

PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF QUEST SOFTECH (INDIA) LIMITED

STATUTORY ADVERTISEMENT ISSUED IN COMPLIANCE OF CIRCULAR NO. SEBI/CFD/SCRR/01/2009/03/09 DATED SEPTEMBER 3, 2009 PURSUANT TO THE GRANT OF PERMISSION BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") FOR THE RELAXATION OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

A. NAME OF THE COMPANY AND ITS REGISTERED OFFICE
Company's name: Quest Softech (India) Limited ("QSL" or "the Company") A Public Company, incorporated as a Private Limited Company in the name of Quest Softech (India) Private Limited on 27th March, 2000 under the Companies Act, 1956 ("the Act") and was converted into a public limited company on 18th March, 2008 vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra.
Registered Office: 27, Maker Bhavan II, 18, New Marine Lines, Mumbai - 400 020.
Tel No.: 022 - 6615 7700 / 03; **Fax No.:** 022 - 6615 7704; **Website:** www.questsoftech.co.in
Contact Person: Mr. Siluvarajan Anthony, Compliance Officer, e-mail: qsl@questsoftech.co.in

B. DETAILS OF CHANGE OF NAME AND/OR OBJECTS CLAUSE
 The Company is incorporated as a Private Limited Company in the name of Quest Softech (India) Private Limited on 27th March, 2000 under the Companies Act, 1956 ("the Act") and was converted into a public limited company on 18th March, 2008 vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra and the name of the company was changed from Quest Softech (India) Private Limited to Quest Softech (India) Limited.
The Company has not changed its objects clause represented in the Memorandum of Association since Incorporation.

C. CAPITAL STRUCTURE
1. Share Capital of QSL Pre-Scheme of Arrangement:

Number of Shares	Amount (Rs.)
Authorised Capital	
60,00,000 Equity Shares of Rs.10/- each	6,00,00,000
Total	6,00,00,000
Issued, Subscribed and Paid-up Capital	
55,78,744 Equity Shares of Rs.10/- each	5,57,87,440
Total	5,57,87,440

2. Share Capital of QSL Post-Scheme of Arrangement

Number of Shares	Amount (Rs.)
Authorised Capital	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up Capital	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
Total	10,00,00,000

D. SHAREHOLDING PATTERN OF THE COMPANY

Category code	Category of shareholders	No. of share holders	Total no. of shares	No. of shares held in dematerialized form	Total shareholding as a % of total no. of shares		Shares pledged or otherwise unencumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
(A) Promoter and Promoter Group								
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	001	24,50,444	0	24.50%	24.50%		
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate							
(d)	Financial Institutions/ Banks							
(e)	Any Other (specify)							
(-a)	Director Relatives	001	19,01,500	0	19.02%	19.02%		
	Sub-Total (A)(1)	002	43,51,944	0	43.52%	43.52%		
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Other (specify)							
	Sub-Total (A)(2)							
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	002	43,51,944		43.52%	43.52%		
(B) Public shareholding								
(1)	Institutions							
(a)	Mutual Funds/ UTI							
(b)	Financial Institutions/ Banks	001	13,926	13,926	0.14%	0.14%		
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Any Other (specify)							
	Sub-Total (B)(1)	001	13,926	13,926	0.14%	0.14%		
(2)	Non-institutions							
(a)	Bodies Corporate	123	2,17,262	1,88,012	2.17%	2.17%		
(b)	Individuals -							
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh.	5538	21,69,858	17,68,601	21.69%	21.69%		
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	29	31,54,479	11,17,616	31.54%	31.54%		
(c)	Any Other (specify)							
(a)	Directors & Employees	1	100		0.00%	0.00%		
(b)	N.R.I. (Repatriated & Non-Repatriated)	23	9,399	6,149	0.09%	0.09%		
(c)	HUF	59	83,232	83,232	0.83%	0.83%		
	Sub-Total (B)(2)	5773	56,34,130	31,63,610	56.34%	56.34%		
	Total Public Shareholding (B) = (B)(1)+(B)(2)	5774	56,48,056	31,77,536	56.48%	56.48%		
	TOTAL (A)+(B)	5776	1,00,00,000	31,77,536	100.00%	100.00%		
(C) Shares held by Custodians and against which Depository Receipts have been issued								
	GRAND TOTAL (A)+(B)+(C)	5776	1,00,00,000	31,77,536	100.00%	100.00%		
(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"								
Sr. No.	Name of the shareholder	Number of shares	Percentage holding					
1	Dhiren B. Kothary	2,450,444	24.50					
2	Nita D. Kothary	1,901,500	19.02					
	Total	4,351,944	43.52					
(i)(c) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares								
Sr. No.	Name of the shareholder	Number of Shares held	Percentage holding					
1.	Amit Sheth	9,50,000	9.50					
2.	Nimesh Navin Shah	3,99,488	3.99					
3.	Navin G Thakkar	3,60,119	3.60					
4.	Sonal Koradia	3,09,164	3.09					
6.	Nikita Nimesh Shah	3,97,125	3.97					
7.	Bhavesk Koradia	1,38,200	1.38					
	Total	25,54,096	25.54					
(i)(d) Statement showing details of locked-in shares								
Sr. No.	Name of the shareholder	Number of Shares held	Percentage holding					
1.	Dhiren Bhogilal Kothary	24,50,444	24.50					
2.	Nita Dhiren Kothary	19,01,500	19.02					
3.	Amit Sheth	9,50,000	9.50					
4.	Bhavesk Rajkumar Koradia	1,38,200	1.38					
6.	Sonal Kalpesh Koradia	1,38,200	1.38					
7.	Suresh S. Vishwasrao	100	0.00					
8.	Vilas Darji	100	0.00					
9.	M. Chandrashekar	100	0.00					
10.	J. A Kotian	100	0.00					
	TOTAL	55,78,744	55.79					

E. DETAILS OF TOP TEN SHAREHOLDERS

Sr. No.	Name of the shareholder	Shares	Percentage	Interest
1	Dhiren Bhogilal Kothary	2,450,444	24.50	Promoter & Director
2	Nita Dhiren Kothary	1,901,500	19.02	Relative of Director
3	Amit Sheth	950,000	9.50	Public
4	Nimesh Navin Shah	399,488	3.99	Public
5	Nikita Nimesh Shah	397,125	3.97	Public
6	Navin G Thakkar	360,119	3.60	Public
7	Sonal Kalpesh Koradia	1,70,964	1.70	Public
8	Bhavesk Rajkumar Koradia	1,38,200	1.38	Public
9	Enpee Enterprises Pvt. Ltd.	85,000	0.85	Public
10	Sunil Jagdish Sachade	75,000	0.75	Public

F. DETAILS OF PROMOTERS

Dhiren B. Kothary: The Company is promoted by Dhiren B. Kothary, He is a Chartered Accountant by profession and has more than 22 years of experience in financial and corporate advisory services and Accounting, Auditing, Taxation, Project Consultancy. He has experience in executing Investment Banking transactions ranging from Project Finance to Initial Public Offering. He also has experience in technology based account outsourcing for UK company form india. His residential address is 62-A, Harmony, Ram Nagar, off Sai Baba Nagar, Borivali (West), Mumbai - 400 092

G. BUSINESS AND ITS MANAGEMENT

The main business of the Company is that of IT/BPO services related to the preparation and maintenance of accounting information and reports. The company's unique business process outsourcing methodology and approach works in optimizing operations across the full range of finance and accounting functions. QSL serves as a single window outsourcing solution for all Finance, Accounting and Tax Related services.
MANAGEMENT: The overall management of the Company is vested in the Board of Directors, comprised of qualified and experienced persons. The list of Directors is as detailed below.

Sr. No.	Name	Designation
1	Dhiren B. Kothary	Director
2	Suresh Shankar Vishwasrao	Non-Executive Director
3	Paresh C. Zaveri	Independent Director

H. BACKGROUND AND RATIONALE FOR THE SCHEME OF ARRANGEMENT

Continental Controls Limited ("the Transferor Company" or "CCL") was engaged in the business of Electrical Controls and Software Services each of which were being carried out as two separate business divisions. Due to increased competition, the software services division was going through a tough phase and the management was unable to spare sufficient time and effort to put the Software Services Division Undertaking on the path of efficiency and growth. Thus, infrastructure created for the Software Services Division was not being utilized to its fullest potential and proving to be a drag on the overall working of the Company.
 The infrastructure and resources transferred from CCL by the demerger would enable QSL to expand its business substantially, the fruits whereof can be enjoyed by the shareholders of the Company.
 The restructuring has resulted in segregation of the Software Services Division Undertaking from CCL, leading to operational efficiencies and synergies and enable exploitation of growth opportunities of both the CCL and the QSL.

I. Audited Financial Statement for last 3 years of QSL

Rs. in Lakhs	2012-2013	2011-2012	2010-2011
Total Income	9.52	121.39	172.90
Net Profit/Loss	(41.84)	1.27	1.93
Equity Capital	1000.00	1000.00	1000.00
Reserves and Surplus	(496.93)	(455.09)	(456.36)
Earning per share (in Rs.)	(0.42)	0.01	0.03
Book Value per share (in Rs.)	5.03	5.45	5.44

J. FINANCIALS OF QSL

STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2013				
Sr. No.	Particulars	Note	March 31, 2013 (Amount in Rs.)	March 31, 2012 (Amount in Rs.)
I. EQUITY AND LIABILITIES				
1	Shareholders' funds			
(a)	Share capital	3	10,00,00,000	10,00,00,000
(b)	Reserves and surplus	4	(4,96,93,304)	(4,55,09,645)
			5,03,06,696	5,44,90,355
2	Non current liabilities			
(a)	Deferred tax liabilities (net)	5	25,19,330	13,97,338
			25,19,330	13,97,338
3	Current liabilities			
(a)	Trade payables	6	61,52,140	1,56,32,825
(b)	Other current liabilities	7	35,63,690	35,77,339
			97,15,830	1,92,10,164
	Total		6,25,41,855	7,50,97,857
II. ASSETS				
1	Non current assets			
(a)	Fixed assets	8		
(i)	Tangible assets		1,81,931	2,48,289
(ii)	Intangible Assets		1,24,43,402	1,56,21,549
(b)	Non current investments	9	7,77,000	57,77,000
(c)	Loans and advances	10	4,73,38,606	5,08,16,823
			6,07,40,939	7,24,63,661
2	Current assets			
(a)	Cash and bank balances	11	4,05,367	13,06,594
(b)	Trade Receivables	12	8,82,000	-
(c)	Short term loans and advances	13	5,13,549	13,27,601
			18,00,916	26,34,196
	Total		6,25,41,855	7,50,97,857

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

Sr. No.	Particulars	Note	March 31, 2013 (Amount in Rs.)	March 31, 2012 (Amount in Rs.)
I.	Revenue from operations	14	9,00,000	1,04,36,804
II.	Other income	15	52,163	17,02,522
III.	Total Revenue (A)		9,52,163	1,21,39,326
IV.	Expenses:			
	Cost of Goods Sold	16	-	97,65,532
	Employee benefits expense	17	3,60,100	3,60,000
	Depreciation and amortization expense	8	32,44,505	3,35,546
	Administrative and Other Expenses	18	4,09,224	99,926
V.	Total Expenses (B)		40,13,829	1,05,61,004
VI.	Profit before exceptional and extraordinary items and tax (A-B)		(30,61,666)	15,78,322
VII.	Profit before tax		(30,61,666)	15,78,322
VIII.	Tax expense:			
	Current tax		-	-
	Deferred tax		11,21,993	15,10,028
	Income tax for earlier years		-	(58,941)
IX.	Profit for the year		(18,39,673)	1,27,235

Notes forming part of Balance Sheet as at March 31, 2013 and Profit & Loss Account for the period 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 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 resources 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

Capital Structure:		
Number of shares	Amount in Rs.	
Authorised Capital		
2,00,000 Equity Shares of Rs.10/- each		20,00,000
Total		20,00,000
Issued, Subscribed and Paid-up Capital		
1,91,134 Equity Shares of Rs.10/- each		19,11,340
Total		1,911,340

NIYAMAK ADVISOR PRIVATE LIMITED
Niyamak Advisor Private Limited, a Private Limited Company, incorporated under the Companies Act, 1957 on 14th May, 2010 having Registration Number: U74140MH2010PTC203216. The main object of Niyamak Advisor Private Limited is to carry on the business of of financial consultancy and to advise and assist in all financial costing, accounting, internal control and other similar matters.

Capital Structure:		
Number of shares	Amount in Rs.	
Authorised Capital		
1,00,000 Equity Shares of Rs.10/- each		10,00,000
Total		10,00,000
Issued, Subscribed and Paid-up Capital		
1,00,000 Equity Shares of Rs.10/- each		10,00,000
Total		10,00,000

Brief Financial Information:			(Rs. in lacs)
Financial Year	2011-12	2010-11	
Paid-Equity Capital	10.00	10.00	
Reserves	83.02	85.01	
Total income	35.52	0.50	
Net Profit /Loss	(1.99)	(4.98)	
EPS (Rs.)	(1.99)	(4.98)	
Book Value per Share (Rs)	93.02	95.02	

L. OUTSTANDING LITIGATIONS AND DEFAULTS OF THE COMPANY, PROMOTERS, DIRECTORS AND GROUP COMPANIES AS ON 28th JUNE, 2013
There are no outstanding or pending material litigations, suits, criminal or civil prosecution, proceedings initiated for any offence (irrespective of whether specified in paragraph (l) of Part I of Schedule XIII of the Companies Act, 1956) or litigation for tax liabilities against the Company, its promoters, directors, subsidiaries, group companies and there are no material defaults, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits.

M. PARTICULARS OF HIGH, LOW AND AVERAGE PRICES OF SHARES OF THE LISTED TRANSFEROR COMPANY, CONTINENTAL CONTROLS LIMITED, DURING THE PRECEDING THREE YEARS ON BOMBAY STOCK EXCHANGE LIMITED

Year	High (in Rs.)	Low (in Rs.)	Average
2013	2.33	1.04	1.68
2012	6.08	1.85	3.96
2011	7.60	2.95	5.27

N. MATERIAL DEVELOPMENTS AFTER THE DATE OF THE BALANCE SHEET
There have been no material developments after the date of the last Balance Sheet.

For Quest Softech (India) Limited
Sd/-
Dhiren Kothary
Director

Place: Mumbai
Date: 28th June, 2013