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SPS FINQUEST PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of SPS Finquest Pvt. Ltd. will be held at 11.00 a.m. on Friday, the 30th day of September, 2011 at G-602, Keshav Kunj-1, Sector 30, Vashi, Navi Mumbai 400 703 to transact the following business:

- 1) To receive, consider and adopt the audited Balance Sheet as-on 31st March, 2011 and Profit & Loss Account for the year ended on that date together with Directors' Report and Auditors' Report thereon.
- 2) To appoint Auditors and fix their remuneration.

For and on behalf of the Board of

Directors

(PRAMOD P. SHAH)

CHAIRMAN

MANAGING

DIRECTOR

Place: MUMBAI

Date: 20/07/2011

NOTE: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER.

DIRECTORS' REPORT

To:
The Members
SPS Finquest Private Limited

Your Directors have pleasure in presenting their fifteenth Annual Report together with the audited statements of Accounts for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS:

	Year ended 31.03.2011	'Rs. Year ended 31.03.2010
Profit before Depreciation & Tax	28,18,421	27,940
Less: Depreciation	4,800	880
Profit before Tax	28,13,621	27,060
Less: Provision for Tax	5,85,000	27,000
Deferred Tax	200	1,174
Profit after Tax	22,28,821	1,234

DIVIDEND

To further consolidate the financial position of the Company, your Directors have not recommended dividend.

OPERATION

Your Directors are pleased to report that the Company successfully undertook the margin funding activities besides other allied activities such as IPO funding, etc. The Company recorded an income of Rs.219.72 lacs as against Rs.2.26 lacs a year ago. The Company also earned a higher pre-tax profit of Rs.28.14 lacs.

Volatile capital market and sluggish primary market may affect the financing activity of the Company. However, efforts are being made to increase the income.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that :

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure have been made from the same;

(ii) they 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 loss of the Company for that year;

(iii) they have taken proper and sufficient care for 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) they have prepared the annual accounts on a going concern basis.

EMPLOYEES

During the year, relations between the management and employees were cordial. Since none of the employees of the Company was in receipt of a remuneration exceeding Rs.5,00,000/- per month or Rs.60,00,000/- per annum, particulars pursuant to the provisions of Section 217 (2A) of the Companies Act,1956 read with the Companies (Particulars of Employees) Rule,1975 are not furnished.

CONSERVATION OF ENERGY, ETC.

Since your Company was not engaged in any manufacturing activity, information pursuant to the provisions of Section 217(1)(e) of the Act is not given. During the year, the Company did not earn nor spend any foreign exchange during the year.

AUDITORS' REPORT:

Notes to the accounts provide suitable explanations to the remarks made by auditors in their report. Hence, no separate explanation is given.

AUDITORS

M/s. B.M. Udeshi & Co., Chartered Accountants, Auditors of your Company, shall retire at the forthcoming annual general meeting. Members are requested to appoint auditors and fix their remuneration.

For and on behalf of the Board of Directors

(PRAMOD P. SHAH)
CHAIRMAN

Place: MUMBAI

Date: 20/07/2011

AUDITORS REPORT

TO THE MEMBERS OF
M/s. SPS FINQUEST P. LTD.

We have audited the attached Balance Sheet of M/S. SPS FINQUEST P. LTD. as at 31st March 2011 and also the Profit and Loss Account for the period 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.

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 misstatement. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Company Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Said Order.

Further to our comments in the Annexure referred to above, 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 it appears from our examination of the books.
- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.

f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011 and
- ii. In the case of Profit and Loss Account, of the Profit of the Company for the period ended on that date.

For B.M. Udeshi & Co.
Chartered Accountants
FRN No. 111131W

CA. B.M. Udeshi
Proprietor
M. No. 17610

Place: Mumbai

Date: 20-7-2011

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date on the accounts for the period ended 31st March 2011 of M/s SPS Finquest P. Ltd.)

- i. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

The management during the year has physically verified the Fixed Assets and no material discrepancies were observed on such verifications.

The management has written off all the fixed assets during the year. In our opinion and according to the information and explanation given to us the said disposal does not affect the concept of going concern.

- ii. The company does not hold any securities in physical form. The securities held as stock in trade by the custodian are verified with the confirmation statement received from them on a regular basis. In our opinion, the frequency of such verification is reasonable.

The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

The Company is maintaining proper records of inventory and no discrepancies were noticed on comparing the statement from custodian with book records.

- iii. The company has granted loans to 1 companies and 1 other party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 15.09 lakhs and at the year-end balance of loans taken from such parties was Rs. NIL lakhs.

The Company has taken loans from 1 party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 100.11 lakhs and at the year-end balance of loans taken from such parties was Rs. 0.11 lakhs.

The rate of Interest and the terms and conditions of loans given or taken are not prima facie prejudicial to the Interests of the Company.

The Company is regular in repaying the Principal as stipulated.

Reasonable steps have been taken by the company for recovery / payment of the principal and interest, wherever applicable.

- iv. 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 supply of services. During the course of our audit, no major weakness has been noticed in the internal control systems in respect of these areas. During the course of our audit, we have not

observed any continuing failure to correct major weakness in internal control system of the company.

The company has neither purchased any fixed assets nor sold any goods during the year. Hence internal control procedures over these areas have not been commented upon.

- v. According to the information and explanations given to us, we are of the opinion that particulars of Contracts or arrangements referred to under section 301 of the Companies Act, 1956 have been so entered in the register maintained under that Act.

According to the information and explanation given to us, the transactions made in pursuance to contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs in respect of any party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi. The Company has not accepted any deposits from the public during the year under review.
- vii. Although the Company does not have a formal internal audit system in our opinion, its internal control procedures involve reasonable internal check of its financial transaction.
- viii. To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act 1956 for the products of the company.
- ix. The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income Tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, service tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

According to the information and explanation given to us, there are no dues of income tax, service tax and cess that have not been deposited on account of any dispute.

The provisions relating to provident fund, investor education and protection fund, employees state insurance, sales tax, wealth tax, custom duty, excise duty are currently not applicable to the company.

- x. The company has accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi. According to the information and explanation given to us and based on the documents and records produced to us, the Company has not taken any funds from financial institution and banks and hence the provisions of clause 4 (xi) of the order are not applicable to the company.

- xii. Based on our examination of documents and records, we are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares.

According to the information and explanation given to us and based on the documents and records produced before us, the company has not granted loans and advances on the basis of security by way of pledge of debentures and other securities.

- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion and according to the explanations given to us, the Company has maintained proper record of the transactions and contracts of dealing or trading in shares and debentures and timely entries have been made therein. Also such shares securities and other investments have been held by the company in its own name.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. The Company did not have any term loans outstanding during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short- term basis have been used for Long Term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xviii. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The company did not have any outstanding debentures during the year.
- xx. The company has not raised any money through a public issue.
- xxi. Based on the Audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For B.M. Udeshi & Co.
Chartered Accountants
FRN No. 111131W

CA. B.M. Udeshi
Proprietor
M. No. 17610

Place: Mumbai
Date: 20-7-2011

SPS FINQUEST P. LTD.
(formerly Ceenik Holdings P. Ltd.)
BALANCE SHEET AS AT 31ST MARCH 2011

	SCH.	AS AT 31/3/2011	AS AT 31/3/2010
A SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
Share Capital	A	4,867,000	4,866,000
Reserves and Surplus	B	2,963,398	793,906
2. UNSECURED LOANS	C	424,841,515	-
3. DEFERRED TAX LIABILITY			200
TOTAL FUNDS EMPLOYED		<u>432,671,913</u>	<u>5,660,106</u>
B APPLICATION OF FUNDS			
1. FIXED ASSETS	D		
a. Gross Block		-	98,150
b. Less: Depreciation		-	93,350
NET BLOCK		-	4,800
2. INVESTMENTS	E	4,744,169	2,309,602
3. CURRENT ASSETS, DEPOSITS	F		
ADVANCES			
a. Client Receivables incld. Margin Money		382,304,004	
b. Cash and Bank Balances		47,159,604	778,453
c. Closing Stock of Shares			284,365
d. Deposits, Loans and Advances		1,929,689	2,342,431
		431,393,297	3,405,249
Less : CURRENT LIABILITIES	G		
AND PROVISIONS			
a. Current Liabilities		1,924,793	16,545
b. Provisions		1,540,760	43,000
		3,465,553	59,545
NET CURRENT ASSETS		<u>427,927,744</u>	<u>3,345,704</u>
TOTAL FUNDS APPLIED		<u>432,671,913</u>	<u>5,660,106</u>

Singnificant Accounting policies & Notes to Accou M
As per our Audit Report of even date Attached

B M Udeshi & Co.
Chartered Accountants
FRN No. 111131W

For and on behalf of The Board
SPS Finquest Pvt. Ltd.

BM Udeshi
Properletor
M.No. 17610
Place - Mumbai
Date : 20/07/2011

Director **Director**

SPS FINQUEST P. LTD.**(formerly Ceenik Holdings P. Ltd.)****PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2011**

INCOME	SCH.	YEAR ENDED 31/3/2011	YEAR ENDED 31/3/2010
Income from Operations	H	19650377.87	0
Other Income	I	2321584.03	226034
TOTAL		21971961.9	226034
 EXPENDITURE			
Operational Expenses	J	17417427.86	0
Personnel	K	353247	150000
Administrative Expenses	L	427105.94	48094
Contingent Provisions against Standard Assets		955760	0
Depreciation	D	4800	880
TOTAL		19158340.8	198974
 Profit before tax		 2813621.11	 27060
Less : Provision For Taxation			
Current Tax		585000	27000
Deferred Tax		200	1174
Profit after tax		2228821.11	1234
Less: Short Provision of Taxes		60829.3	
Less:: Balance Brought Forward		3080094	3081328
Profit available for appropriatioss		-912102.19	-3080094
 Less: Transfer to Statutory Reserves u/s 45 IC		 445764.222	 0
 Balance carried forward to Balance Sheet		 -1357866.412	 -3080094
 Basic and Diluted Earnings Per Share		 5.63	 0

B M Udeshi & Co.
Chartered Accountants
FRN No. 111131W

For and on behalf of The Board
SPS Finquest Pvt. Ltd.

BM Udeshi
Proprietor
M.No. 17610
Place - Mumbai
Date : 20/07/2011

Director Director

SPS FINQUEST P. LTD.
(formerly Ceenik Holdings P. Ltd.)
SCHEDULES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	31/3/2011	31/3/2010
<u>SCHEDULE : A SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
4,00,000 Equity Shares of Rs 10 each	4,000,000	4,000,000
1,00,000 9% Non - cumulative Redeemable Preference Shares of Rs. 10 each	1,000,000	1,000,000
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
3,86,700 Equity Shares of Rs. 10 each fully paid up (P.Y. 3,86,600 Equity Shares of Rs. 10 each fully paid up)	3,867,000	3,866,000
1,00,000 9% Non - cumulative Redeemable Preference Shares of Rs 10 each fully paid up (P.Y. 1,00,000 9% Non - cumulative Redeemable Preference Shares of Rs 10 each fully paid up)	1,000,000	1,000,000
The preference shares are redeemable at par		
TOTAL	4,867,000	4,866,000
<u>SCHEDULE : B RESERVES AND SURPLUS</u>		
<u>General Reserve</u>		
As per Last Balance Sheet	10,000	10,000
Add: Transfer During the Year	10,000	10,000
<u>Share Premium</u>		
As per Last Balance Sheet	3,864,000	3,864,000
Add: Additions During the Year	1,500	0
	3,865,500	3,864,000
<u>Statutory Reserves</u>		
(u/s 45 - IC of the RBI Act, 1934)		
As per Last Balance Sheet	0	0
Add: Additions During the Year	445,764	0
	445,764	0
<u>Profit and Loss Account</u>		
Balance as per Last Balance Sheet	-3,080,094	-3,081,328
Add : Profit During the Year	1,722,228	1,234
	-1,357,866	-3,080,094
TOTAL	2,963,398	793,906
<u>SCHEDULE : C UNSECURED LOANS</u>		
from Director	11,000	0
from Shareholders	424,830,515	0
TOTAL	424,841,515	0

SCHEDULE : E INVESTMENTS**(Long Term, Quoted, at cost, other than trade)**

11003 Equity Shares of Forbes and Co of Rs. 10 each
fully paid up
(Market Value Rs 41,71,787/-)

4,744,169

1,514,652

In Mutual Funds**(Current, Quoted, at cost, other than trade)**

0.587 units of Liquid Bees (Dividend)
(Market Value Rs 587/-)

0

794,950

TOTAL

4,744,169

2,309,602

**SCHEDULE : F CURRENT ASSETS, LOANS
& ADVANCES****A) LOANS AND ADVANCES TO CLIENTS**

Secured Considered Good

382,304,004

0

TOTAL

382,304,004

0

B) CASH & BANK BALANCE

Cash

54,157

65,444

Balances with Scheduled Bank

In Current Account (Net)

47,105,448

30,138

In Deposit Account

0

682,871

TOTAL

47,159,604

778,453

C) CLOSING STOCK OF SHARES

0

284,365

TOTAL

0

284,365

C) OTHER CURRENT ASSETS

Dividend Receivable

894

0

Other Current Assets

0

2,253,028

Interest Accrued but not due

5,051

Advance Tax & TDS

1,928,794

84,352

TOTAL

1,929,689

2,342,431

TOTAL

431,393,297

3,405,249

SCHEDULE : G**CURRENT LIABILITIES & PROVISIONS****A) CURRENT LIABILITIES**

Sundry Creditors

69,598

16,545

Other Liabilities

1,855,195

0

TOTAL

1,924,793

16,545

B) PROVISIONS

Provision for Tax

585,000

43,000

Contingent Provisions against Standard Assets

955,760

0

TOTAL

1,540,760

43,000

TOTAL

3,465,553

59,545

SPS FINQUEST P. LTD.

SCHEDULE E : STATEMENT OF DEPRECIATION FOR THE PERIOD ENDED 31ST MARCH 2011

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As On 1.4.2010	Addition	Dedn. 31.03.11	As On 31.03.11	Up to 1.4.2010	During The Year	Dedn.	Total
Computers	67,500		67,500	0	67,290	210	67,500	0
Telephone	2,650		2,650	0	2,240	410	2,650	0
Plant & Machinery	28,000		28,000	0	23,820	4,180	28,000	0
TOTAL	98,150		98,150	0	93,350	4,800	98,150	0
Previous Year	98,150	0	0	98,150	92,470	880	0	93,350
								4,800
								5,679

SPS FINQUEST PVT. LTD. SPS FINQUEST PVT. LTD.

[Signature]

DIRECTOR

[Signature]

DIRECTOR

<u>SCHEDULE : H INCOME FROM OPERATIONS</u>			
Income from Collateral Charges	H	170,653	0
Interest - Margin Funding (TDS Rs. 13,34,351/-)		13,744,467	0
Interest - ICD (TDS Rs. 5,63,921/-)		5,639,206	
Income - IPO Funding (TDS Rs. Nil)		96,052	0
TOTAL		19,650,378	0
<u>SCHEDULE : I OTHER INCOME</u>			
Bank Interest		2,661	63,057
Dividend		123,674	35,477
Income From Derivatives Transactions		235,859	81,728
Income From Sale of Investments		630,388	-85,029
Income From Sale of Shares		135,401	130,801
Income From Sale of Mutual Fund Units		1,193,600	0
TOTAL		2,321,584	226,034
<u>SCHEDULE : J OPERATIONAL EXPENSES</u>			
Interest Paid		17,391,278	0
Stamp Charges		26,150	0
TOTAL		17,417,428	0
<u>SCHEDULE : K PERSONNEL COST</u>			
Salaries		347,469	150,000
Staff Welfare		5,778	0
TOTAL		353,247	150,000
<u>SCHEDULE : L ADMINISTRATIVE EXPENSES</u>			
Securities Transaction Tax		10,545	1,898
Audit Fees		15,000	16,545
Registration and Filling Fees		18,010	5,000
Professional Fees		261,836	0
Conveyance		945	0
Demat Charges		11,008	500
Computer Charges		993	0
Telephone		2,100	0
Printing and Stationery		47,157	0
General Expenses		10,184	189
Share Related Charges		49,190	23,962
Bank Charges		138	0
TOTAL		427,106	48,094

SPS FINQUEST PVT. LTD.

DIRECTOR

SPS FINQUEST PVT. LTD.

DIRECTOR

M/s SPS Finquest P. Ltd.
Statement of Groupings for the y.e. March 31, 2011

Particulars	Amt. Rs.
<u>Advance Tax and TDS</u>	
Advance Tax A.Y. 2010-2011	50,000
TDS (A.Y. 2010-2011)	7,522
TDS (A.Y. 2011-2012)	1,898,272
Provision for Tax - 09-10	-27,000
	1,928,794
<u>OTHER LIABILITIES</u>	
TDS on Professional Fees	6,067
TDS on Interest	1,739,128
Ketan Gala	20,000
Bipin Shah	20,000
Bhavana Choksi	20,000
Amish Choksi	20,000
Mukesh Shah	10,000
Daksha Shah	10,000
Anuja Shah	10,000
	1,855,195
<u>Sundry Creditors</u>	
Shah Consultants	24,817
Kochar and Associates	29,781
Audit Fees Payable	15,000
	69,598
<u>Loans and Advances</u>	
<u>Client Margins</u>	
Client Margin - Cash	-684,000
Hitesh Jhaveri	-106,815
Blue Star Investments and Financial Services P. Ltd.	-560,916
Setu Securities P. Ltd.	-215,172
SPS Capital and Money Management Services P. Ltd.	47,580,890
Hitesh Jhaveri	8,623,004
Blue Star Investments and Financial Services P. Ltd.	283,914,294
Setu Securities P. Ltd.	38,694,865
Champaklal Pujara	189,000
Cosmo Investment	2,000
Girish Shah	145,506
Neelam Pujara	149,000
Rajesh Kuvadia	189,000
Ratan Jain	189,000
Sapna Shah	189,000
Ashwin Gajra	169,000
Jayantilal Shah	189,000
Jigna Kuvadia	169,000
Parin Shah	189,000
Ajay Jambagi	2,921,508
Ravikiran Patel	178,840
Harish Jethwani	189,000
	382,304,004

SPS FINQUEST PVT. LTD.

[Signature]
DIRECTOR

SPS FINQUEST PVT. LTD.

[Signature]
DIRECTOR

STATEMENT PURSUANT TO PART IV OF SCH. VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I Registration Details

Regn. No. 11-098051
 Balance Sheet Date

State Code – II
 31.03.2011

II Capital Raised During the year

Public issue
 NIL
 Bonus Share
 NIL
 Calls In Arrears
 NIL

Right issue
 NIL
 Private Placement
 1000

III Position of Mobilization and Deployment of Fund

Total Liabilities

432671913

Total Assets

432671913

Source of Fund

Paid Up Capital
 4867000

Secured Loans
 NIL

Deferred Tax Liability
 NIL

Reserve & Surplus
 2963398
 Unsecured Loans
 424841515

Application of Fund

Net Fixed Assets
 NIL
 Net Current Assets
 427927744
 Accumulated Loss
 NIL

Investment
 4744169
 Misc. Expenditure
 NIL
 Deferred Tax Assets
 NIL

IV Performance of Company

Turnover
 21971962
 Profit Before Tax
 2813621
 Earning Per Share
 5.63

Total Expenditure
 19158341
 Profit after Tax
 2167992
 Dividend
 NIL

V. Generic Names of three principal products/service of Company.

(As per monetary terms)
 i) Brokerage
 ii) Trading in Shares & Securities

Item Code No.
 N.A.
 N.A.

For And on Behalf of The Board

Place: Mumbai
 Date:

SPS FINQUEST PVT. LTD. SPS FINQUEST PVT. LTD.

DIRECTOR

DIRECTOR

X

Schedule M:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

1) NATURE OF BUSINESS

The company is a Non Banking Financial Company registered with the Reserve Bank of India under Section 45 1A of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The company has received the certificate of Registration from RBI enabling the company to carry on business as a Non -banking finance company. In accordance with the provisions of section 45 IC of the RBI Act, 1934, the company has created a Reserve Fund and during the year, the company has transferred an amount of Rs.4,45,764/- to Reserve Fund being 20% of the Profit after Tax.

2) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation:

The accompanying financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on the accrual basis, as adopted consistently by the Company.

b) Use of estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses including the disclosures of contingent assets and liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

c) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. The cost of the Fixed Assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro rata depreciation is provided up to the date on which the asset is sold. On all assets depreciation has been provided using the Written Down Value Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%.

d) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other Investments are classified as Long Term Investments. Investments are further classified into Investments in Unquoted shares, Investments in Quoted shares, Investment in Partnership Firm and Investment in Mutual Fund.

Investments are stated in accordance with AS 13. Long term investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary, if any in the value of investments. Current investments are stated at lower of cost or fair value determined on an individual investment basis.

e) Stock in Trade

Securities acquired and held, principally for the purpose of selling them in the near term, are classified as stock in trade and are accounted on trade date of the transaction.

Securities are valued at aggregate of cost or market value whichever is lower.

f) Derivative Transactions

All open positions are marked to market and resulting losses are recognized and gains are ignored. Gains are recognized only on settlement / expiry of the derivative instruments.

Receivables / payables on open positions are disclosed as current asset / liabilities, as the case may be.

g) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Income on Securities

Gains and losses on dealing in securities are recognized on trade.

Interest

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognized when the shareholders right to receive payment is established.

Interest on fixed deposits is recognized on time proportion basis.

In respect of other heads of income the company accounts the same on accrual basis.

h) Borrowing Costs

All borrowing costs are expensed in the period they occur.

i) **Taxes on Income**

Income Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act 1961 after considering tax allowances and exemptions, if any.

Deferred Tax:

A deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance sheet date. Deferred tax charge or credit is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are re-assessed for the appropriateness of their respective carrying values at each balance sheet date.

j) **Impairment of Assets**

The carrying value of fixed assets is reviewed for impairment at each Balance Sheet date to determine whether there is any indication of impairment.

If the carrying value of the fixed assets exceeds its estimated recoverable amount, an impairment loss is recognized in the Profit & Loss account and the fixed assets are written down to their recoverable amount.

k) **Provisions, Contingent Liabilities and Contingent Assets**

The company recognizes a provision when there is a 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. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent liabilities are disclosed by way of a note.

Contingent assets are not recognized. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

l) **Prior Period**

The Income or expense which arise in the current period as a result of errors and omissions in preparation of financial statement of one or more prior period are considered as prior period items and are shown separately in the financial statements.

m) **Earning Per Share:**

Basic earning per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders after deducting attributable taxes by the number of Equity Shares on annualized basis.

3) **NOTES TO ACCOUNTS**

- a) Additional information as required by paragraph 3 of Part II of Schedule VI to the Companies Act, 1956 is not applicable.
- b) The company does not have any contingent liability as on the Balance Sheet date.
- c) During the year the company has fully depreciated its Fixed Assets.
- d) As of March 31, 2011, the Company had no outstanding dues to small-scale industrial undertakings (Previous Year Rs. Nil).
- e) The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
- f) In the opinion of the Board, Current Assets, Loans & advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.
- g) Related party disclosure has been made as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, as under:

Related Party Relations

Associate Enterprises
Key Management Personnel

M/s Ceenik Exports (India) Ltd.
Mrs. Chandra Hingorani
Mr. Pramod Shah

Transactions
(Rs. lakhs)

	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)
Loans Given		10				
Loans Refunded	10					
Loans Repaid			100			
Loans Received			100.11			
Interest Received		0.12				
Receipt / Sale of Investment	5			5		

Outstanding Balance
(Rs. lakhs)

	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)
Loans	0.11	10.09				
Sale of Investment				5		

Note

- Related Party relationships are as identified by the company and relied upon by the Auditors
- Transactions carried out with related parties referred to above are in the ordinary course of business

h) STATEMENT OF INVESTMENTS AND STOCK AS ON MARCH 31, 2010

Particulars	Qty.	Rs.
Mutual Fund		
Franklin India Flexi Cap	27000	270000
HDFC Core & Satellite	7000	71575
Tata Infrastructure	15000	153375
Reliance Equity Fund	30000	300000
Investments		
Agro Tech Food	300	11730
Andhra Sugar	300	22185
Areva T & D	500	4910
Arvaya Global	400	141612
BASF	180	29380
Bells Control	200	8970
Corporate Courier	1000	6000
Forbes Gokak	213	73002
Foseco India	50	20349
GAIL	400	29320
GAIL (Bonus)	200	
Gokak Textiles Ltd.	106	46791
Grindwell Norton	200	65031
Grindwell Norton (Bonus)	500	
Inter Travel	200	11000
Inv & Prec Cast	70	73555
Inv & Prec Cast (Bonus)	210	
Jain Irrigation	50	27672
K S Oils	1000	
Kansai Nerolac Paints	50	40956
Kesoram Inds. Ltd.	300	190224

KSB Pumps	250	139985
Morganite Greaves	500	26142
Mount Shivlik	400	5600
Padmini Technologies	1000	94000
Parekh Platinum	700	25305
Shri Digvijay Cements	205	6283
Spentex Ind.	500	25425
Subex Systems	500	167390
Sudarshan Chemicals	146	10527
Sundaram Clayton	300	24118
Sundaram Clayton (Bonus)	300	
Tamboli Capital Ltd.	560	22345
Technocraft Ind. Ltd.	200	22195
Timex	4400	111410
WABCO - TVS	300	24118
Zicom Elec Systems	200	7124
Shares		
Bombay Dyeing	100	16800
Britannia Ind.	100	70002
Chambal Fertilizers	500	20950
ICI India	54	8942
Ranbaxy Labs	379	167670
Sundaram Clayton	300	0

i) Earnings per share

Earnings per Share has been calculated as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India, as under:

Amount used as numerator – Profit after tax	21,67,992	1,234
No. of shares	3,86,700	3,86,600
Basic & diluted earning per share	5.63	0

j) Segment Reporting

The company is engaged in single segment and there are no separate reportable segments as defined in AS - 17.

k) Provisions made for the year ended March 31, 2011 comprises of

Income Tax	43000	585000	43000	585000
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l) The figures have been rounded off to the nearest rupee.

m) The previous year's figures have been recast / restated, wherever necessary, to conform to the current year's classification.

n) Disclosure as required by Para 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

	Particulars	Amount Outstanding	Amount Overdue
	Liabilities Side:		
(1)	Loans and Advances availed by the non banking financial company inclusive of interest accrued there on but not paid:		
	(a) Debentures: Secured	Rs. Nil	Rs. Nil
	Unsecured Loan	Rs. Nil	Rs. Nil
	(Other than Falling within the meaning of Public Deposit)		
	(b) Deferred Credits (Asset)	Rs. Nil	Rs. Nil
	(c) Term Loans	Rs. Nil	Rs. Nil
	(d) Inter-corporate Loans and borrowing	Rs. Nil	Rs. Nil
	(e) Commercial Paper	Rs. Nil	Rs. Nil
	(f) Other Loans (specify nature)	Rs.42,48,41,515/-	Rs.Nil
	Unsecured Loan from Directors/Member / Relatives of Directors		
	* Please see Note 1 below		
	ASSET SIDE:		
(2)	Break-up of Loans & Advances Including Bills Receivable (other than those included in (4) below):		
	(a) Secured	Rs. 38,23,04,004/-	
	(b) Unsecured	Rs. Nil	
(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	Rs. Nil	
	(b) Operating Lease	Rs. Nil	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Asset on Hire	Rs. Nil	
	(b) Repossessed Assets	Rs. Nil	
	(iii) Other loans counting towards AFC activities:	Rs. Nil	
	(a) Loans where assets have been repossessed		
	(b) Loans other than (a) above	Rs. Nil	

(4)	Break up Investments:			
	Current Investment:			
	1. Quoted:			
	(i) Shares :	(a) Equity	Rs. Nil	
		(b) Preference	Rs. Nil	
	(ii) Debentures and Bonds		Rs. Nil	
	(iii) Units of Mutual Funds		Rs. Nil	
	(iv) Government Securities		Rs. Nil	
	(v) Others (please specify)		Rs. Nil	
	2. Unquoted			
(i) Shares :	(a) Equity	Rs. Nil		
	(b) Preference	Rs. Nil		
(ii) Debentures and Bonds		Rs. Nil		
(iii) Units of Mutual Funds		Rs. Nil		
(iv) Government Securities		Rs. Nil		
(v) Others (please specify)		Rs. Nil		
Long Term Investments:				
1. Quoted:				
(i) Shares :	(a) Equity	Rs. 47,44,169/-		
	(b) Preference	Rs. Nil		
(ii) Debentures and Bonds		Rs. Nil		
(iii) Units of Mutual Funds		Rs. Nil		
(iv) Government Securities				
(v) Others (please specify)		Rs. Nil		
2. Unquoted				
(i) Shares :	(a) Equity	Rs. Nil		
	(b) Preference	Rs. Nil		
(ii) Debentures and Bonds		Rs. Nil		
(iii) Units of Mutual Funds		Rs. Nil		
(iv) Government Securities		Rs. Nil		
(v) Others (please specify)		Rs. Nil		
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
	Categories	Amount net of Provisions		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	Rs. Nil	Rs. Nil	Rs. Nil
	(b) Companies in the same group	Rs. Nil	Rs. Nil	Rs. Nil
	(c) Other related parties	Rs. Nil	Rs. Nil	Rs. Nil
	2. Other than related parties	Rs. 38,23,04,004/-	Rs. Nil	Rs. Nil
	Total	Rs. 38,23,04,004/-	Rs. Nil	Rs. Nil
(6)	Investors group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below			
	Category	Market Value/ Break-up or Fair Value or NAV	Book Value (net of Provisions)	
	1. Related Parties			

	(a) Subsidiaries	Rs. Nil	Rs. Nil
	(b) Companies in the same group (Unquoted Shares)	Rs. Nil	Rs. Nil
	(c) Other related parties	Rs. Nil	Rs. Nil
	2. Other than related parties	Rs.41, 71, 787/-	Rs. 47,44,169/-
	Total	Rs.41, 71, 787/-	Rs. 47,44,169/-
	** As per Accounting Standard of ICAI (Please see Note 3)		
(7)	Other Information:		
	Particulars		Amount
	(i) Gross Non-Performing Assets		Rs. Nil
	(a) Related parties		Rs. Nil
	(b) Other than related parties		
	(ii) Net Non-Performing Assets		Rs. Nil
	(a) Related Parties		Rs. Nil
	(b) Other than related Parties		
	(iii) Assets acquired in satisfaction of debts		Rs. Nil

Notes:

- As defined in paragraph 2(1)(Xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Direction, 1998
- Provisioning norms shall be applicable as prescribed in Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007
- All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of Investments and other assets as also assets acquired in satisfaction of debt. However, Market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

For B.M. Udeshi & Co.
Chartered Accountants
FRN No. 111131W

For And on Behalf of The Board

SPS FINQUEST PVT. LTD. SPS FINQUEST PVT. LTD.

CA. B.M. Udeshi
Proprietor
M. No. 17610

DIRECTOR

Director

Director

Place: Mumbai
Date: 20-7-2011

STATEMENT PURSUANT TO PART IV OF SCH. VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I Registration Details
 Regn. No. 11-098051
 Balance Sheet Date

State Code – II
 31.03.2011

II Capital Raised During the year
 Public issue
 NIL
 Bonus Share
 NIL
 Calls In Arrears
 NIL

Right issue
 NIL
 Private Placement
 1000

III Position of Mobilization and Deployment of Fund

Total Liabilities
 432671913

Total Assets
 432671913

Source of Fund

Paid Up Capital
 4867000

Reserve & Surplus
 2963398

Secured Loans
 NIL

Unsecured Loans
 424841515

Deferred Tax Liability
 NIL

Application of Fund

Net Fixed Assets
 NIL

Investment
 4744169

Net Current Assets
 427927744

Misc. Expenditure
 NIL

Accumulated Loss
 NIL

Deferred Tax Assets
 NIL

IV Performance of Company

Turnover
 21971962

Total Expenditure
 19158341

Profit Before Tax
 2813621

Profit after Tax
 2167992

Earning Per Share
 5.63

Dividend
 NIL

V. Generic Names of three principal products/service of Company.

(As per monetary terms)

Item Code No.

i) Brokerage

N.A.

ii) Trading in Shares & Securities

N.A.

For And on Behalf of The Board

Place: Mumbai
 Date:

SPS FINQUEST PVT. LTD. SPS FINQUEST PVT. LTD.

DIRECTOR

DIRECTOR

STATEMENT PURSUANT TO PART IV OF SCH. VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Regn. No. 11-098051
 Balance Sheet Date

State Code - II
 31.03.2011

II Capital Raised During the year

Public issue

NIL

Bonus Share

NIL

Calls In Arrears

NIL

Right issue

NIL

Private Placement

1000

III Position of Mobilization and Deployment of Fund

Total Liabilities

432681913

Source of Fund

Paid Up Capital

4867000

Secured Loans

NIL

Deferred Tax Liability

NIL

Application of Fund

Net Fixed Assets

NIL

Net Current Assets

427937744

Accumulated Loss

NIL

Total Assets

432681913

Reserve & Surplus

2973398

Unsecured Loans

424841515

Investment

4744169

Misc. Expenditure

NIL

Deferred Tax Assets

NIL

IV Performance of Company

Turnover

21971962

Profit Before Tax

2823621

Earning Per Share

5.63

Total Expenditure

19148341

Profit after Tax

2177992

Dividend

NIL

V. Generic Names of three principal products/service of Company.

(As per monetary terms)

Item Code No.

i) Brokerage

N.A.

ii) Trading in Shares & Securities

N.A.

For And on Behalf of The Board

Place: Mumbai

Date:

SPS FINQUEST PVT. LTD. SPS FINQUEST PVT. LTD.

DIRECTOR

DIRECTOR