

The logo for SPS (Specialized Processors) is displayed in a light blue rounded rectangle. The letters 'S' and 'P' are in a dark blue font, while the letter 'S' is in a green font.

Date:- 29-07-2019

To,  
The Manager,  
Dept. of Corporate Services  
Bombay Stock Exchange Limited  
Rotunda Building, 1<sup>st</sup> Floor,  
Mumbai- 400 001.

Sub:- Submission of 23<sup>rd</sup> Annual Report FY. 2018-19.  
Ref :- Scrip Code 538402

Dear Sir/ Madam,

Please find enclosed herewith 23<sup>rd</sup> Annual Report for FY 2018-19.

Thanking You,

Yours faithfully,

For SPS FINQUEST LIMITED

A handwritten signature in blue ink, appearing to read 'Girish Jajoo', is written over a blue circular stamp.

Girish Jajoo  
Managing Director  
DIN 03108620

**SPS FINQUEST LIMITED**

R-514, On 5th Floor Of Rotunda Building, B.S. Marg, Fort, Mumbai-400001.

E-mail : [info@spsfinquest.co.in](mailto:info@spsfinquest.co.in)

CIN : L67120MH1996PLC098051 Website : [www.spsfinquest.co.in](http://www.spsfinquest.co.in) Phone : 022-22700100



# SPS FINQUEST LIMITED

CIN : L67120MH1996PLC098051

23rd Annual Report

## ANNUAL REPORT

2018-2019

Directors	:	Mr. Pramod P. Shah, Chairman Mr. Girish T. Jajoo, Managing Director Mr. Sandeep P. Shah Mr. Priyesh Jhaveri Mrs. Payal N. Shah Ms. Ankita M. Shah
Company Secretary	:	Mrs. Pinal R. Darji (up to 05-11-2018) Mrs. Sarita H Jotaniya (from 09-01-2019)
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 : L67120MH1996PLC098051
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

## CONTENTS

Particulars	Page No.
Notice	3
Directors' Report	12
Annexure to Directors' Report	18
Independent Auditors Report	33
Balance Sheet as at 31st March 2019	39
Profit & Loss Account for the year ended 31st March 2019	40
Cash Flow statement for the year ended 31st March 2019	41
Schedules to the Accounts	42

[NOTICE]

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of SPS Finquest Limited will be held at 4.00 p.m. on Thursday, the 22<sup>nd</sup> August, 2019 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, 2019 and Statement of Profit & Loss Account 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.

## SPECIAL BUSINESS:

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

“RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof consent of the Company be and is hereby accorded to the re-appointment of Mr. Girish Jajoo (DIN: 03108620) as a Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> February, 2019 to 31<sup>st</sup> January, 2024 (both days inclusive) at a managerial remuneration as specified in detail alongwith other terms and conditions of his re-appointment in the draft agreement to be entered into between the Company and Mr. Girish Jajoo and that the Board of Directors of the Company be and is hereby authorized to revised, amend, alter or otherwise vary the terms and conditions of his re-appointment from time to time as it deems fit, but at no time the remuneration payable to Mr. Girish Jajoo shall exceed the maximum limit prescribed in Section I of Part II of Schedule V to the Companies Act, 2013 and in the event of the Company not earning profit or inadequacy of profit in any financial year, the aforesaid remuneration shall be paid to Mr. Girish Jajoo as minimum remuneration.

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

“RESOLVED THAT in reconfirmation of the resolution passed at the Extra-Ordinary General Meeting held on 15<sup>th</sup> February, 2013 the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013 to the Board of Director of the Company to borrow from time to time any sum or sums of money together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; provided that the total amount of moneys borrowed by the Company shall not at any time exceed the limit of Rs.500,00,00,000/- (Rupees five hundred crores only).”

5. To consider and if though fit, to pass with or without modification, the following resolution as an Special Resolution :

“RESOLVED THAT in reconfirmation of the resolution passed at the Extra-Ordinary General Meeting held on 15<sup>th</sup> February, 2013 consent of the Company be and is hereby accorded under the provisions of 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors to mortgage and /or charge all or any of the movable and/or immovable properties and assets and the whole or the substantially the whole of the undertaking of the Company in such form and manner as the Board of Directors may deem fit or expedient together with power to take over the management of the business and concern of the Company in certain events, for securing loans obtained or as may be obtained from any financial institutions, banks, finance companies or persons together with interest at agreed rates, compound/further interest,

commitment charges, charges, expenses and all other monies payable by the Company to the above mentioned lending institutions in terms of the loan agreements entered into/to be entered into by the Company in respect of the said loans.”

*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 400 001

Date: 8<sup>th</sup> July, 2019

NOTES:

- 1. A Member entitled to attend and vote 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 16/08/2019 to 22/08/2019 (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 report.
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 2018-19 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 2018-19 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	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.
OR Date of Birth (DOB)	<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 Corporate.
  - 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 19.08.2019 (9.00 a.m.) and end on 21.08.2019 (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 15.08.2019 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 15.08.2019.
- 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 23<sup>rd</sup> AGM and communicated to BSE Ltd., where the shares of the Company are listed.

Details of Directors seeking appointment/ re-appointment at the 23<sup>rd</sup> Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given hereunder:

<b>Name of the Director</b>	<b>Mr. Pramod P. Shah</b>	<b>Mr. Girish Jajoo</b>
Date of Birth	21/05/1945	06/04/1975
Date of Appointment	20/05/2010	01/04/2011
Qualification	Upto S.S.C.	EMBA, M.COM., ADCSSAA
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	Mr. Girish Jajoo has experience of 25 years in Capital Market & Money Market. He has thorough knowledge of stock market operations/ financing business. He is responsible for day to-day management of the Company under supervision, guidance and control of the Board of Directors.
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)	13,04,600	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO: 3**

As the Members are aware, the terms of Mr. Girish Jajoo as a Managing Director was expiring on 1<sup>st</sup> February, 2019. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company in their meeting held on 9<sup>th</sup> January, 2019 re-appointed Mr. Girish Jajoo as a Managing Director for a further period of five years with effect from 1<sup>st</sup> February, 2019 to 31<sup>st</sup> January, 2024, subject to approval of Members.

The Board of Directors in its meeting held on 9th January, 2019 has also approved the remuneration payable to Mr. Girish Jajoo subject to approval of the Members as given hereunder:

Monthly basic salary – Rs.58,500/-, Monthly Special Allowance – Rs.500/-, House Rent Allowance – Rs. 27,250/-, Medical Allowance Rs.1,250/-, Conveyance Allowance – Rs.1,600/- and Education Allowance - Rs.200/-.

The above terms have been incorporated in the draft agreement to be entered into with Mr. Girish Jajoo as referred to in the resolution in Item No. 3 of the Notice convening the 23<sup>rd</sup> Annual General Meeting, with the authority to the Board of Directors to revise, amend, alter or modify the remuneration from time to time as it deems fit, but at no time, Mr. Jajoo shall be entitled to receive the remuneration and perquisites in excess of the limit prescribed in Section 1 of Part II of Schedule V to the Companies Act, 2013 read with section 197, as existing or as may be amended from time to time. The draft agreement, referred to as above, also provides that subject to the applicable provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof, in the event of the Company not earning profit or inadequacy of profit in any financial year, Mr. Girish Jajoo would be entitled to receive the above remuneration as minimum remuneration.

The draft agreement referred to in resolution No. 3 would be available for inspection by the members at the registered office of the Company on all working days except Saturday s and Sundays, between 11.00 a.m. to 1.00 p.m. upto the date of the AGM and also at the venue of the AGM.

The Board of Directors may in their discretion revise/modify any of the terms from time to time, within the limits stipulated.

Information as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by ICISI is provided in annexure to this notice.

Mr. Girish Jajoo may be deemed to be interested in the resolution to the extent of his appointment and remuneration he will be entitled to as Managing Director. None of the other Directors, key managerial personnel or other relatives is concerned or interested, financially or otherwise, in the Resolution.

The Board of Directors recommends the resolution for approval of the Members.

The information required to be provided to the shareholders in terms of Schedule V of the Act is set-out as under:

**I. GENERAL INFORMATION:**

1. Nature of Industry : Non-banking Finance Company
2. Date or expected date of commencement of commercial production: The Company is already in the business.
3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus: Not Applicable
4. Financial performance based on given indicators (Rs.)

Particulars	For the year ended 31/03/2019	For the year ended 31/03/2018
Total Income	3,59,74,185	42,73,552
Expenditure other than Finance cost, Interest and Depreciation	37,04,330	88,78,512
Profit before Finance costs, Depreciation and Tax	3,22,69,855	(46,04,960)
Finance costs	1,81,40,033	41,30,015
Depreciation	5,24,943	38,553
Profit before Tax and exceptional items	1,36,04,879	(87,73,528)
Exceptional Items	-	--
Profit/(Loss) before Tax	1,36,04,879	(87,73,528)
Tax Provision	(1,54,53,836)	80,64,141
Net Profit (Loss)	(18,48,957)	(7,09,386)

## II. INFORMATION ABOUT THE APPOINTEE:

Background	Mr. Girish T. Jajoo is the Master Degree holder in Business Administration & Commerce. He has experience of 25 years in Capital Market & Money Market. He has thorough knowledge of stock market operations and financing business.
Past Remuneration (FY 2018-19)	Rs.11,07,500/-
Recognition & Awards	--
Job Profile & Suitability	Subject to supervision and guidance of the Board of Directors, the Managing Director shall have the general control of the business of the Company with power to appoint and dismiss employees, to enter into contracts on behalf of the Company in ordinary course of the business and to do and perform all acts, deeds and things which in the ordinary course of the business, he may consider necessary or proper in the interest of the Company. Considering the above and having regard to his age, qualifications, ability and experience and looking to the business requirement, the proposed remuneration is in the interest of the Company.
Remuneration proposed	The remuneration including perquisites shall be as stated in the special resolution attached herewith.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Compare to the remuneration with respect of the industry, size of the Company etc. the remuneration proposed to be paid to Mr. Girish Jajoo is lower than the industry standard.
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel	Besides the remuneration proposed to be paid to Mr. Girish Jajoo as Managing Director, he does not have any other pecuniary relationship with the Company or with any other managerial personnel.

**III. OTHER INFORMATION :**

1. Reasons for loss or inadequate of profit:  
The Company has earned pre-tax profit. However, due to higher provisions for deferred tax liability and earlier provisions for tax, the Company has incurred a loss for the financial year ended 31<sup>st</sup> March, 2019.
2. Steps taken or proposed to be taken for improvement:  
The Board of Directors continuously endeavors to get maximize the income from its business.
3. Expected increase in productivity and profits in measurable terms:  
With expected growth in finance sector particularly in non-banking finance business, the Company expect an improving trend in revenue and profits in coming years.

**IV. DISCLOSURES :**

In the Board of Directors' Report, the Company is not required to give report on "Corporate Governance".

1. All elements of remuneration Package such as salary, benefits, Bonuses, stock options, pension, etc. of all the directors. : None of the Director (except the Managing Director) is paid any remuneration.
2. Details of fixed component and performance linked incentives alongwith the performance criteria : The remuneration payable consists of fixed salary only. Performance linked incentives are not paid to Directors.
3. Service contracts, notice period and severance fees. : Service contract is for a period of five years from 01/02/2019 to 31/01/2024. There is no notice period and no severance pay is payable on termination of appointment.
4. Stock option details, if any, and whether the same is issued at a discount as well as the period over which accrued and over which exercisable. : No stock option is issued.

**ITEM NO: 4**

At the Extra-Ordinary General Meeting held on 15<sup>th</sup> February, 2013, the Members of the Company had passed the necessary resolution under the provisions of Section 293(1)(d) of the Companies Act,1956 granting the borrowing powers to the Board of Directors to borrow sum or sums of money upto a limit of Rs.500 crores. The said resolution was passed as an Ordinary Resolution. The provisions of Section 180(1)(c) of the Companies Act,2013, which came into force from 1<sup>st</sup> April, 2014 inter alia provides for passing of a Special Resolution for such borrowing powers to the Board of Directors. Further, the Ministry of Corporate Affairs has also clarified a limited life for such resolution passed earlier. Therefore, the Board of Directors proposes to seek a fresh mandate by way of Special Resolution proposed to be passed in the forthcoming Annual General Meeting.

None of Directors, key managerial personnel or their relatives is interested financially or otherwise in the proposed resolution.

ITEM NO. 5

In pursuance to the provisions of Section 293(1)(a) of the erstwhile Companies Act, 1956 the Board was authorized to mortgage/charge the properties of the Company to secure the borrowings. In this regard, the members of the Company had passed an Ordinary Resolution in the Extra-Ordinary General Meeting held on 15<sup>th</sup> February, 2013.

The provisions of Section 180(1)(a) of the Companies Act, 2013, which came into force from 1<sup>st</sup> April, 2014 inter alia provides for passing of a Special Resolution for such powers of creating mortgage/charge on the properties of the Company, to the Board of Directors. Further, the Ministry of Corporate Affairs has also clarified a limited life for such resolution passed earlier. Therefore, the Board of Directors proposes to seek a fresh mandate by way of Special Resolution proposed to be passed in the forthcoming Annual General Meeting.

None of Directors, key managerial personnel or their relatives is interested financially or otherwise in the proposed resolution.

*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 400 001*  
Date: 8<sup>th</sup> July, 2019

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors are pleased to present their 23<sup>rd</sup> Annual Report on the business and operations of the Company together with the audited Statements of the accounts for the year ended on 31<sup>st</sup> March, 2019.

**SUMMARY OF FINANCIAL PERFORMANCE:**

(Amount in Rs. Lacs)

	Year Ended 31-03-19	Year Ended 31-03-18
<b>Total Revenue</b>	<b>359.74</b>	<b>42.74</b>
Less: Expenses	218.44	130.09
<b>Profit /(Loss) before Depreciation, Amortization and Tax</b>	<b>130.80</b>	<b>(87.35)</b>
Less : Depreciation, Amortization	5.25	0.39
<b>Profit Before tax</b>	<b>136.05</b>	<b>(87.74)</b>
Less : Current Tax	86.00	47.25
Less : Deferred Tax	68.23	(88.23)
Short/(Excess) Provision for tax for earlier years	0.30	(39.67)
<b>Profit/(Loss) After Tax</b>	<b>(18.49)</b>	<b>(7.09)</b>

**DIVIDEND**

Your Directors have not recommended any dividend.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure;
- 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 loss of the Company for that period;
- 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;
- the annual accounts have been prepared on a going concern basis;
- 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
- 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.

As per the provisional estimates of Central Statistics Office (CSO), the Indian Economy is estimated to grow at 7% in the financial year 2018-19 as against 7.2% growth registered in the last year. Despite marginal slow down over the last year, India has cemented its credentials as the world's fastest expanding major economy in the world. Going forward, the economy is expected to display a better performance, considering the pick-up in consumption and private investments. Besides, a low inflation expectation for financial year 2019-20 has created further room for monetary easing by the RBI, which is expected to support the growth momentum.

The recent elections have led to formation of a stable government at the Centre. The government is expected to carry forward the reforms agenda. It will continue to focus on building infrastructure. Higher spending on roads, railways, airports, waterways and affordable housing will boost the economy and provide economic opportunities for citizens to grow and improve their income levels. While global economy is likely to remain muted on the back of the ongoing trade dispute between US and China, the domestic economy should benefit from the government's investment momentum. In addition, the government's boost to rural India in the form of direct benefit transfer will give an impetus to consumption.

As far as Non-Banking Finance sector is concerned, comprehensive reforms has become the need of the day. The entire NBFC sector is facing the liquidity crunch. Recent scams in some of the NBFCs have further added the fuel in the fire with the result Banks, which used to be the main source of finance, are now reluctant and extra cautious to finance the NBFCs.

## 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. Your Company is committed to the best Corporate Governance practices based on conscience, openness, fairness, transparency, compliances and ethical practices towards attaining performance with integrity and accountability thereby paving the way for enhanced investors' and stakeholders' confidence. Thus, ensuring long term success.

## PERFORMANCE

Total revenue including other operating income for the financial year ended 31<sup>st</sup> March, 2019 was Rs.3,59,74,185/- as against Rs.42,73,552/- in the previous year. The Company earned a pre-tax profit of Rs.1,36,04,879/- as against a loss of Rs.87,73,528/- a year ago. Due to higher provisions for Income Tax and Deferred Tax liabilities, the Company incurred a loss of Rs.18,48,957/- as against a loss of Rs.7,09,386/- in the previous year.

Your Directors do not propose to transfer any amount to general reserve or to Reserve Fund in terms of Section 45 IC(1) of RBI Act, 1934.

## 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

The recent elections have led to formation of stable government at the centre. The government is expected carry forward the reforms agenda. Higher spending on infrastructure and affordable housing will boost the economy and improve the income of masses at all levels. In addition, the government's boost to rural India in the form of direct benefit transfer will give an impetus to consumption.

Ongoing trade dispute between US and China, trade protectionism, volatile crude oil prices and geo-political disturbance are the main areas of concern.

**FUTURE OUTLOOK**

India is the world's fastest growing major economy. Considering the pick-up in consumption and private investments, the economy is expected to display a better performance. Indian economy is on strong trajectory. So far as your Company is concerned, the Company is well poised to raise the finance and do not depend much on banks. Thus, the Company is better insulated from liquidity crunch being faced by the NBFCs in general. Directors of your Company are confident that all these will augur well for your Company 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 2018-2019 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 under review, the Company neither earned nor spent any foreign exchange.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors in its meeting held on 9<sup>th</sup> January, 2019 as recommended by the Nomination and Remuneration Committee, re-appointed Mr. Girish Jajoo as Managing Director for a further period of five years with effect from 1<sup>st</sup> February, 2019. The re-appointment is subject to approval of the members of the

Company. Necessary resolution is recommended in the notice convening the 23<sup>rd</sup> Annual General Meeting.

To comply with the Articles of Association of the Company and the Companies Act, 2013, Mr. Pramod P. Shah (DIN: 00685016) shall retire by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

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

Ms. Sarita H. Jotaniya was appointed as the Company Secretary with effect from 9<sup>th</sup> January, 2019. 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. Sarita Jotaniya, 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 and Ms. Payal Shah, both Independent Directors and Mr. Girish Jajoo, Managing Director. All the members of the Committee are having financial and accounting knowledge. The Committee met 4 times during the financial year 2018-19.

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

The said Committee presently comprises of Ms. Ankita Shah and Mr. Priyesh Jhaveri, both Independent Directors and Mr. Sandeep Shah, Director. 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 once during the year. During the year ended 31<sup>st</sup> March, 2019, 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 31st March, 2019 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 23<sup>rd</sup> annual general meeting and upto the date of the said annual general meeting during normal business hours on working days.

**STATUTORY 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, were appointed as Statutory Auditors by the members of the Company in their 21st Annual General Meeting held on 26th September, 2017 for consecutive five years.

**INTERNAL AUDITORS**

The Internal Auditors, Mrs. Bhavna Pandya, Chartered Accountant, are the internal auditors of the Company, who plays an important role in strengthening the internal control. The Internal Auditors reports to the Audit Committee.

**SECRETARIAL AUDIT**

During the year, Secretarial Audit was carried out by Mr. Upendra C. Shukla, Practicing Company Secretary for the financial year 2018-19. 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.

**COST AUDIT**

Provisions relating to cost audit is not applicable to your Company.

**ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) and Section 134 (3)(a) of the Companies Act, 2013 a copy of the Annual Return of the Company for the year ended 31<sup>st</sup> March, 2019 is placed on the website of the Company at [www.spsfinquest.co.in](http://www.spsfinquest.co.in).

**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.

**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**

Provisions of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act are not applicable to the Company.

**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, 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 28, 2019

(PRAMOD P. SHAH)  
CHAIRMAN  
(DIN: 00685016)

## Annexure 1

**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>4.72 : 1</b>
			None of the other Directors were in receipt of any remuneration	
(2)	The percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive Officer, Company Secretary in the financial year	a	Mr. Girish Jajoo, Managing Director	<b>Nil</b>
		b	Mr. Subhash Yadav, Chief Finance Officer	<b>Nil</b>
		d	Ms. Sarita Jotaniya, 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 28, 2019

(PRAMOD P. SHAH)  
CHAIRMAN  
(DIN: 00685016)

SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019

[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, 2019 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, 2019 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 –

- (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.

Place: Mumbai  
Date: 28/05/2019

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

**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.**

UPENDRA SHUKLA

## 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: 28/05/2019

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

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31/03/2018**  
[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	
(A)	Promoters									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	2187500	0	2187500	48.55	2205900	0	2205900	48.96	0.41
(b)	Central Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00

(d)	Bodies Corporate	86400	0	<b>86400</b>	1.92	238400	0	<b>238400</b>	<b>5.29</b>	<b>3.37</b>
(e)	Banks / FI	0	0	<b>0</b>	0.00	0	0	<b>0</b>	<b>0.00</b>	<b>0.00</b>
(f)	Any Others(Specify)									
	<b>Sub Total(A)(1)</b>	<b>2273900</b>	<b>0</b>	<b>2273900</b>	50.47	2444300	0	2444300	<b>54.25</b>	<b>3.78</b>
<b>2</b>	<b>Foreign</b>									
a	NRIs - Individuals	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
b	Other Individuals	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
c	Bodies Corporate	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
d	Banks / FI	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
e	Any Others(Specify)									
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	0.00	<b>0</b>	<b>0</b>	<b>0</b>	0.00	0.00
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>2273900</b>	<b>0</b>	<b>2273900</b>	50.47	<b>2444300</b>	<b>0</b>	<b>2444300</b>	<b>54.25</b>	<b>3.78</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(b)	Banks / FI	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(c)	Central Govt(s)	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(d)	State Govt(s)	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(e)	Venture Capital Funds	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(f)	Insurance Companies	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(g)	FII's	0	0	<b>0</b>	0.00	0.00	0	<b>0</b>	0.00	0.00
(h)	Foreign Venture Capital Funds	0	0	<b>0</b>	0.00	0	0	<b>0</b>	0.00	0.00
(i)	Any Other (specify)									
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	0.00	<b>0</b>	<b>0</b>	<b>0</b>	0.00	0.00
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	<b>0</b>	<b>0</b>	<b>0</b>	0.00	<b>0</b>	<b>0</b>	<b>0</b>	0.00	0.00
(i)	Indian	1559200	0	<b>1559200</b>	34.61	1586400	0	<b>1586400</b>	35.21	0.60
(ii)	Overseas	0	0	<b>0</b>	0.00			<b>0</b>	0.00	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	149400	0	<b>149400</b>	3.32	142200	0	<b>142200</b>	3.16	-0.16
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	419200	0	<b>419200</b>	9.30	272000	0	272000	6.04	-3.27
(c)	Others (specify)	0	0	<b>0</b>						
(i)	Clearing Members	33600	0	<b>33600</b>	0.75	0	0	<b>0</b>	0.00	-0.75
(ii)	Market maker	64000	0	<b>64000</b>	1.42	56000		56000	1.24	-0.18
(iii)	NRI / OCBs	1600	0	<b>1600</b>	0.04	1600	0	1600	0.04	0.00
(iv)	Foreign Nationals	0	0	<b>0</b>	0.00			<b>0</b>	0.00	0.00
(v)	Foreign Corporate Body	0	0	<b>0</b>	0.00			<b>0</b>	0.00	0.00
(vi)	LLP/Partnership Firm	<b>4800</b>	<b>0</b>	<b>4800</b>	0.11	3200	0.00	3200	0.07	-0.04
	<b>Sub-Total (B)(2)</b>	<b>2231800</b>	<b>0</b>	<b>2231800</b>	49.53	2061400	0	2061400	45.75	-3.78
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>2231800</b>	<b>0</b>	<b>2231800</b>	49.53	2061400	0	2061400	45.75	-3.78
	<b>TOTAL (A)+(B)</b>	<b>4505700</b>	<b>0</b>	<b>4505700</b>	100.00	<b>4505700</b>	<b>0</b>	<b>4505700</b>	100.00	0.00
<b>(C)</b>	<b>Shares held by Custodians for GDRs &amp; ADRs</b>									
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>4505700</b>	<b>0</b>	<b>4505700</b>	100.00	4505700	0	4505700	100.00	0.00

**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	144300	3.20	0	151500	3.26	0	0.16
4	PRAMOD PREMCHAND SHAH	1293400	28.71	0	1304600	28.95	0	0.25
5	RINA SANDEEP SHAH	11200	0.25	0	11200	0.25	0	0.00
6	SANDEEP PRAMOD SHAH	709200	15.74	0	709200	15.74	0	0.00
7	SPS MULTI-COMMODITY LLP	86400	1.92	0	238400	5.29	0	3.37
	<b>Total</b>	2273900	50.47	0	2444300	54.25	0	3.78

**(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	144300	3.20			
	4/13/2018	Transfer	7200	0.16	151500	3.36
4	SANDEEP PRAMOD SHAH	709200	15.74	709200	15.74	
5	PRAMOD PREMCHAND SHAH	1293400	28.71			
	5/4/2018	Transfer	11200	0.25	1304600	28.95
6	RINA SANDEEP SHAH	11200	0.25	11200	0.25	
7	SPS MULTI-COMMODITY LLP	86400	1.92			
	4/20/2018	Transfer	115200	2.56	201600	4.47
	5/4/2018	Transfer	36800	0.82	238400	5.29

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & 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	GALINA CONSULTANCY SERVICES PRIVATE LTD	249600	5.54	249600	5.54
4	GOSWAMI INFRATECH PRIVATE LIMITED	249600	5.54	249600	5.54
5	SHAPOORJI PALLONJI FINANCE PRIVATE LTD	246400	5.47	246400	5.47
6	NCM INTERNATIONAL PVT LTD	68000	1.51		

	4/27/2018	Transfer	-11200	-0.25	56800	1.26
	9/7/2018	Transfer	4000	0.09	60800	1.35
	9/14/2018	Transfer	20000	0.44	80800	1.79
	10/5/2018	Transfer	4000	0.09	84800	1.88
	10/19/2018	Transfer	2400	0.05	87200	1.94
	10/26/2018	Transfer	3200	0.07	90400	2.01
	11/2/2018	Transfer	4000	0.09	94400	2.10
	2/22/2019	Transfer	-33600	-0.75	60800	1.35
7	JYOTI HARESH SHAH		67200	1.49	67200	1.49
8	KARUN INTERNATIONAL PRIVATE LIMITED		52800	1.17	52800	1.17
9	WELLWORTH SHARE & STOCK BROKING		50400	1.12		
	4/6/2018	Transfer	-10400	-0.23	40000	0.89
	4/13/2018	Transfer	-14400	-0.32	25600	0.57
	5/4/2018	Transfer	800	0.02	26400	0.59
	5/11/2018	Transfer	-800	-0.02	25600	0.57
	6/22/2018	Transfer	800	0.02	26400	0.59
	6/30/2018	Transfer	-800	-0.02	25600	0.57
	8/3/2018	Transfer	800	0.02	26400	0.59
	8/10/2018	Transfer	-800	-0.02	25600	0.57
	9/14/2018	Transfer	-20000	-0.44	5600	0.12
	10/5/2018	Transfer	800	0.02	6400	0.14
	10/19/2018	Transfer	800	0.02	7200	0.16
	10/26/2018	Transfer	-1600	-0.04	5600	0.12
	11/2/2018	Transfer	800	0.02	6400	0.14
	11/16/2018	Transfer	-800	-0.02	5600	0.12
	1/25/2019	Transfer	800	0.02	6400	0.14
	2/22/2019	Transfer	-800	-0.02	5600	0.12
	3/1/2019	Transfer	800	0.02	6400	0.14
10	VIPUL BHAGWANDAS SHAH		40000	0.89	40000	0.89
11	JAVERI FISCAL SERVICES LTD		13600	0.30		
	4/6/2018	Transfer	1600	0.04	15200	0.34
	5/4/2018	Transfer	800	0.02	16000	0.36
	5/11/2018	Transfer	-800	-0.02	15200	0.34
	6/22/2018	Transfer	800	0.02	16000	0.36
	6/30/2018	Transfer	-1600	-0.04	14400	0.32
	7/6/2018	Transfer	-800	-0.02	13600	0.30
	8/3/2018	Transfer	800	0.02	14400	0.32
	8/10/2018	Transfer	-800	-0.02	13600	0.30
	8/31/2018	Transfer	800	0.02	14400	0.32
	10/5/2018	Transfer	800	0.02	15200	0.34
	10/19/2018	Transfer	800	0.02	16000	0.36
	10/26/2018	Transfer	-1600	-0.04	14400	0.32
	11/2/2018	Transfer	-800	-0.02	13600	0.30
	11/16/2018	Transfer	800	0.02	14400	0.32
	1/25/2019	Transfer	800	0.02	15200	0.34
	2/22/2019	Transfer	34400	0.76	49600	1.10

**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 (01/04/2018)</b>				
i) Principal Amount	0	10,31,13,249	0	10,31,13,249
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	10,31,13,249	0	10,31,13,249
<b>Change in Indebtedness during the financial year</b>				
Addition	0	0	0	0
Reduction	0	5,21,99,279	0	5,21,99,279
<b>Net Change</b>	0	5,21,99,279	0	5,21,99,279
<b>Indebtedness at the end of the financial year (31.03.2019)</b>				
i) Principal Amount	0	5,09,13,970	0	5,09,13,970
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	5,09,13,970	0	5,09,13,970

**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		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	11,07,500 11,07,500	11,07,500 11,07,500
	(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>11,07,500</b>	<b>11,07,500</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	Mrs. Payal 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 (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	Nil 0	Rs.176500/- Rs.176500/-	Rs. 457500/- Rs. 457500/-	Rs.634000 Rs.634000
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.176500/-</b>	<b>Rs.457500/-</b>	<b>Rs.634000</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 28.2019Pramod Shah  
Chairman  
DIN : 00685016

**INDEPENDENT AUDITORS REPORT****TO THE MEMBERS OF M/s SPS FINQUEST LTD.****Report on the Financial Statements****Opinion**

We have audited the financial statements of **M/s SPS Finquest Ltd. (“the Company”)** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit & Loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2019, loss and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *the Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regards.

**Information other than financial statements and Auditors Report thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis, Board’s Report including Annexure to Board’s Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the standard financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management 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 statements 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 the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company’s financial reporting process

**Auditor’s Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's 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 explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position as on 31<sup>st</sup> March 2019.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. 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: 28/5/2019

## 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, 2019]

- 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**

**CA. Piyush Kochar**  
**Partner**  
**M. No: 106049**  
**Place: Mumbai**  
**Date: 28/5/2019**

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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 2019 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 2019, 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**

**CA. Piyush Kochar**  
**Partner**  
**M. No: 106049**

**Place: Mumbai**  
**Date: 28/5/2019**

**SPS FINQUEST LIMITED**  
CIN : L67120MH1996PLC0098051  
**Balance Sheet as at 31st March 2019**

Particulars	Note No	Figures as at the end of current reporting period 2018-19	Figures as at the end of current reporting period 2017-18
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A	46057000	46057000
(b) Reserves and Surplus	B	297388229	299237185
(c) Money received against share warrants			
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	11000	33113249
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
<b>(4) Current Liabilities</b>			
(a) Short-term Borrowings	D	50902970	70000000
(b) Trade payables	E		
i) Total outstanding due to micro enterprises and small enterprises		170913	275618
ii) Total outstanding due to creditors other than micro enterprises and small enterprises			
(c) Other current liabilities	F	191918062	112851063
(d) Short-term provisions	G	9462920	5584162
<b>Total</b>		<b>595,911,093</b>	<b>567,118,277</b>
<b>II.ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	H	1530652	1980405
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	I	186228196	139574804
(c) Deferred tax assets (net)		2530320	9353716
(d) Long term loans and advances	J	11434484	10523682
(e) Receivables under Financing Activity	K	218375156	241966506
(f) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investments	L	47086032	56802341
(b) Receivables under Financing activity	M	126792714	101698476
(d) Inventories		-	-
(e) Trade receivables		-	-
(f) Cash and bank balances	N	1863150	5160663
(g) Short-Term Loans & Advances	O	70390	57684
(h) Other current assets		-	-
<b>Total</b>		<b>595,911,093</b>	<b>567,118,277</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: 28/05/2019

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

Sd/-

**Sandeep Shah**     **Girish Jajoo**  
**Director**             **Managing Director**

**DIN 00368350**     **DIN 03108620**

**SPS FINQUEST LIMITED**  
CIN : L67120MH1996PLC0098051

**Profit and Loss statement for the year ended 31st March 2019**

Particulars	Note No	Figures as at the end of current reporting period 2018-19	Figures as at the end of current reporting period 2017-18
<b>Revenue:</b>			
Revenue from operations	P	38777641	30563869
Other Income	Q	(2803456)	(26290317)
<b>Total Revenue</b>		<b>35974185</b>	<b>4273552</b>
<b>Expenses:</b>			
Employee benefit expense	R	2268884	2268831
Provision against Standard Assets	S	3758	407468
Finance Costs	T	18140033	4130015
Depreciation and amortization expense		524943	38553
Other expenses	U	1431688	6202213
<b>Total Expenses</b>		<b>22369306</b>	<b>13047080</b>
<b>Profit before exceptional and extraordinary items and tax</b>		13604879	(8773528)
Exceptional Items		0	0
Excess Provision written back		0	0
<b>Profit before extraordinary items and tax</b>		13604879	(8773528)
Extraordinary Items		0	0
<b>Profit before tax</b>		13604879	(8773528)
Tax expense:			
(1) Current tax		8600000	4725000
(2) Deferred tax		6823396	(8822235)
(3) Short/(Excess) Provision for tax earlier years		30440	(3966906)
<b>Profit(Loss) for the period from continuing operations</b>		(1848957)	(709386)
Profit/(Loss) from discontinuing operations		0	0
Tax expense of discontinuing operations		0	0
Net Profit/(Loss) from Discontinuing operations		0	0
<b>Profit/(Loss) for the period</b>		(1848957)	(709386)
Earning per equity share:			
(1) Basic		(0.41)	(0.16)
(2) Diluted		(0.41)	(0.16)

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: 28/05/2019

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

Sd/-

**Sandeep Shah**      **Girish Jajoo**

**Director**              **Managing Director**

**DIN 00368350**      **DIN 03108620**

**SPS FINQUEST LIMITED**  
CIN : L67120MH1996PLC0098051

**CASH STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019**

<b>Particulars</b>	<b>31<sup>st</sup> Mar 2019</b>	<b>31<sup>st</sup> Mar 2018</b>
<b><u>A. CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit before extra ordinary items	13604879	-8773528
Adjustment for:		
Profit / (Loss) on Trading	14715563	30627668
Profit on M F Investment	-1786065	-3732311
Profit on Sale of Commercial Paper	-9500000	-
Dividend Income	-524249	-240790
Provisions against Standard Assets	3758	407468
Interest Paid	18140033	4130015
Depreciation	524943	38553
Operating Profit before working capital changes	35178862	22457076
Adjustment for :		
Trade & Other receivable	-2460594	-53958900
Trade payable	74241052	18720154
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>106959320</b>	<b>-12781669</b>
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets	-75190	-1958414
Sale / Purchase of Investments	-36937082	-58855825
Dividend Received	524249	240790
Profit on Sale of Commercial Paper	9500000	-
Profit on M F Investment	1786065	3732311
Profit / (Loss) on Trading	-14715563	-30627668
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>-39917521</b>	<b>-87468807</b>
<b><u>C. CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>		
Interest Paid	-18140033	-4130015
Loans Received / Paid	-52199279	103102249
<b>NET CASH USED IN FINANCIAL ACTIVITIES (C)</b>	<b>-70339312</b>	<b>98972234</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-3297513</b>	<b>-1278241</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>	<b>5160663</b>	<b>6438904</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1863150</b>	<b>5160663</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: 28/05/2019

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

**Sd/-**                      **Sd/-**  
**Sandeep Shah**      **Girish Jajoo**  
**Director**              **Managing Director**  
**DIN 00368350**      **DIN 03108620**

## SPS FINQUEST LIMITED

CIN : L67120MH1996PLC0098051

## Notes forming part of the Balance Sheet as at 31st March, 2019

Particulars	31 <sup>st</sup> Mar 2019	31 <sup>st</sup> Mar 2018
<b>Note A :</b>		
<b>Share Capital</b>		
<u>Authorised</u>		
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
<u>Issued, Subscribed and Paid Up</u>		
45,05,700 (P.Y. 11,60,100) equity shares of Rs. 10 each fully paid up	45057000	45057000
1,00,000 9% Non-Cumulative Redeemable Preference Shares of Rs 10 Each	1000000	1000000
<b>TOTAL</b>	<b>46057000</b>	<b>46057000</b>
<b>Authorized shares</b>		
Equity		
Number	4900000	4900000
Amount	49000000	49000000
Preference		
Number	100000	100000
Amount	1000000	1000000
<b>Number of Shares</b>		
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	-	-
<b>Par value per share</b>		
Equity	10	10
Preference	10	10
<b>Reconciliation</b>		
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
<b><u>Rights, preferences and restrictions including restrictions on the distribution of dividends and the repayment of capital</u></b>		
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.		
<b><u>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</u></b>	N.A.	N.A.
<b><u>Shares in the company held by each shareholder holding more than 5% specifying the number of shares held</u></b>		
Equity		
Mr. Pramod P Shah	1304600	1293400
Mr. Sandeep P Shah	709200	709200
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
Shapoorji Pallonji Finance Pvt. Ltd.	246400	246400
SPS Multi Commodity LLP	238400	86400
Preference		
Mr. Pramod P Shah	100000	100000
<b><u>Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts For a period of five years immediately preceding the date as at which the balance sheet is prepared</u></b>	N.A.	N.A.
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.
<b><u>Terms of securities convertible into equity / preference shares issued along with the earliest date of conversion</u></b>	2020	2020
<b><u>Calls unpaid (showing aggregate value of calls unpaid by Directors &amp; Officers)</u></b>	N.A.	N.A.
<b><u>Note B :</u></b>		
<b><u>Reserves &amp; Surplus</u></b>		
<b><u>Reserves</u></b>		
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	18055907	18055907
Add: Transferred from surplus in the statement of profit and loss	-	-
Balance as at the end of the period	18055907	18055907
<b><u>Surplus</u></b>		
Profit & Loss Account		
Balance as per the previous Balance Sheet	63707278	64416664
Add: Profit / Loss during the year	-1848957	-709386
Less: Transferred to Reserve Fund in terms of Section 45-IC(1) of the RBI Act 1934	-	-
Balance as at the end of the period	61858321	63707278
<b>TOTAL</b>	<b>297388229</b>	<b>299237185</b>

<b>Note C :</b>		
<b><u>Long Term Borrowings</u></b>		
<b><u>Unsecured</u></b>		
Loans and Advances repayable on Demand		
from Directors	11000	11000
from Shareholders		
<b><u>Unsecured</u></b>		
Inter Corporate Deposits	-	33102249
<b>TOTAL</b>	<b>11000</b>	<b>33113249</b>
<b>Note D :</b>		
<b><u>Short Term Borrowings</u></b>		
<b><u>Unsecured</u></b>		
Inter Corporate Deposits	50902970	70000000
	50902970	70000000
<b>Note E :</b>		
<b><u>Trade Payables</u></b>		
Trade Payables	170913	275618
<b>TOTAL</b>	<b>170913</b>	<b>275618</b>
<b>Note F :</b>		
<b><u>Other Current Liabilities</u></b>		
Unsettled Profit in Derivatives	140023181	112529646
Payable to Broker	51877326	-
Other Payables	17555	321417
<b>TOTAL</b>	<b>191918062</b>	<b>112851063</b>
<b>Note G :</b>		
<b><u>Short Term Provisions</u></b>		
Provision for Income Tax	8600000	4725000
Provision against Standard assets	862920	859162
<b>TOTAL</b>	<b>9462920</b>	<b>5584162</b>
<b>Note I :</b>		
<b><u>Non Current Investments</u></b>		
(At Cost, Trade, Long Term, Quoted)		
Equity Shares		
17000 equity shares of Artefact Projects EQ of Rs 10 each fully paid (P.Y.17000)	523068	523068
Nil equity shares of BSE Ltd. of Rs.2 each fully paid (P.Y. 50)	-	40300
90830 equity shares of BHEL of Rs.2 each fully paid (P.Y. Nil)	6643272	-
50000 equity shares of Concurrent (India) I of Rs 10 each fully paid (P.Y. 50000)	76771	76771
203652 equity shares of D B Realty of Rs 10 each fully paid (P.Y. Nil)	6433921	-
10000 equity shares of DRA Consultant LTD of Rs 10 each fully paid (P.Y. Nil)	190569	-
1579 equity shares of Enki Wheels of Rs 10 each fully paid (P.Y. 20554)	412957	4716297
83255 equity shares of Forbes & Company Ltd. of Rs 10 each fully paid (P.Y. 82592)	112641542	111136363
Nil equity shares of HUDCO - EQ of Rs 10 each fully paid (P.Y. 5000)	-	353658
135000 equity shares of Indiabulls Ventures of Rs 10 each fully paid (P.Y.Nil)	43030193	-
215161 equity shares of Infomedia Press Ltd. of Rs 10 each fully paid (P.Y.215161)	1105988	1105988
16000 equity shares of Iris Business Ser Ltd of Rs 10 each fully paid (P.Y. Nil)	873933	-
Nil equity shares of Landmark Property-Eq of Rs 10 each fully paid (P.Y. 12000)	-	29838
Nil equity shares of L&T Technology Ser. Ltd. of Rs 10 each fully paid (P.Y.2000)	-	1560566

15000 equity shares of ONGC -Eq of Rs10 each fully paid(P.Y. Nil)	2335739	-
593000 equity shares of Reliance Comm. Ltd-EQ of Rs 5 each fully paid (P.Y.125000)	6146167	3674546
24572 equity shares of Stone India Ltd.of Rs 10 each fully paid P.Y.24572)	1393759	1393759
5 equity shares of Suyog Telematics Ltd. of Rs 10 each fully paid (P.Y. 5)	2234	2234
13050 equity shares of Vadilal Enterprises Ltd of Rs 10 each fully paid (P.Y. Nil)	4418083	-
Nil equity shares of Yuken India Ltd. of Rs 10 each fully paid (P.y. 3500)	-	14961415
<b>(Market Value of Quoted Investments Rs. 24.77 cr/-)</b>		
<b>TOTAL</b>	<b>186228196</b>	<b>139574804</b>
<b>Note J :</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)	11434484	10518227
Prepaid Exp	-	5455
<b>TOTAL</b>	<b>11434484</b>	<b>10523682</b>
<b>Note K :</b>		
<b><u>Trade Receivables - Receivables under Financing Activity</u></b>		
<b><u>Secured Considered Good</u></b>		
Loan against Shares	197374337	90059681
(secured by shares)		
Inter Corporate Deposits	-	30509
<b><u>Unsecured Considered Good</u></b>		
Other	20298380	20018767
Education Loan	135080	-
Inter Corporate Deposits	567359	131857549
<b>TOTAL</b>	<b>218375156</b>	<b>241966506</b>
<b>Note L :</b>		
<b><u>Current Investments</u></b>		
(Trade, Short Term)		
(At Cost, Trade, Long Term, Quoted)		
Equity Share (Quoted)		
7900 equity share of VADILAL INDUSTRIES LTD of Rs 10 each fully paid (P.Y. 12000)	7011326	11708422
Nil equity share of Yuken India Ltd of Rs 10 each fully paid (P.Y. 6500)	-	27786056
5000 equity share of VODAFONE IDEA LIMITED of Rs 10 each fully paid (P.Y.Nil )	158607	-
Revaluation Loss	-84807	-3357078
Units of Mutual Fund		
Quoted		
0.118 units of HDFC Cash Management Fund- Treasury (P.Y. 0.118)	1	1
0.992 units of Liquid Bees (P.Y. 0.878)	880	878
0.104 Frank FIBK Growth (P.Y. 0.104)	23	22
0.213 Frank USBF R-D- DIV-R (P.Y. Nil)	2	2
10957.566 units of HDFC LIQUID FUND- GR - Growth (P.Y. 6099.630)	40000000	20664038
<b>Aggregate amount of Quoted Investments Rs 4.88 cr</b>		
<b>(Market Value of Quoted Investments Rs. 4.88 cr)</b>		
<b>TOTAL</b>	<b>47086032</b>	<b>56802341</b>
<b>Note M :</b>		
<b><u>Trade Receivables - Receivables under Financing Activity</u></b>		
<b><u>Secured Considered Good</u></b>		
Loan against Shares	23345193	31345909
(secured by shares)		
Inter Corporate Deposits	-	10300225
<b><u>Unsecured Considered Good</u></b>		
Other	260000	52342

Education Loan	80263	-
Inter Corporate Deposits	103107258	60000000
<b>TOTAL</b>	<b>126792714</b>	<b>101698476</b>
<b>Note N :</b>		
<b><u>Cash &amp; Bank Balances</u></b>		
<b><u>Cash &amp; Cash Equivalent</u></b>		
Cash in Hand	19287	17995
<b><u>Bank Balance</u></b>		
In Current Account	1843863	5142668
<b>TOTAL</b>	<b>1863150</b>	<b>5160663</b>
<b>Note O:</b>		
<b><u>Short Term Loans and Advances</u></b>		
<b><u>Unsecured Considered Good</u></b>		
<u>Other Loans and Advances</u>		
Advance recoverable in cash or in kind or for the value to be received	9000	38500
Prepaid Expenses	61390	19184
<b>TOTAL</b>	<b>70390</b>	<b>57684</b>
<b>Note P :</b>		
<b><u>Revenue from Operation</u></b>		
<b><u>Interest</u></b>		
Interest on Stock Funding	25504822	13739616
Interest Inter Corporate Deposit	9456269	15695485
Interest on Other Loan	3610607	879010
Interest on Edu/ Personal Loan	108620	
<b><u>Others</u></b>		
Legal & Other Charges	97323	111227
SLB Lending Fees Recd.	-	138531
<b>TOTAL</b>	<b>38777641</b>	<b>30563869</b>
<b>Note Q :</b>		
<b><u>Other Income</u></b>		
Dividend on Shares	524249	240790
Profit on sale of Eq. Derivatives	-1021131	-51985538
Profit on sale of Currency Derivatives	-	212745
Profit on sale of Shares	-13694432	21145125
Profit on sale of Mutual funds	1786065	3732311
Profit on sale of Commercial Paper	9500000	-
Interest on IT Refund	101793	364251
<b>TOTAL</b>	<b>-2803456</b>	<b>-26290317</b>
<b>Note R :</b>		
<b><u>Employee Benefit Expenses</u></b>		
Director's Remuneration	1107500	1075000
Salaries and Employee Benefits	1112300	1161230
Staff Welfare	49084	32601
<b>TOTAL</b>	<b>2268884</b>	<b>2268831</b>
<b>Note S :</b>		
<b><u>Provisions against Standard assets</u></b>		
Provisions against Standard assets	3758	407468
<b>TOTAL</b>	<b>3758</b>	<b>407468</b>
<b>Note T :</b>		
<b><u>Finance Costs</u></b>		
Interest on Loans	18140033	4130015
<b>TOTAL</b>	<b>18140033</b>	<b>4130015</b>

<b>Note U :</b>	35083	22304
<b>Other Expenses</b>	32041	33500
Demat Charges	-2015	843
Depository Charges	-	250000
Bank Charges	88500	88500
Donation	212868	255220
Audit Fees	27248	28028
Business Promotion Exp	3683520	1729720
Computer Expenses	115447	66091
Consultancy & Professional Charges	359630	176314
Conveyance	2500	2500
Mis. Expenses	46612	42064
Professional Tax	-3272271	3357079
Printing and Stationery	31725	31050
Revaluation of Current Investment	70800	69000
Registrar & Transfer Agents Chgs	-	50000
Rent		
Sundry Balance Written off		
<b>TOTAL</b>	<b>1431688</b>	<b>6202213</b>

**NOTE H : FIXED ASSET SCHEDULE FOR THE PERIOD ENDED 31ST MARCH 2019**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1.4.2018	Addition	Dedn .	As on 31.3.201 9	Up to 1.4.2018	During the year	Dedn / Adj.	Total 31.3.19	As on 31.3.2019	As on 1.4.2018
Computers	222910	47040	-	269950	211389	13352	-	224741	45209	11521
Television	33990	-	-	33990	27660	2862	-	30522	3468	63330
Air Conditioner	54500	28150	-	82650	35499	5264	-	40763	41887	19001
Motor Car	1958414	-	-	1958414	16667	502651	-	519318	1439096	1941747
Refrigerator	7490	-	-	7490	5684	814	-	6498	992	1806
<b>TOTAL</b>	<b>2277304</b>	<b>75190</b>	<b>-</b>	<b>2352494</b>	<b>296899</b>	<b>524943</b>	<b>-</b>	<b>821842</b>	<b>1530652</b>	<b>1980405</b>
Previous Year	318890	1958414	-	2277304	258346	38553	-	296899	1980405	60545

**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, and in view of the loss the company has not transferred any sum to the Reserve Fund.

**2) SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Preparation:**

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

**b) Use of estimates**

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

**c) Fixed Assets and Depreciation**

Fixed Assets are stated at cost less accumulated depreciation. The cost of the Fixed Assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The company provides pro-rata depreciation from the 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.

**3) NOTES TO ACCOUNTS**

a) The company does not have any contingent liability as on the Balance Sheet date.

b) As of March 31, 2019 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.  
 SPS Consultants Insurance Brokers LLP

**Related Party Relations**

Key Management Personnel

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

**Relatives**

Mr. Vinesh Shah

**Transactions**

Particulars	Nature of Transaction	2019 (Rs.)	2018 (Rs.)
<b>Associate Enterprises</b>			
SPS Share Brokers P. Ltd.	Brokerage Paid	39,80,176	32,33,557
	Transaction Charges Paid	55,77,649	40,65,608
	Rent Paid	70,800	69,000
	Demat Charges	35,083	22,304
Revelation Portfolio Management Pvt. Ltd	Professional Fees Paid	88,500	88,500
SPS Consultants Insurance Brokers LLP	Professional Fees Paid	177000	-
<b>Key Management Personnel</b>			
Girish Jajoo	Directors Remuneration	11,07,500	10,75,000
Pramod Shah	Interest Paid	-	10,849
	Loans Received	-	40,00,000
	Loans Repaid	-	40,00,000
<b>Relatives of Key Management Personnel</b>			
Vinesh Shah	Interest received on Trade Finance	-	1,44,070

**Outstanding Balance**

Particulars	2019 (Rs.)	2018 (Rs.)
<b>Key Management Personnel</b>		
Pramod Shah	11,000	11,000
SPS Share Brokers P. Ltd.	5,18,77,326	-
Revaluation Portfolio Management Pvt. Ltd.	-	81000

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



(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities: (i) Lease assets including lease rentals under sundry debtors: (a) Financial Lease (b) Operating Lease (ii) Stock on hire including hire charges under sundry debtors: (a) Asset on Hire (b) Repossessed Assets (iii) Other loans counting towards AFC activities: (a) Loans where assets have been repossessed (b) Loans other than (a) above	Rs. Nil Rs. Nil  Rs. Nil Rs. Nil  Rs. Nil Rs. Nil		
(4)	Break up Investments: Current Investment: 1. Quoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify) 2. Unquoted (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify) Long Term Investments: 1. Quoted: (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify) 2. Unquoted (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (please specify)	Rs. 70,85,126/- Rs. Nil Rs. Nil Rs. 4,00,00,905/- Rs. Nil Rs. Nil  Rs. Nil Rs. Nil Rs. Nil Rs. Nil Rs. Nil Rs. Nil  Rs. 18,62,28,196/- Rs. Nil Rs. Nil Rs. Nil Rs. Nil Rs. Nil  Rs. Nil Rs. Nil Rs. Nil Rs. Nil Rs. Nil		
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
Categories		Amount net of Provisions		
		Secured	Unsecured	Total
1. Related Parties				
(a) Subsidiaries		Rs. Nil	Rs. Nil	Rs. Nil
(b) Companies in the same Group		Rs. Nil	Rs. Nil	Rs. Nil
(c) Other related parties		Rs. Nil	Rs. Nil	Rs. Nil
2. Other than related parties		Rs. 22,07,19,530/-	Rs. 12,44,48,340/-	Rs. 34,51,67,870
Total		<b>Rs. 22,07,19,530</b>	<b>Rs. 12,44,48,340/-</b>	<b>Rs. 34,51,67,870</b>

(6)	Investors group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below		
	Category	Market Value/ Break-up or Fair Value or NAV	Book Value (net of Provisions)
	1. Related Parties		
	(a) Subsidiaries	Rs. Nil	Rs. Nil
	(b) Companies in the same group (Unquoted Shares)	Rs. Nil	Rs. Nil
	(c) Other related parties	Rs. Nil	Rs. Nil
	2. Other than related parties	Rs. 29,64,76,815/-	Rs. 23,33,14,228/-
	<b>Total</b>	<b>Rs. 29,64,76,815/-</b>	<b>Rs. 23,33,14,228/-</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: 28/05/2019

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

Sd/-

Sd/-

**Sandeep Shah**    **Girish Jajoo**  
**Director**        **Managing Director**  
**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-third Annual General Meeting of the Company held on Thursday 22<sup>nd</sup> August, 2019 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 23<sup>rd</sup> ANNUAL GENERAL MEETING of the Company, to be held on Thursday 22<sup>nd</sup> August, 2019 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 Reappointment of Mr. Girish T. Jajoo – Managing Director		
4 Borrowing powers to Board of Director under Section 180(1)(c) of the Companies Act,2013		
5 Powers to Board of Directors to create charge on the properties of the Company under Section 180(1)(a) of the Companies Act,2013		

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
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.