



# SPS FINQUEST LIMITED

CIN : L67120MH1996PLC098051

21<sup>st</sup> Annual Report

## ANNUAL REPORT

2016-2017

Directors	:	Mr. Pramod P. Shah, Chairman Mr. Girish T. Jajoo, Managing Director Mr. Sandeep P. Shah Mr. Priyesh Jhaveri Mrs. Payal N. Shah (w.e.f. 26/05/2017) Mr. Hitesh Shah (upto 20/02/2017) Ms. Ankita M. Shah
Company Secretary	:	Mrs. Pinal R. Darji
Bankers	:	Indusind Bank Bank of India
Auditors	:	Kochar & Associates
Registered Office	:	R-514, 5 <sup>th</sup> Floor, Rotunda Building, B.S.Marg, Fort, Mumbai- 400 001. PhoneNo.022-22722488 Website : <a href="http://www.spsfinquest.co.in">www.spsfinquest.co.in</a> Email : <a href="mailto:info@spsfinquest.co.in">info@spsfinquest.co.in</a> CIN : L67120MH1996PLC0098051
Registrar & Share Transfer Agent	:	Universal Capital Securities Pvt.td. (Formerly known as M/s.Mondkar Computers Pvt.Ltd.) 21, Shakil Niwas, Mahakali Caves Road Andheri (East), Mumbai 400 093 Tel: 022-2836 66 20, 28207203-05 Fax: 022-2836 9704, 28207207

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**[NOTICE]**

NOTICE is hereby given that the Twenty-First Annual General Meeting of the Members of SPS Finquest Limited will be held at 4.00 p.m. on Tuesday, the 26<sup>th</sup> September, 2017 at Room No.514, Rotunda Building, 5<sup>th</sup> floor, B.S. Marg, Fort, Mumbai 400 001, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2017 and Statement of Profit & Loss for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Pramod P. Shah (DIN 00685016), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modifications the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Kochar & Associates, Chartered Accountants (Registration No.105256W), be and are hereby appointed as Statutory Auditors of the Company for a term of consecutive 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the 26<sup>th</sup> Annual General Meeting of the Company, subject to ratification by members at every year as applicable, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modifications the following as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mrs. Payal N. Shah (DIN: 07761751), who was appointed as Additional Director (Independent) by the Board of Directors on 26<sup>th</sup> May, 2017 and who will be vacating the office as Director at the forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Payal N. Shah as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to May 25, 2022.”

On behalf of the Board of Directors  
**For SPS FINQUEST LTD**

Pramod P.Shah  
(Chairman)  
(DIN: 00685016)

**Registered office:**

Room No. 514, Rotunda Building ,  
B.S. Marg, Fort, Mumbai 400001  
Date : May 26,2017

## NOTES:

1. **A Member entitled to attend the meeting and vote thereat is entitled to appoint one or more proxy (ies) to attend and vote instead of himself and the proxy (ies) need not be a member.**
2. The proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. An explanatory statement pursuant to Section 102 of the Companies Act,2013 is annexed.
4. The Register of Members and the Share Transfer Books will remain closed from 20/09/2017 to 26/09/2017 (both days inclusive).
5. As required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, profile of Directors seeking appointment/ re-appointment at the Annual General Meeting is provided separately in this notice.
6. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
7. The members, who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.
8. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
9. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
10. The Securities and 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 participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
11. Electronic copy of the Annual Report for 2016-17 is being sent to all the members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their e-mail address, physical copies of the Annual Report for 2016-17 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a company to provide advance opportunity at least once in a financial year to the member to register his e-mail address and any change therein. In compliance with the same, we request the members, who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the members are informed that the Company is pleased to offer e-voting facilities as an alternative mode to voting at the meeting. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting. The instructions for e-voting are as under:
  - (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as sr no affixed on Annual Report, in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details  OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <SPS FINQUEST LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) The voting period begins on 23.09.2017 (9.00 a.m.) and end on 25.09.2017 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**Other Instructions:**

- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 19.09.2017.
- b) Mr. Upendra Shukla, Practicing Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.
- c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against if any, forthwith to the Chairman of the Company.
- d) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.
- e) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.spsfinquest.co.in](http://www.spsfinquest.co.in) and on the website of the CDSL within two days of the passing of the resolutions at the 21<sup>st</sup> AGM and communicated to BSE Ltd., where the shares of the Company are listed.

Details of Directors seeking appointment/ re-appointment at the 21<sup>st</sup> Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given hereunder:

Name of the Director	Mr. Promod P. Shah	Mrs. Payal N. Shah
Date of Birth	21/05/1945	24/12/1978
Date of Appointment	20/05/2010	26/05/2017
Qualification	Upto S.S.C.	B.A.
Brief Profile	Mr. Pramod P. Shah has four decades’ vast experience in capital & money market. Under his leadership, SPS has achieved success because of his passion & long term vision alongwith strong persistence	Mrs. Payal N. Shah has 10 years experience of Teaching. Also having 4 years Capital market experience.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	NIL	NIL

Memberships/ Chairmanship of committees of other companies (includes only Audit & Shareholders/ Investors Grievance/ Stakeholders Relationship Committee)	NIL	NIL
Shareholding in the Company (Equity)	12,27,000	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO: 4**

Mrs. Payal N. Shah is Arts Graduate (B.A.) from University of Mumbai. She has about 10 years experience in teaching experience and 4 years experience in Capital market experience.

The Board of Directors is of the view that associating Mrs. Payal N. Shah as Director, the Company would benefit immensely. Hence, in compliance with the provisions of Section 149 of the Companies Act, 2013 and Clause 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint Mrs. Payal N. Shah as an Independent Director of the Company to hold office for a consecutive term of five years commencing from 26<sup>th</sup> May, 2017 to 25<sup>th</sup> May, 2022.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposits of the prescribed amount proposing the candidature of Mrs. Payal N. Shah for the office of Independent Directors.

The Company has received from Mrs. Payal N. Shah (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Sub-Section (2) of Sec. 164 of the Companies Act, 2013; and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-Section 6 of Sec. 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mrs. Payal Shah, proposed to be appointed as an Independent Director, fulfills the conditions specified in the Act and the Rules made thereunder and she is independent of the Management. A copy of the draft letter of appointment proposed to be issued to Mrs. Payal N. Shah on her appointment as an Independent Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working days upto the date of the Annual General Meeting.

Brief resume of Mrs. Payal N. Shah, nature of her experience in specific functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between director inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the annexure to the notice.

The Board considers that the continued association of Mrs. Payal Shah would be of immense benefit to the Company and it is desirable to continue to avail her services as Independent Directors.

Mrs. Payal N. Shah and her relatives may be deemed to be interested to the extent of her appointment as an Independent Director and their shareholding interest if any, in the Company. Save and except, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested financially or otherwise in the proposed Resolutions.



**DIRECTORS' REPORT**

To,

The Members,

Your Directors are pleased to present their 21<sup>st</sup> Annual Report on the business and operations of the Company together with the audited Statements of the accounts for the year ended on March 31, 2017.

**SUMMARY OF FINANCIAL PERFORMANCE:**

(Amount in Rs. Lakhs)

	Year Ended 31-03-17	Year Ended 31-03-16
<b>Total Revenue</b>	<b>730.52</b>	<b>274.76</b>
Less: Expenses	71.41	30.94
<b>Profit before Depreciation, Amortisation and Tax</b>	<b>659.11</b>	<b>243.82</b>
Less : Depreciation, Amortisation	0.63	0.76
<b>Profit Before tax</b>	<b>658.47</b>	<b>243.06</b>
Less : Current Tax	183.43	49.50
Less : Deffered Tax	(0.93)	1.53
Short/(Excess) Provision for tax for earlier years	(0.56)	0
<b>Profit After Tax</b>	<b>476.53</b>	<b>192.03</b>

**DIVIDEND:**

Considering the exigencies of funds for increasing financing activities, your Directors have not recommended any dividend.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge, confirm that –

- a) in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure;
- b) appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MANAGEMENT DISCUSSION AND ANALYSIS**

To avoid duplication of certain information in Directors' Report and Management Discussion & Analysis, the Board of Directors of your Company has presented the composite summary of performance and functions of the Company.

**INDUSTRY STRUCTURE AND DEVELOPMENT:**

Your Company is Non-banking Finance Company mainly engaged in the stock financing and providing inter-corporate loans. NBFCs are strictly regulated by Reserve Bank of India by its guidelines and notifications.

India's macro-economic performance remained stable during the financial year 2016-17. As per the Economy Survey 2016-17 tabled in Parliament by our Finance Minister, Mr. Arun Jaitley, there is an expected growth rate of 6.5 percent in financial year 2017. India's real GDP growth is expected to be 6.5% in financial year 2016-17. Demonetization has had short term costs in form of slow growth but holds the potential for long term benefits including reduced corruption, increase flow of financial savings and greater formalization of the economy. Your Company being a finance Company supports this initiative.

**REGULATIONS**

The Capital Market is regulated by stringent rules and regulations of the Securities & Exchange Board of India (SEBI) and the stock exchanges. The Company, being registered with the Reserve Bank of India as Non-Banking Finance Company (NBFC), is also subjected to strict rules and guidelines notified by the Reserve Bank of India from time to time.

**PERFORMANCE**

Total revenue including other operating income for the financial year ended 31<sup>st</sup> March, 2017 was Rs.7,30,51,879/- as against Rs.2,74,76,398/- in the previous year due to substantially higher other income. Revenue from operation was Rs.3,51,93,088/- as against Rs.2,90,42,888/- in the previous year, an increase of 21%. The Company earned a higher pre-tax profit of Rs.6,58,47,397/- as against Rs.2,43,07,263/- in the last year. After providing for income-tax liability, the Company recorded a net profit of Rs.4,76,53,047/- as against a profit of Rs.1,92,03,785/- a year ago.

A sum of Rs.95,30,609/- was transferred to Reserve Fund in terms of Section 45 IC(1) of RBI Act, 1934 out of the Statement of Profit & Loss.

**MATERIAL CHANGES AND COMMITMENT**

There have been no material change and commitment affecting the financial position of the Company between the end of the financial year to which the financial statements relate and the date of this report.

**OPPORTUNITY AND THREATS**

Considering the various stimulus provided by both central and state government for infrastructure and industrial growth and investment savy policies as also considering the Indian macro-economic factors are in much better shape, the capital market is expected to remain buoyant in the years to come. The market regulators are also concerned in regaining the confidence of investors. The Goods and Service Tax (GST) is one of the most important tax reform in post-independence era, which could prove to be a significant factor to economic activity in 2017-18.

The most worrying factors your Board feels are the ability of scheduled commercial banks to extend credit against the backdrop of huge NPAs, uncertainties in Euro zone and Brexit and uncertainty surrounding the policy of U.S. administration and its global ramification.

**FUTURE OUTLOOK:**

As per the World Bank's report, the India's economy is expected to grow by 7.2% in financial year 2017-18 and 7.5% in 2018-19. These expectations are mainly due to increased capital outlay on infrastructure by government and improved investment climate. India continues to be one of the fastest growing economy in the world in spite of demonetization. Indian economy is on a strong growth trajectory. Your Directors feel all these will augur well for the economy in general and your Company in particular in medium to long term.

**SUBSIDIARY:**

The Company does not have any subsidiary company.

**CONSOLIDATED FINANCIAL STATEMENT:**

Since the Company does not have any subsidiary company or associate or joint venture, consolidated financial statements are not prepared.

**CORPORATE GOVERNANCE:**

Provisions of para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to your Company. Hence, report on Corporate Governance is not annexed.

**LOANS, GUARANTEE AND INVESTMENT:**

Particulars of loans and investments made by the Company pursuant to Section 186 of the Companies Act, 2013 are given in the notes to the Financial Accounts, which forms part of the Annual Report. The Company has not given any guarantee.

**PUBLIC DEPOSIT:**

Your Company has not accepted any deposits from the public, its shareholders or employees during the year under review.

**TRANSACTION WITH RELATED PARTIES:**

All the transactions with related parties entered into during the financial year 2016-2017 were on arm's length basis and also in the ordinary course of business. Details of all related party transactions are placed before the audit committee. The policy on related party transactions as approved by the Board of Directors is placed on the Company's website.

Since all the transactions with the related parties entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable.

**CONSERVATION OF ENERGY, ETC.**

Since your Company is not engaged in any manufacturing activity, information as required under the provisions of Section 143(3)(m) of the Act is not furnished. During the year, the Company neither earned nor spent any foreign exchange.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Hitesh Shah resigned as Director on 20<sup>th</sup> February, 2017. Your Directors place on record their appreciation for guidance and services rendered by Mr. Shah during his tenure. Consequent upon resignation, Mr. Hitesh Shah ceased to be a member of the Audit Committee and Nomination & Remuneration Committee.

The Board of Directors in its meeting held on 26<sup>th</sup> May, 2017 appointed Mrs. Payal N. Shah as Additional Director (Independent). Pursuant to the provisions of Section 161 of the Companies Act, 2013 Mrs. Payal N. Shah will be vacating her office as Director in the forthcoming Annual General Meeting. However, the Company has received a notice from a member alongwith refundable deposit conveying his intention to propose the candidature of Mrs. Shah as Director in the forthcoming Annual General Meeting. Your Directors are of the view that association of Mrs. Payal N. Shah will be in the interest of the Company.

To comply with the Articles of Association of the Company and the Companies Act, 2013, Mr. Pramod P. Shah shall retire by rotation in the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review, none of the non-executive directors had any pecuniary relationship or transactions with the Company.

The Company has the following personnel as the Key Managerial Personnel (KMP) under Section 203 of the Companies Act, 2013:

1. Mr. Girish Jajoo, Managing Director
2. Mr. Subhash R. Yadav, Chief Financial Officer
3. Ms. Pinal Darji, Company Secretary.

#### **DISCLOSURE BY INDEPENDENT DIRECTORS**

All the Independent Directors have furnished declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

#### **AUDIT COMMITTEE**

The Committee presently comprises of Ms. Ankita M. Shah, Independent Director, Mr. Girish Jajoo and Mr. Hitesh Shah, since resigned with effect from 20<sup>th</sup> February 2017. Mrs. Payal N. Shah Independent Director was appointed as a member on 26<sup>th</sup> May 2017. All the members of the Committee are having financial and accounting knowledge. The Committee met 4 times during the financial year 2016-17.

#### **NOMINATION & REMUNERATION COMMITTEE/POLICY**

The said Committee presently comprises of Ms. Ankita Shah, Mr. Priyesh Jhaveri and Mr. Hitesh Shah, since resigned with effect from 20<sup>th</sup> February 2017. The Committee met once during the financial year. The Nomination and Remuneration Policy recommended by the Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors. The said policy is annexed to the report as Annexure 1.

#### **STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stakeholder Relationship Committee consists of three members viz. Mr. Sandeep Shah, Chairman, Ms. Ankita Shah and Mr. Girish Jajoo as its members. The Committee mainly looks into redressal of shareholders and investors grievances with respect to transfer of shares, dematerialization of shares, non-receipt of annual report or declared dividend, etc. The shareholders grievances committee met four times during the year. During the year ended 31<sup>st</sup> March, 2017, the Company did not receive any complaint from any of its members.

#### **BOARD MEETINGS**

Six meetings of the Board were held during the year under review. One meeting of the Independent Directors was also held during the year.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

**CSR COMMITTEE**

The Company does not fulfill any of the three criteria specified in Section 135(1) of the Companies Act, 2013 and as such is not required to comply with the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

**INTERNAL CONTROL SYSTEM**

Adequate internal control systems are in place to maintain quality of product, proper accounting as per norms and standards prescribed, asset maintenance and its proper use. The Company has an independent internal auditor, who periodically reviews the accounts and reports to the Audit Committee.

**RISK MANAGEMENT**

The management continuously access the risk involved in the business and all out efforts are made to mitigate the risk with appropriate action. All the assets of the Company are adequately covered by comprehensive insurance.

**EMPLOYEE:**

Relations between the management and employees were cordial through-out the year.

The particulars of employees required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as annexure 2 and forms part of this report.

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rule, 2014, and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2017 is given in a separate annexure to this report. The said annexure is not being sent alongwith this report to the members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Members, who are interested in obtaining these particulars, may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by the members at the registered office of the Company, 21 days before the 21<sup>st</sup> annual general meeting and upto the date of the said annual general meeting during normal business hours on working days.

**AUDITORS**

According to Directors, there is no adverse remarks made by Statutory Auditors in their report. Notes to the accounts are self explanatory to comments/observation made by the auditors in their report. Hence, no separate explanation is given.

M/s. Kochar & Associates, Chartered Accountants, Statutory Auditors of your Company shall retire at the forthcoming Annual General Meeting. However, they are eligible for reappointment. Members are requested to appoint the Auditors and fix their remuneration.

During the year, Secretarial Audit was carried out by Mr. Upendra C. Shukla, Practicing Company Secretary for the financial year 2016-17. The report on the Secretarial Audit is appended as Annexure 3 to this report. According to the Board of Directors the report does not have any adverse remark.

**DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL**

No such order was passed by any of the authorities, which impacts the going concern status and company's operations in future.

**EXTRACT OF ANNUAL RETURN**

An extract of Annual Return in Form MGT-9 in pursuance to the provisions of Section 92(3) of the Companies Act, 2013 is annexed to this report as Annexure 4 and forms part of this report.

**VIGIL MECHANASIM**

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement. The whistle blower policy is adopted by the Board of Directors and is hosted on the website of the Company.

**FRAUD REPORTING**

During the year, no fraud whether actual, suspected or alleged was reported to the Board of Directors.

**PREVENTION OF SEXUAL HARRASSMENT AT WORKPLACE**

Since the Company does not have any woman employee, the provisions of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act are not applicable.

**CAUTIONARY STATEMENT**

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on the reasonable assumption, the actual results might differ.

**ACKNOWLEDGEMENT**

The Directors wish to place on record their deep sense of appreciation to the Company's Bankers and all the staff members for their unstinted support. Your directors also wish to thank the shareholders for confidence reposed in the management of the Company.

For and on behalf of the Board

Mumbai,  
May 26, 2017

Pramod Shah  
Chairman  
DIN : 00685016

**Nomination and Remuneration Committee Policy of SPS Finquest Ltd.****1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with relevant rules thereto and Clause 49 of the Listing Agreement. The Key Objectives of the Committee are:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

**2. DEFINITIONS**

- a) Act means the Companies Act, 2013 as amended from time to time and the Rules made thereunder.
- b) Board means Board of Directors of the Company.
- c) Directors mean Directors of the Company.
- d) Key Managerial Personnel means – (i) Chief Executive Officer or the Managing Director or Whole-time Director or the Manager; (ii) Chief Financial Officer; (iii) Company Secretary; and (iii) such other officer as may be prescribed.
- e) Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

**3. ROLE OF COMMITTEE****3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

- 3.1.1 Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2 Identify persons who are qualified to become Director and persons, who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3 Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**3.2 Policy for appointment and removal of Director, KMP and Senior Management****3.2.1 Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification,

expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c) The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director, who has attained the age of seventy years; Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### 3.2.2 Term / Tenure

#### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director and designate them for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director;

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 3.2.3 Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 3.2.4 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act and rules made thereunder.

### 3.2.5 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 3.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### 3.3.1 General

a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission payable to Managing Director, Whole-



time Director and Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director, Whole-time Director and Directors shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments/revision to the existing remuneration/compensation payable to Managing Director, Whole-time Director and Directors may be recommended by the Committee to the Board, which should be within the limits approved by the Shareholders.

d) Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 3.3.2 Remuneration to Whole-time, Managing Director, Directors, KMP and Senior Management Personnel:

#### a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### c) Provisions for excess remuneration:

If Managing Director and/or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### 3.3.3 Remuneration to Non- Executive / Independent Director:

#### a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof; Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

#### 4. MEMBERSHIP

4.1 The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.

4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

4.3 Membership of the Committee shall be disclosed in the Annual Report.

4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

#### 5. CHAIRPERSON

5.1 Chairperson of the Committee shall be an Independent Director.

5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### 6. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

#### 7. COMMITTEE MEMBERS' INTERESTS

7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### 8. DUTIES OF COMMITTEE

A) The duties of the Committee in relation to nomination matters shall include:

8.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;

8.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment;

8.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.

8.4 Determining the appropriate size, diversity and composition of the Board;

8.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;

8.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

8.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

8.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

8.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;

8.10 Recommend any necessary changes to the Board; and

8.11 Considering any other matters, as may be requested by the Board.

B) The duties of the Committee in relation to remuneration matters shall include:

8.12 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board

and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

8.13 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

9 To delegate any of its powers to one or more member(s) of the Committee.

#### 10. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## Annexure 2

**Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Rule	Particulars			
(1)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a	Mr. Girish Jajoo, Managing Director	<b>4.81 : 1</b>
		None of the other Directors were in receipt of any remuneration except sitting fees		
(2)	The percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive Officer, Company Secretary in the financial year	a	Mr. GirishJajoo, Managing Director	<b>Nil</b>
		b	Mr. Subhash Yadav, Chief Finance Officer	<b>Nil</b>
		d	Ms. Pinal Darji, Company Secretary	<b>Nil</b>
(3)	The percentage increase in the median remuneration of employees on the rolls of the Company			<b>Nil</b>
(4)	The number of permanent employees on the rolls of the Company			<b>6</b>
(5)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There is no increase in the remuneration of managerial personnel as also for others. This is based on other factors relevant for the purpose.		
(6)	It is hereby confirmed that the remuneration is as per the Remuneration Policy of the Company			

For and on behalf of the Board

Mumbai,  
May 26,2017

Pramod Shah  
Chairman  
DIN : 00685016

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
SPS Finquest Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SPS Finquest Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing (**Not applicable since there was no FDI, ODI and/or ECB**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) The following Acts/Guidelines specifically applicable to the Company:
  - (a) Reserve Bank of India Act, 1934; and
  - (b) Notifications/circulars pertaining to Non-Banking Finance Company issued by RBI from time to time.

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standard with regard to meeting of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines as applicable, mentioned above.

I report that during the year under review there was no action/event in pursuance of –

..2/

UPENDRA SHUKLA

: 2 :

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.
- (e) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and/or SEBI (Share Based Employee Benefits) Regulations, 2014.
- (f) The Securities and Exchange board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board and its Committees were unanimous and no dissenting views have been recorded.

I further report that during the audit period there was no other specific event/action in pursuance to the above referred laws, rules, regulations, guidelines, etc. having major bearing on the Company's affairs.

(U.C. SHUKLA)  
COMPANY SECRETARY  
FCS: 2727/CP: 1654

Place: Mumbai  
Date: 26/05/2017

**Note: This report is to be read with my letter of even date, which is annexed as 'ANNEXURE' and forms an integral part of this report.**

## ANNEXURE

To,  
The Members,  
SPS Finquest Limited,

My report of even date is to be read with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Corporation. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed, provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Corporation.
4. Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to future viability of the Corporation nor of the efficacy or effectiveness with which the management has conducted the affairs of the Corporation.

Place: Mumbai  
Date: 26/05/2017

(U.C. SHUKLA)  
COMPANY SECRETARY  
FCS: 2727/CP: 1654

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31/03/2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Sr. No.	Particular	Information
i.	CIN	L67120MH1996PLC098051
ii.	Registration Date	12 <sup>th</sup> March, 1996
iii.	Name of the Company	SPS FINQUEST LIMITED
iv.	Category / Sub-Category of the Company	NBFC
v.	Address of the registered office and contact details	R-514, Rotunda Building, 5 <sup>th</sup> Floor, B.S.Marg, Fort, Mumbai – 400 001
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>UNIVERSAL CAPITAL SEC. PVT.LTD</b> 21, Shakil Niwas, Mahakali Caves Road, Andheri (E), Mumbai-400 093 Contact:- 022 28207203/04

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1	NBFC- Loan against Shares	99711351	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category - wise Share Holding										
Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	1916300	0	<b>1916300</b>	42.53	2025100	0	<b>2025100</b>	44.95	2.45
(b)	Central Govt(s)	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(c)	State Govt.(s)	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00



(d)	Bodies Corporate	86400	0	86400	1.92	86400	0	86400	1.92	0.00
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others(Specify)									
	<b>Sub Total(A)(1)</b>	<b>2002700</b>	<b>0</b>	<b>2002700</b>	<b>44.45</b>	<b>2111500</b>	<b>0</b>	<b>2111500</b>	<b>46.90</b>	<b>2.45</b>
<b>2</b>	<b>Foreign</b>									
a	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e	Any Others(Specify)									
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2002700</b>	<b>0</b>	<b>2002700</b>	<b>44.45</b>	<b>2111500</b>	<b>0</b>	<b>2111500</b>	<b>46.90</b>	<b>2.45</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	FIs	0	0	0	0.00	0.00	0	0	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>									
<b>(a)</b>	<b>Bodies Corporate</b>	0	0	0	0.00	3200	0	3200	0.00	0.00
(i)	Indian	1755200	0	1755200	38.96	1598400	0	1598400	35.50	-3.45
(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>(b)</b>	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	207000	0	207000	4.59	187800	0	187800	4.17	-0.42
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	446400	0	446400	9.91	537600	0	537600	11.94	2.03
<b>(c)</b>	<b>Others (specify)</b>	0	0	0	0	3200	0			
(i)	Clearing Members	0	0	0	0.00	27200	0	27200	0.00	0.60
(ii)	Market maker	92800	0	92800	2.06	38400	0	38400	0.85	-1.21
(iii)	NRI / OCBs	1600	0	1600	0.04	1600	0	1600	0.04	0.00
(iv)	Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
(v)	Foreign Corporate Body	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>2503000</b>	<b>0</b>	<b>2503000</b>	<b>55.55</b>	<b>2394200</b>	<b>0</b>	<b>2394200</b>	<b>53.14</b>	<b>-2.41</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2503000</b>	<b>0</b>	<b>2503000</b>	<b>55.55</b>	<b>2394200</b>	<b>0</b>	<b>2394200</b>	<b>53.14</b>	<b>-2.41</b>
	<b>TOTAL (A)+(B)</b>	<b>4505700</b>	<b>0</b>	<b>4505700</b>	<b>100.00</b>	<b>4505700</b>	<b>0</b>	<b>4505700</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>								0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>4505700</b>	<b>0</b>	<b>4505700</b>	<b>100.00</b>	<b>4505700</b>	<b>0</b>	<b>4505700</b>	<b>100.00</b>	<b>0.00</b>

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(ii) Shareholding of promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged /encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged /encumbered to total shares	
1	ALPA PRAMOD SHAH	14700	0.33	0	14700	0.33	0	0.00
2	JESAL PRAMOD SHAH	14700	0.33	0	14700	0.33	0	0.00
3	KALPANA PRAMOD SHAH	300	0.01	0	48300	1.07	0	1.07
4	PRAMOD PREMCHAND SHAH	1167800	25.92	0	1227000	27.23	0	1.31
5	RINA SANDEEP SHAH	11200	0.25	0	11200	0.25	0	0.00
6	SANDEEP PRAMOD SHAH	707600	15.70	0	709200	15.74	0	0.04
7	SPS MULTI-COMMODITY LLP	86400	1.92	0	86400	1.92	0	0.00
	<b>Total</b>	<b>2002700</b>	<b>44.45</b>	<b>0</b>	<b>2111500</b>	<b>46.86</b>	<b>0</b>	<b>2.41</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sl. No.	Name of the promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	ALPA PRAMOD SHAH	14700	0.33	14700	0.33	
2	JESAL PRAMOD SHAH	14700	0.33	14700	0.33	
3	KALPANA PRAMOD SHAH	300	0.01			
	30/09/2016	Transfer	48000	1.07	48300	1.07
4	SANDEEP PRAMOD SHAH	707600	15.70			
	04/11/2016	Transfer	1600	0.04	709200	15.74
5	PRAMOD PREMCHAND SHAH	1067000	23.68	1067000	23.68	
	10/02/2017	Transfer	16000	0.36	1183800	26.27
	17/02/2017	Transfer	43200	0.96	1227000	27.23
6	RINA SANDEEP SHAH	11200	0.25	11200	0.25	
7	SPS MULTI-COMMODITY LLP	86400	1.92	86400	1.92	

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	A & N VENTURES PRIVATE LIMITED	436800	9.69	436800	9.69
2	SHAPOORJI PALLONJI AND COMPANY PRIVATE LTD	254400	5.65	254400	5.65
3	EUREKA FORBES LIMITED	249600	5.54	249600	5.54

4	GALINA CONSULTANCY SERVICES PRIVATE LTD		249600	5.54	249600	5.54
5	GOSWAMI INFRATECH PRIVATE LIMITED		249600	5.54	249600	5.54
6	COMET INVESTMENTS PVT LTD		160000	3.55		
	15/04/2016	Transfer	-25600	-0.57	121600	2.70
	10/06/2016	Transfer	-43200	-0.96	78400	1.74
	24/06/2016	Transfer	-78400	-1.74	0	0.00
7	NIKKO STOCK BROKERS PVT.LTD.		147200	3.27	147200	3.27
	17/06/2016	Transfer	3200	0.07	102400	2.27
	26/08/2016	Transfer	-102400	-2.27	0	0.00
8	JYOTI HARESH SHAH		67200	1.49	67200	1.49
9	JAVERI FISCAL SERVICES LTD		52800	1.17		
	27/05/2016	Transfer	1600	0.04	54400	1.21
	10/06/2016	Transfer	-1600	-0.04	52800	1.17
	24/06/2016	Transfer	1600	0.04	54400	1.21
	30/06/2016	Transfer	-1600	-0.04	52800	1.17
	26/08/2016	Transfer	-3200	-0.07	49600	1.10
	30/09/2016	Transfer	-46400	-1.03	3200	0.07
	28/10/2016	Transfer	-1600	-0.04	1600	0.04
	18/11/2016	Transfer	3200	0.07	4800	0.11
	17/02/2017	Transfer	-1600	-0.04	3200	0.07
10	VISHAL VIDYUT GAVANKAR		40000	0.89	40000	0.89

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01/04/2016)</b>				
i) Principal Amount	0	11000	0	11000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	11000	0	11000
<b>Change in Indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year (31.03.2017)</b>				
i) Principal Amount	0	11000	0	11000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	11000	0	11000

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

Sr. no.	Particulars of Remuneration	Mr. Girish T. Jajoo(MD)	Total Amount
1.	Gross salary	1075000	1075000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	1075000	1075000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total (A)</b>	<b>1075000</b>	<b>1075000</b>
	Ceiling as per the Act	Remuneration is in accordance with Schedule V of the Companies Oct,2013	Remuneration is in accordance with Schedule V of the Companies Oct,2013

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Pramod Shah	Mr. Sandeep Shah	Mr. Hitesh Shah	Miss Ankita Shah	Mr. Priyesh Jhaveri	
	1. Independent Directors Fee for attending board / committee meetings Commission Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	Nil	Nil	Nil	Nil	Nil	Nil
	2. Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Remuneration is in accordance with Schedule V of the Companies Act,2013					

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross salary	Nil	Rs.180000/-	Rs.432900/-	Rs.612900
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	Rs.180000/-	Rs.432900/-	Rs.612900
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - Others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total</b>		<b>Rs.180000/-</b>	<b>Rs.432900/-</b>	<b>Rs.612900</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Mumbai,  
May 26.2017Pramod Shah  
Chairman  
DIN : 00685016

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**Independent Auditor's Report**

**To,  
The Members of SPS FINQUEST LIMITED  
Report on the Financial Statements**

We have audited the accompanying financial statements of **SPS FINQUEST LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management' Responsibility for the Financial Statements**

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statement that give a true and fair view of the Financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of Companies Act, 2013, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. 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 auditor's 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 financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the 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 on the financial statements.

**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, 2017;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and 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 Statement comply with the Accounting Standards specified under section 133 of Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in Annexure 'B' and
  - g) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion, and to the best of our information and according to the explanation given to us:
    1. The company has disclosed the impact of pending litigations on its financial position in its financial statement.
    2. The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses
    3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Kochar & Associates**  
**Chartered Accountants**  
**FRN: 105256W**

**Sd/-**  
**CA. Piyush Kochar**  
**Partner**  
**M. No: 106049**  
**Place: Mumbai**  
**Date: 26/5/2017**

## ANNEXURE A TO THE AUDITOR'S REPORT

[Referred to in paragraph 1, under 'Report on other Legal and Regulatory Requirements', in the Independent Auditor's Report of even date to the members of SPS Finquest Ltd. ("the Company") on the financial statements for the period ended March 31, 2017]

- i. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

The company does not hold any immovable properties.

- ii. Considering the nature of business conducted by the company, the clause (ii) is not applicable to the company for the period, as it is not related to the business carried on by the company.
- iii. According to the information and explanation given to us the company has not advanced secured or unsecured Loans to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.
- iv. The provisions of section 185 and 186 of the Companies Act 2013 are not applicable to the company during the year under review.
  - v. The Company has not accepted any deposits from the public during the period under review. Accordingly paragraph 3(v) of the order is not applicable.
  - vi. To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act 2013 for the products of the company. Accordingly paragraph 3(vi) of the order is not applicable.
- vii. 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.  
The provisions relating to provident fund, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax are currently not applicable to the company.

According to the information and explanations given to us, there are no arrears of outstanding applicable statutory dues as on the last day of the financial year concerned 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.

- viii. The company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly paragraph 3(viii) of the order is not applicable.
- ix. The company did not raise any money by way of Initial Public Offer or further public offer and term loans during the year under review. Accordingly paragraph 3(ix) of the order is not applicable.
  - x. 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.
  - xi. According to the information and explanation given to us and based on our examination of the records of the company the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
  - xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- xiv. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him, requiring compliance with Section 192 of the Companies Act 2013.
- xvi. The company being an NBFC is registered under Section 45-IA of the RBI Act 1934

**For Kochar & Associates  
Chartered Accountants  
FRN: 105256W**

**Sd/-  
CA. Piyush Kochar  
Partner  
M. No: 106049**

**Place: Mumbai  
Date: 26/5/2017**

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**ANNEXURE B TO THE AUDITORS REPORT****Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of SPS Finquest Ltd. ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kochar & Associates**  
**Chartered Accountants**  
**FRN: 105256W**

**Sd/-**  
**CA. Piyush Kochar**  
**Partner**  
**M. No: 106049**

**Place: Mumbai**  
**Date: 26/5/2017**

**SPS FINQUEST LIMITED**  
(formerly Ceenik Holdings P. Ltd.) CIN : L67120MH1996PLC0098051  
Balance Sheet as at 31st March 2017

Particulars	Note No	Figures as at the end of current reporting period 2016-17	Figures as at the end of current reporting period 2015-16
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	A	46057000	46057000
(b) Reserves and Surplus	B	299946571	252293524
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	C	11000	11000
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
(4) Current Liabilities			
(a) Trade payables	D	235606	170990
(b) Other current liabilities	E	80201894	109752789
(c) Short-term provisions	F	18795094	5412973
<b>Total</b>		<b>445247165</b>	<b>413698276</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	G	60545	73735
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	H	116825627	21762344
(c) Deferred tax assets (net)		531481	438452
(d) Long term loans and advances	I	17929810	15951066
(e) Receivables under Financing Activity	J	91869140	102233526
(f) Other non-current assets			
(2) Current assets			
(a) Current investments	K	20695693	28901179
(b) Receivables under Financing activity	L	88808562	82955683
(d) Inventories			
(e) Trade receivables			
(f) Cash and bank balances	M	6438904	3553320
(g) Short-Term Loans & Advances	N	72492	70736
(h) Other current assets	O	102014912	157758234
<b>Total</b>		<b>445247165</b>	<b>413698276</b>

Significant Accounting Policies and Notes Forming Part of the Accounts

As per our report of even date attached

For and on behalf of

Kochar & Associates

Chartered Accountants FRN 105256W

Sd/-

CA. Piyush Kochar

Partner

M. No. 106049

Place: Mumbai

Date: 26/05/2017

For and on behalf of the Board

SPS FINQUEST LIMITED

Sd/-

Sd/-

DIRECTOR

Sandeep Shah

DIN 00368350

DIRECTOR

Girish Jajoo

DIN 03108620

**SPS FINQUEST LIMITED**  
(formerly Ceenik Holdings P. Ltd.) CIN : L67120MH1996PLC0098051  
Profit and Loss statement for the year ended 31st March 2017

Particulars	Note No	Figures as at the end of current reporting period 2016-17	Figures as at the end of current reporting period 2015-16
Revenue:			
Revenue from operations	P	35193088	29042888
Other Income	Q	37858791	-1566491
<b>Total Revenue</b>		<b>73051879</b>	<b>27476398</b>
Expenses:			
Employee benefit expense	R	2318100	2527343
Provision against Standard Assets	S	-11279	-75789
Finance Costs	T	3766302	0
Depreciation and amortization expense		63170	75503
Other expenses	U	1068188	642079
<b>Total Expenses</b>		<b>7204482</b>	<b>3169135</b>
Profit before exceptional and extraordinary items and tax		65847397	24307263
Exceptional Items		0	0
Excess Provision written back		0	0
Profit before extraordinary items and tax		65847397	24307263
Extraordinary Items		0	0
Profit before tax		65847397	24307263
Tax expense:			
(1) Current tax		18343400	4950000
(2) Deferred tax		-93029	153478
(3) Short/(Excess) Provision for tax earlier years		-56021	0
Profit(Loss) for the period from continuing operations		47653047	19203785
Profit/(Loss) from discontinuing operations		0	0
Tax expense of discontinuing operations		0	0
Net Profit/(Loss) from Discontinuing operations		0	0
Profit/(Loss) for the period		47653047	19203785
Earning per equity share:			
(1) Basic		10.58	4.26
(2) Diluted		10.58	4.26

Significant Accounting Policies and Notes Forming Part of the Accounts

As per our report of even date attached

For and on behalf of

Kochar & Associates

Chartered Accountants FRN 105256W

Sd/-

CA. Piyush Kochar

Partner

M. No. 106049

Place: Mumbai

Date: 26/05/2017

For and on behalf of the Board

SPS FINQUEST LIMITED

Sd/-

DIRECTOR

Sandeep Shah

DIN 00368350

Sd/-

DIRECTOR

Girish Jajoo

DIN 03108620

**SPS FINQUEST LIMITED**  
(formerly Ceenik Holdings P. Ltd.) CIN : L67120MH1996PLC0098051  
**CASH STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2017**

Particulars	31 <sup>st</sup> Mar 2017	31 <sup>st</sup> Mar 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before extra ordinary items		
Adjustment for:	65847397	24307262
Profit / (Loss) on Trading		
Profit on M F Investment	-35165887	-4497203
Dividend Income	-1336122	-2797290
Provisions against Standard Assets	-60150	-119159
Interest Paid	-11279	-75789
Depreciation	3766302	0
	63170	75503
Operating Profit before working capital changes	33103434	16893324
Adjustment for :		
Trade & Other receivable	53762822	-147357818
Trade payable	-34391537	81233122
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>52474719</b>	<b>-49231372</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets		
Sale / Purchase of Investments	-49980	-39600
Dividend Received	-86857797	-36153245
Profit on M F Investment	60150	119159
Profit / (Loss) on Trading	1336122	2797290
	35165887	4497203
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>-50345619</b>	<b>-28779193</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Interest Paid		
Loans Received / Paid	-3766302	0
	4522786	30391194
<b>NET CASH USED IN FINANCIAL ACTIVITIES (C)</b>	<b>756484</b>	<b>30391194</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2885584</b>	<b>-47619372</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>3553320</b>	<b>51172692</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6438904</b>	<b>3553320</b>

Significant Accounting Policies and Notes Forming Part of the Accounts

As per our report of even date attached

For and on behalf of

Kochar & Associates

Chartered Accountants FRN 105256W

Sd/-

CA. Piyush Kochar

Partner

M. No. 106049

Place: Mumbai

Date: 26/05/2017

For and on behalf of the Board

SPS FINQUEST LIMITED

Sd/-

DIRECTOR

Sandeep Shah

DIN 00368350

Sd/-

DIRECTOR

Girish Jajoo

DIN 03108620

**SPS FINQUEST LIMITED**  
(formerly Ceenik Holdings P. Ltd.) CIN : L67120MH1996PLC0098051  
Notes forming part of the Balance Sheet as at 31st March, 2017

Particulars	31 <sup>st</sup> Mar 2017	31 <sup>st</sup> Mar 2016
<b>Note A :</b>		
<b>Share Capital</b>		
Authorised		
49,00,000 Equity Shares of Rs. 10 Each (P.Y. 49,00,000 Equity Shares of Rs. 10 Each)	49000000	49000000
1,00,000 9% Non-Cumulative Redeemable Preference Shares of Rs10 Each (P.Y. 1,00,000 9% Non-Cumulative Redeemable Preference Shares of Rs 10 Each)	1000000	1000000
Issued, Subscribed and Paid Up		
45,05,700 (P.Y. 11,60,100) equity shares of Rs. 10 each fully paid up		45057000
1,00,000 9% Non-Cumulative Redeemable Preference Shares of Rs 10 Each	45057000 1000000	1000000
<b>Total Revenue</b>	<b>46057000</b>	<b>46057000</b>
Authorized shares		
Equity		
Number	4900000	4900000
Amount	49000000	49000000
Preference		
Number	100000	100000
Amount	1000000	1000000
Number of Shares		
Equity		
Issued	4505700	4505700
Subscribed and fully paid	4505700	4505700
Subscribed but not fully paid	-	-
Preference		
Issued	100000	100000
Subscribed and fully paid	100000	100000
Subscribed but not fully paid	-	-
Par value per share		
Equity	10	10
Preference	10	10
Reconciliation		
Equity		
Shares outstanding at the beginning of the reporting period	4505700	4505700
Shares allotted during the year	-	-
Shares outstanding at the end of the Reporting period	4505700	4505700
Preference		
Shares outstanding at the beginning of the reporting period	100000	100000
Shares allotted during the year	-	-
Shares outstanding at the end of the Reporting period	100000	100000
Rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital		
Equity		
The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		

Preference		
Preference Share would be redeemable at par at the end of 20 years from the date of allotment. These shares would carry a fixed non cumulative dividend of 9% p.a.		
Shares held by the holding company or the ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company in aggregate	N.A.	N.A.
Shares in the company held by each shareholder holding more than 5% specifying the number of shares held		
Equity		
Mr. Pramod P Shah	1227000	1167800
Mr. Sandeep P Shah	709200	707600
A & N Ventures Pvt. Ltd.	436800	436800
Shapoorji Pallonji & Company Pvt. Ltd.	254400	254400
Goswami Infratech Pvt. Ltd.	249600	249600
Galina Consultancy Services Pvt. Ltd.	249600	249600
Eureka Forbes Ltd.	249600	249600
Preference		
Mr. Pramod P Shah	100000	100000
Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts	N.A.	N.A.
For a period of five years immediately preceding the date as at which the balance sheet is prepared		
Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash	N.A.	N.A.
Aggregate number and class of shares allotted as fully paid up by way of Public Issue	0	0
Aggregate number and class of shares bought back	N.A.	N.A.
Terms of securities convertible into equity / preference shares issued along with the earliest date of conversion	2020	2020
Calls unpaid (showing aggregate value of calls unpaid by directors and officers)	N.A.	N.A.
<b>Note B :</b>		
<b>Reserves &amp; Surplus</b>		
Reserves		
Share Premium		
Balance as per the previous Balance Sheet	217464000	217464000
Add: received on Shares issued during the year	-	-
Balance as at the end of the period	217464000	217464000
General Reserve		
Balance as per the previous Balance Sheet	10000	10000
Add: received on Shares issued during the year	-	-
Balance as at the end of the period	10000	10000
Reserve Fund in terms of Section 45 IC (1) of the Reserve Bank of India Act 1934		
Balance as per the previous Balance Sheet	8525298	4684541
Add: Transferred from surplus in the statement of profit and loss	9530609	3840757
Balance as at the end of the period	18055907	8525298
Surplus		
Profit & Loss Account		
Balance as per the previous Balance Sheet		
Add: Profit during the year	26294226	10931199
Less: Transferred to Reserve Fund in terms of Section 45-IC(1) of the RBI Act 1934	47653047	19203784
	9530609	3840757
Balance as at the end of the period	64416664	26294226
<b>TOTAL</b>	<b>299946571</b>	<b>252293524</b>



<b>Note C :</b> Long Term Borrowings Unsecured Loans and Advances repayable on Demand from Directors from Shareholders	11000	11000
<b>TOTAL</b>	<b>11000</b>	<b>11000</b>
<b>Note D :</b> Trade Payables Trade Payables	235606	170990
<b>TOTAL</b>	<b>235606</b>	<b>170990</b>
<b>Note E :</b> Other Current Liabilities Unsettled Profit in Derivatives Other Payables	80186764 15130	109751344 1445
<b>TOTAL</b>	<b>80201894</b>	<b>109752789</b>
<b>Note F :</b> Short Term Provisions Provision for Income Tax Provision against Standard assets	18343400 451694	4950000 462973
<b>TOTAL</b>	<b>18795094</b>	<b>5412973</b>
<b>Note H :</b> Non Current Investments (At Cost, Trade, Long Term, Quoted) Equity Shares 85089 equity shares of ABG Shipyard Ltd. of Rs.10 each fully paid (P.Y. Nil) 85203 equity shares of Allied Digital Ser. Ltd. of Rs.10 each fully paid (P.Y. Nil) Nil equity shares of Amtek Auto Ltd of Rs 10 each fully paid (P.Y.105000) 17000 equity shares of Artefact Projects of Rs 10 each fully paid (P.Y.17000) 50 equity shares of BSE Ltd. of Rs.2 each fully paid (P.Y. Nil) Nil equity shares of Cairn India Limited of Rs 10 each fully paid (P.Y. 3732) 50000 equity shares of Concurrent (India) I of Rs 10 each fully paid (P.Y. 50000) Nil equity shares of Dalmia Bhara EQ of Rs 2 each fully paid (P.Y. 10500) 10000 equity shares of Dra Consultants Ltd of Rs 10 each fully paid (P.Y. Nil) Nil equity shares of Enkei Wheels -of Rs 10 each fully paid (P.Y. 2000) 73597 equity shares of Forbes & Com Ltd. of Rs 10 each fully paid (P.Y. Nil) 100000 equity shares of Gtl Infrastructure Ltd. of Rs 10 each fully paid (P.Y.Nil) 169581 equity shares of Indbank Merchant Bank of Rs 10 each fully paid (P.Y.Nil) 215161 equity shares of INFOMEDIA PRESS LTD.of Rs 10 each fully paid (P.Y.Nil) 30000 equity shares of Landmark Property of Rs 10 each fully paid (P.Y. 30000) 2500 equity shares of L&T Technology Ser. Ltd. of Rs 10 each fully paid (P.Y.Nil) Nil equity shares of Laxmi Vilas Bank of Rs 10 each fully paid(P.Y. 10000) 5000 equity shares of Ocl Iron And Steel of Rs 10 each fully paid (P.Y. 5000)	1810885 2519278 - 523068 40300 - 76771 - 100000 - 96483895 562083 2255347 1105988 74595 1950708 - 172865	- - 3211328 523068 - 869982 76771 203235 - 118269 - - - 74595 - - 836852 172865

20000 equity shares of Pvp Ventures of Rs 10 each fully paid (P.Y. 20000)	159856	159856
530000 equity shares of Rajkumar Forge Ltd of Rs 10 each fully paid (P.Y. Nil)	-	12326742
25000 equity shares of Reliance Communications Ltd of Rs 5 each fully paid (P.Y. Nil)	1312916	1312916
1000 equity shares of State Bank Of Bikaner & Jaipur of Rs 10 each fully paid (P.Y. 1000)	-	616316
1000 equity shares of State Bank Of Mysore of Rs 10 each fully paid (P.Y. 1000)	-	564630
1500 equity shares of State Bank Of Travancore of Rs 10 each fully paid (P.Y. 1000)	-	694917
51742 equity shares of Stone India Ltd. of Rs 10 each fully paid (P.Y.Nil)	3244729	-
5 equity shares of Suyog Telematics Ltd. of Rs 10 each fully paid (P.Y.Nil)	2234	-
5000 equity shares of Wockhardt Limited of Rs 10 each fully paid (P.Y.Nil)	3577662	-
1000 equity shares of Zydus Wellness Limited of Rs 10 each fully paid (P.Y.Nil)	852447	-
<b>(Market Value of Quoted Investments Rs. 14.93 cr/-)</b>		
<b>TOTAL</b>	<b>116825627</b>	<b>21762344</b>
<b>Note I :</b>		
<b><u>Long Term Loans and Advances</u></b>		
<b><u>Unsecured Considered Good</u></b>		
Other Loans and Advances		
Advance Tax & TDS (net of provisions)	17916977	15945176
Prepaid Exp	12833	5890
<b>TOTAL</b>	<b>17929810</b>	<b>15951066</b>
<b>Note J :</b>		
<b><u>Trade Receivables - Receivables under Financing Activity</u></b>		
<b><u>Secured Considered Good</u></b>		
Loan against Shares (secured by shares)	91869140	102233526
<b>TOTAL</b>	<b>91869140</b>	<b>102233526</b>
<b>Note K :</b>		
<b><u>Current Investments</u></b>		
(Trade, Short Term)		
Units of Mutual Fund		
Quoted		
0.118 units of HDFC Cash Management Fund- Treasury (P.Y. 0.118)	1	1
0.878 units of Liquid Bees (P.Y. 0.832)	878	878
0.104 Frank FIBK Growth (P.Y. 0.104)	22	22
0.218 units of Templeton India USBF SI-GROWH (P.Y. 0.216 )	-	-
0.213 Frank USBF R-D- DIV-R (P.Y. Nil)	2	2
Nil units of Reliance Cap Lqf - Gr- Groth (P.Y. 36619.616)	-	-
109194.15 units of HDFC LIQUID FUND- GR - Growth (P.Y. Nil)	20694790	28900276
<b>Aggregate amount of Quoted Investments Rs 2.08 cr</b>		
<b>(Market Value of Quoted Investments Rs. 2.08 cr)</b>		
<b>TOTAL</b>	<b>20695693</b>	<b>28901179</b>
<b>Note L :</b>		
<b><u>Trade Receivables - Receivables under Financing Activity</u></b>		
<b><u>Secured Considered Good</u></b>		
Loan against Shares (secured by shares)	88808562	82955693
<b>TOTAL</b>	<b>88808562</b>	<b>82955693</b>

<b>Note M :</b>		
<b>Cash &amp; Bank Balances</b>		
<b>Cash &amp; Cash Equivalent</b>		
Cash in Hand	8371	13996
<b>Bank Balance</b>		
In Current Account	6430533	3539324
<b>TOTAL</b>	<b>6438904</b>	<b>3553320</b>
<b>Note N:</b>		
<b><u>Short Term Loans and Advances</u></b>		
<b><u>Unsecured Considered Good</u></b>		
<b><u>Other Loans and Advances</u></b>		
Advance recoverable in cash or in kind or for the value to be received	50000	50000
Prepaid Expenses	22492	20736
<b>TOTAL</b>	<b>72492</b>	<b>70736</b>
<b>Note O:</b>		
<b><u>Other Current Assets</u></b>		
Other Current Assets	102014912	157758234
<b>TOTAL</b>	<b>102014912</b>	<b>157758234</b>
<b>Note P :</b>		
<b><u>Revenue from Operation</u></b>		
<b><u>Interest</u></b>		
Interest on Stock Funding	29780348	28940392
Interest Inter Corporate Deposit	5400000	-
<b><u>Others</u></b>		
Legal & Other Charges	12740	9840
SLB Lending Fees Recd.	-	92656
<b>TOTAL</b>	<b>35193088</b>	<b>29042888</b>
<b>Note Q :</b>		
<b><u>Other Income</u></b>		
Dividend on Shares	60150	119159
Profit on sale of Eq. Derivatives	11064717	-1759653
Profit on sale of Currency Derivatives	2147082	-2827
Profit on sale of Shares	21954088	-2734723
Profit on sale of Mutual funds	1336122	2797290
Interest on FD	-	14263
Interest on IT Refund	1296633	-
<b>TOTAL</b>	<b>37858791</b>	<b>-1566491</b>
<b>Note R :</b>		
<b><u>Employee Benefit Expenses</u></b>		
Director's Remuneration	1075000	1075000
Salaries and Employee Benefits	1182360	1410715
Staff Welfare	60740	41628
<b>TOTAL</b>	<b>2318100</b>	<b>2527343</b>
<b>Note S :</b>		
<b><u>Provisions against Standard assets</u></b>		
Provisions against Standard assets	-11279	-75789
<b>TOTAL</b>	<b>-11279</b>	<b>-75789</b>
<b>Note T :</b>		
<b><u>Finance Costs</u></b>		
Interest on Loans	3766302	-
<b>TOTAL</b>	<b>3766302</b>	<b>-</b>

<b>Note U :</b>		
<b>Other Expenses</b>		
Demat Charges	9957	12038
Depository Charges	33230	26310
Bank Charges	266	1612
Audit Fees (Last Year)	-	41040
Audit Fees	86625	85875
Business Promotion Exp	371379	-
Computer Expenses	27479	27198
Consultancy & Professional Charges	197700	119570
Conveyance	54250	8320
Mis. Expenses	130386	183149
Professional Tax	2500	2500
Printing and Stationery	53561	29510
Registrar & Transfer Agents Chgs	32155	36406
Rent	68700	68550
<b>TOTAL</b>	<b>1068188</b>	<b>642079</b>

**NOTE G : FIXED ASSET SCHEDULE FOR THE PERIOD ENDED 31ST MARCH 2017**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2016	Addition	Dedn .	As on 31.3.201 7	Up to 1.4.2016	During the year	Dedn / Adj.	Total	As on 31.3.2017	As on 1.4.2016
Computers	222910	-	-	222910	176395	26461	-	202856	20054	46515
Television	18000	15990	-	33990	9701	12737	-	22438	11552	8299
Air Conditioner	28000	26500	-	54500	9079	19772	-	28851	25649	18921
Refrigerator	-	7490	-	7490	-	4201	-	4201	3289	-
<b>TOTAL</b>	<b>268910</b>	<b>49980</b>	<b>-</b>	<b>318890</b>	<b>195175</b>	<b>63170</b>	<b>-</b>	<b>258345</b>	<b>60545</b>	<b>73735</b>
Previous Year	229310	39600	-	268910	119672	75503	-	195175	73735	109638

**Notes:****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 received the certificate of Registration from the 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 transferred a sum of Rs 95.30 lakhs to the Reserve Fund.

**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 month on which asset is acquired / put to use. In respect of assets sold, pro rata depreciation is provided up to the month 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 II to the Companies Act, 2013.

**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.

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 in mutual funds are stated at Net Asset Value declared by the Mutual Fund in respect of each particular scheme.

e) **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.

f) **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.

g) **Borrowing Costs**

All borrowing costs are expensed in the period they occur.

h) **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.

**i) 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.

**j) 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.

**k) 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.

**l) 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.

**m) Cash Flow**

Cash Flows are reported using the Indirect Method whereby Profit before tax is adjusted for the effects of transaction of non cash nature and any deferrals or accruals of past or future cash receipts

or payments. The cash flows from regular operating, financing and investing activities of the company are segregated.

## 2) NOTES TO ACCOUNTS

- a) The company does not have any contingent liability as on the Balance Sheet date.
- b) As of March 31, 2017 the Company had no outstanding dues to small-scale industrial undertakings (Previous Year Rs. Nil).
- c) 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 period end together with interest paid/payable under this Act have not been given.
- d) 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.
- e) Related party disclosure has been made as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, as under:

### Associate Enterprises

Revelation Portfolio Management Pvt. Ltd  
SPS Share Brokers P. Ltd.

### Related Party Relations

Key Management Personnel

Mr. Pramod Shah  
Mr. Sandeep Shah  
Mr. Girish Jajoo

### Relatives

Mr. Vinesh Shah

### Transactions

Particulars	Nature of Transaction	2017 (Rs.)	2016 (Rs.)
<b>Associate Enterprises</b>			
SPS Share Brokers P. Ltd.	Brokerage Paid	26,90,294	17,59,996
	Transaction Charges Paid	22,33,131	10,97,671
	Rent Paid	68,700	67,410
	Demat Charges	9,957	12,038
Revelation Portfolio Management Pvt. Ltd	Professional Fees Paid	86,250	--
<b>Key Management Personnel</b>			
Girish Jajoo	Directors Remuneration	10,75,000	10,75,000
Pramod Shah	Interest Paid	1,71,781	--
<b>Relatives of Key Management Personnel</b>			
Vinesh Shah	Interest received on Trade Finance	14,737	9,70,062



**Outstanding Balance**

Particulars	2017 (Rs.)	2016 (Rs.)
<b>Key Management Personnel</b>		
Pramod Shah	11,000	11,000
SPS Share Brokers P. Ltd.	(1,16,14,912)	(15,77,58,234)
Vinesh Shah	--	90,573

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

**f) Segment Reporting**

The company is engaged in single segment and there are no separate reportable segments as defined in AS – 17. All the revenue shown as part of revenue from operations comes from NBFC Activities of the company. All other revenues / income are shown as Other Income.

**g. Disclosure on demonetization transactions**

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	NIL	20,400	20,400
(+) Permitted receipts	NIL	--	--
(-) Permitted payments	NIL	18,600	18,600
(-) Amount deposited in Banks	NIL	--	--
Closing cash in hand as on 30.12.2016	NIL	1,800	1,800

*Explanation* : For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.”

*SBNs as per the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016:*

"Bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees (hereinafter referred to as specified bank notes)."







	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. 17,01,73,977/-	Rs. 13,75,21,320/-
	<b>Total</b>	<b>Rs. 17,01,73,977/-</b>	<b>Rs. 13,75,21,320/-</b>
	** As per Accounting Standard of ICAI (Please see Note 3)		
(7)	Other Information:		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related parties	Rs. Nil	
	(b) Other than related parties	Rs. Nil	
	(ii) Net Non-Performing Assets		
	(a) Related Parties	Rs. Nil	
	(b) Other than related Parties	Rs. Nil	
	(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 and on behalf of  
Kochar & Associates  
Chartered Accountants FRN 105256W**

**Sd/-  
CA. Piyush Kochar  
Partner  
M. No. 106049  
Place: Mumbai  
Date: 26/05/2017**

**For and on behalf of the Board  
SPS FINQUEST LIMITED**

**Sd/-                      Sd/-  
DIRECTOR              DIRECTOR  
Sandeep Shah        Girish Jajoo  
DIN 00368350        DIN 03108620**

## ATTENDANCE SLIP

**SPS FINQUEST LIMITED**  
**L67120MH1996PLC098051**

Registered Office:- Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S. Marg, Fort, Mumbai- 400 001.  
(Please fill attendance slip and hand it over at the entrance of the Meeting Hall)

Name of the Shareholder:

Folio No./DP ID-Client ID

Address of the Shareholder:

No. of Shares

I hereby record my presence at the Twenty First Annual General Meeting of the Company held on Tuesday, the 26th September, 2017 at 4:00 P.M. at Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S. Marg, Fort, Mumbai – 400 001.

Signature of the Shareholder/Proxy/Representative\*

\*\* For e-voting, please refer point no.12 in the notes of the notice

-----tear here-----

## PROXY FORM

(Form No. MGT-11)

SPS FINQUEST LIMITED

U67120MH1996PLC098051

Registered Office:- Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S.Marg, Fort, Mumbai- 400 001.

Name of the Member(s) and Registered Address	Dp id/ Client id/ Folio no.
	Email ID:

I/We being the Member/Members of SPS FINQUEST LIMITED, holding \_\_\_\_\_ shares, hereby appoint:

\_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

\_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

\_\_\_\_\_ Of \_\_\_\_\_ having e-mail ID \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21<sup>st</sup> ANNUAL GENERAL MEETING of the Company, to be held on Tuesday, September 26, 2017 at 04 :00 p.m. at Room No-514, 5<sup>th</sup> Floor, Rotunda Building, B.S.Marg, Fort, Mumbai – 400 001. and at any adjournment thereof in respect of such resolutions as are indicated in the notice.

-----tear here-----

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt Audited Financial Statements, Reports of the Board of Directors and Auditors		
2. Reappointment of Mr. Pramod P. Shah who retires by rotation		
3. Appointment of M/s Kochar & Associates as Statutory Auditors and fixing their remuneration for 5 years		
4. Appointment of Mrs. Payal N Shah as an Independent Director		

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
Signature of first Proxy

\_\_\_\_\_  
Signature of second Proxy

\_\_\_\_\_  
Signature of third Proxy

Notes:

**1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of**

**the Company not less than 48 hours before the commencement of the meeting.**

**2. A Proxy need not be a member of the Company.**

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

\*\*4. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

6. In the case of joint holders, the signature of anyone holder will be sufficient, but names of all the joint holders should be stated.