	0.01

- 22 On the basis of the information to the extent received from 'enterprises' regarding their status under the 'Micro, Small & Medium Enterprises Development Act, 2006' there is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2013 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
- 23 Figures of previous year are regrouped and reclassified wherever necessary to correspond to figures of the current year.
- 24 The Company has, based on the positive net worth as at the year end, profits generated in the previous year and positive future cash flow projections, prepared accounts on a going concern basis.

For **Quest Softech (India) Ltd.**

Sd/-  
Director

Sd/-  
Director

**QUEST SOFTECH (INDIA) LIMITED**

Regd. Off. : 27, Maker Bhavan No. II, 2nd Floor, 18, New Marine Lines, Mumbai - 400020

**ATTENDANCE SLIP**

**14th Annual General Meeting: 30th September, 2013**

Regd.Folio No./DP or Client ID .....

Mr./Mrs./Miss.....  
(Shareholder's Name in BLOCK Letters)

I certify that I am a registered shareholder / proxy for the registered shareholders of the Company.  
(Member's / proxy's name and address in Block Letters to be furnished below)

I hereby record my presence at the 14th Annual General Meeting of the Company to be held on  
Monday, 30th September, 2012 at 10.30 a.m.

\_\_\_\_\_  
If signed by Proxy, name should be  
Written here in Block Letters

\_\_\_\_\_  
Member's/ Proxy's Signature

Please fill in this attendance slip and hand it over at the Entrance of the meeting hall.

**QUEST SOFTECH (INDIA) LIMITED**

Regd. Off. : 27, Maker Bhavan No. II, 2nd Floor, 18, New Marine Lines, Mumbai - 400020

**PROXY FORM**

**14th Annual General Meeting: 30th September, 2013**

Regd. Folio No./ DP or Client ID .....

No. of Shares Held.....

I / We .....  
of ..... being a member / members of Fortune International  
Limited hereby appoint

Mr/Mrs.....of.....  
.....failing him /her Mr/Mrs.....  
.....of .....

failing him /her as my / our proxy to attend and vote for me / us and on my / our behalf at the 14th  
Annual General Meeting of the Company to be held on Monday, 30th September, 2013 at 10.30  
a.m. and at any adjournment thereof.

Affix Revenue stamp of Re.1/- only

As witness my / our hand (s) this ..... day of....., 2013

Signature .....

Affix  
Revenue  
stamp of  
Re.1/-  
only

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the  
Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid Annual General  
Meeting.

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the  
Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid Annual General  
Meeting.

# BOOK-POST

*If Undelivered, Please Return To :*

**QUEST SOFTECH (INDIA) LIMITED**

**REGISTERED OFFICE:**

27, Maker Bhavan No. II, 2nd Floor, 18, New Marine Lines, Mumbai - 400020








# QUEST SOFTECH (INDIA) LIMITED

27, MAKER BHAVAN NO. 2, 2ND FLOOR, 18, NEW MARINE LINES, MUMBAI - 400 020. INDIA.  
Phone : +91 22 6615 7700 - 03 Fax : +91 22 6615 7704 E-mail : info@questprofin.co.in

## FORM A

Format of covering letter of the annual audit report to be filled with the stock exchanges

1.	Name of the Company:	QUEST SOFTECH (INDIA) LIMITED.
2.	Annual financial statements for the year ended:	31 <sup>st</sup> March 2013
3.	Type of Audit observation:	Un-qualified
4.	Frequency of observation:	Not Applicable
5.	To be signed by-	
	For Quest Softech ( India ) Limited Dhiren Kothary Managing Director	 
	For Quest Softech ( India ) Limited Paresh Zaveri Chairman - Audit Committee	 
	Auditor of the company	
		For CHOKSHI AND CO. Chartered Accountants ( Firm Registration No. 131228W)  Kalpan Chokshi Partner (Membership No. 135047) Mumbai – June 27,2013 