

QUEST FINANCIAL SERVICES LTD.

**"Centre Point", 21, Hemanta Basu Sarani, Room No.- 230,
2nd Floor, Kolkata-700 001**

**Phone No. +919831526324, E-Mail ID - investorsquestfinancial@yahoo.co.in,
Website-www.questfinancial.in, CIN-L65993WB1980PLC033060**

September 3, 2019

To,
The Dept. of Corporate Services,
BSE Ltd.,
Floor 25, P. J. Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 539962

~~To,
The Secretary,
The Calcutta Stock Exchange Ltd.,
7, Lyons Range,
Kolkata-700 001
Scrip Code: 027006~~

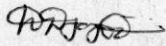
Dear Sir,

Sub.: Submission of the 39th Annual Report 2018-2019

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find herewith the 39th Annual Report of the Company.

Thanking You,

Yours Faithfully,
For Quest Financial Services Ltd.



**Kishan Kumar Jajodia
Director
DIN: 00674858**

39th Annual Report

&

Accounts

2018-2019

QUEST FINANCIAL SERVICES LIMITED

Quest Financial Services Limited
Corporate Identity No.: L65993WB1980PLC033060

Board of Directors:

Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent
Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mr. Rabindra Kumar Hisaria	Executive- Non Independent-Director
Mrs. Jyoti Lohia	Non Executive-Independent Director
Mr. Tarun Laha	Non Executive-Independent Director

Audit Committee:

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mrs. Jyoti Lohia	Non-Executive-Independent
Mr. Rabindra Kumar Hisaria	Executive- Non Independent

Nomination And Remuneration Committee:

Mrs. Jyoti Lohia	Non-Executive-Independent-Chairperson
Mr. Bijay Kumar Agarwal	Non-Executive-Independent
Mr. Tarun Laha	Non-Executive-Independent

Stakeholder's Relationship Committee:

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mrs. Jyoti Lohia	Non-Executive-Independent
Mr. Tarun Laha	Non-Executive-Independent

Risk Management Committee:

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mrs. Jyoti Lohia	Non-Executive-Independent
Mr. Kishan Kumar Jajodia	Non Executive-Non Independent

Fair Practice Code Committee:

Mrs. Jyoti Lohia	Non-Executive-Independent-Chairperson
Mr. Bijay Kumar Agarwal	Non-Executive-Independent
Mr. Tarun Laha	Non-Executive-Independent

Chief Financial Officer:

Mr. Rabindra Kumar Hisaria

Registered Office:

"Centre Point", 21, Hemanta Basu Sarani
2nd Floor, Room No. 230, Kolkata – 700 001
Phone No.: (033) 3028 7790
E-Mail Id: investorsquestfinancial@yahoo.co.in
Website: www.questfinancial.in

Registrar and Transfer Agent:

Niche Technologies Pvt. Ltd.
3A, Auckland Place 7th Floor,
Room No. 7A & 7B ,
Kolkata-700 017
Phone Nos. (033) 2280 6616 / 17 /18,
E-Mail Id:- nichetechpl@nichetechpl.com

Bankers:

Canara Bank

Auditors:

M/s. Arun Jain & Associates
Chartered Accountants
2B, Grant Lane,
2nd Floor, Room No. 74
Kolkata – 700 012

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DIRECTORS' REPORT

Dear Members,

The Directors of the Company have pleasure in presenting the 39th Annual Report of the Company together with Audited Accounts for the year ended March 31, 2019.

1. Financial Summary and Highlights

The highlights of the financial performance of the Company for the financial year ended March 31, 2019 as compared to the previous financial year are as under:-

(` in lacs)

Particulars	Standalone	
	2018-19	2017-18
Total Revenue	18.95	52.85
(Less):Total Expenditure	(280.42)	(2,444.42)
Profit/(Loss) before Exceptional & Extraordinary Items	(261.48)	(2,391.57)
Add/(Less): Exceptional Items	-	-
Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets)	-	-
Profit/(Loss) Before Tax	(261.47)	(2,391.57)
(Less): Provision for Current Tax	-	-
(Less):Contingent provision for Standard Assets	-	-
Net Profit/(Loss) after Tax	(261.47)	(2,391.57)
(Less): Transfer to Statutory Reserve	-	-
Add/(Less): Share of Subsidiaries attributable to Minority Interest	-	-
Add/(Less): Brought forward from previous year	(2,771.19)	(379.62)
Balance carried to Balance Sheet	(3,032.66)	(2,771.19)

2. Dividend.

Company has registered loss of ` 261.47 lakhs before taxes during the financial year under review as against loss of ` 2391.57 lakhs during the previous financial year. Due to loss, the Board of Directors (hereinafter referred to as “the Board”) not recommended any dividend for the financial year under review.

3. The amount proposed to be carried to reserves.

During the year, considering the operating performance of the Company, it has not transferred any amount in any reserves.

4. Change in Share Capital

During the year under review, there has been no change in the Authorised or Paid-up Share Capital.

The Authorised Share Capital of the Company stands at ` 1,23,34,00,000/- divided into 12,33,40,000 Equity Shares of Rs. 10 each. The Paid-up Share Capital of the Company is ` 1,23,31,65,000/- divided into 12,33,16,500 Equity Shares of Rs. 10/- each.

5. Listing.

The equity shares of the Company are listed on the Calcutta Stock Exchange Limited and BSE Limited. The shares of the Company got listed and admitted to dealings on the BSE Ltd. w.e.f. July 07, 2016.

6. Corporate Governance Report

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI. A separate report on Corporate Governance is furnished as a part of the Directors' Report.

In terms of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Certificate issued by a Company Secretary in whole time practice regarding compliance of condition of Corporate Governance is annexed to the Directors' Report.

7. Extract of the Annual Return

The Extract of the Annual Return as on the financial year ended on March 31, 2019, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as the "Act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to the Directors' Report in **Annexure-I**

Further, the Annual Return in Form MGT-7 for the financial year ended 31.03.2019 will be uploaded on the website of the Company Via the link: <https://www.questfinancial.in>

8. Directors & Key Managerial Personnel.

a. Board of Directors

As on 31st March, 2019, the composition of the Board is as under:

- a) Mr. Bijay Kumar Agarwal (DIN-00634259) – Chairperson (Non-Executive Independent);
- b) Mr. Kishan Kumar Jajodia (DIN-00674858)–Non-Executive Non-independent Director;
- c) Mr. Rabindra Kumar Hisaria (DIN-05170751) – Non-Independent Executive Director;
- d) Mrs. Jyoti Lohia (DIN-07113757) – Independent Non-Executive Director;
- e) Mr. Tarun Laha (DIN-07477757) – Independent Non-Executive Director;

Mr. Amit Jajodia (DIN-02291113) resigned from the Board as an Non-Independent Non-Executive Director with effect from 4th February, 2019, on account of pre-occupation. Further Mr. Prakash Kumar Jajodia (DIN-00633920), resigned from the Board as Managing Director with effect from 12th February, 2019 on account of preoccupation.

Mr. Tarun Laha (DIN-07477757) was appointed as an Additional Director (Independent Non-executive category) of the Company with effect from 12th February, 2019. Accordingly, he holds office till the ensuing 39th Annual General Meeting (AGM) where, he proposed to be appointed for a period of five years from the conclusion of the 39th AGM. The Board feels that his association with the Company would be of immense benefit to the Company.

The remaining Independent Directors (i.e. Mr. Bijay Kumar Agarwal (DIN-00634259) and Mr. Rabindra Kumar Hisaria (DIN-05170751)) hold office till the conclusion of the 39th AGM to be held in the calendar year 2019. In terms of the provisions of Section 149(10) of the Act, it is proposed to appoint them for a further period of five years. The Board is of the view that, the continued association of Mr. Bijay Kumar Agarwal (DIN-00634259) and Mr. Rabindra Kumar Hisaria (DIN-05170751) will benefit the Company, given their knowledge, experience and contribution to Board processes.

Further, Mrs. Jyoti Lohia (DIN-07113757) was appointed as a non-retiring Independent Director of the Company to hold office from the conclusion of the 35th AGM till the conclusion of 40th Annual General Meeting or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

Mr. Kishan Kumar Jajodia (DIN-00674858), Non-Executive Non-independent Director, retires by rotation at the ensuing 39th AGM where he presents himself for re-appointment.

b. Company Secretary.

Company has not appointed Company Secretary as per the provision of section 203 of the Companies Act, 2013.

c. Chief Financial Officer.

Mr. Rabindra Kumar Hisaria is the Chief Financial Officer of the Company.

d. Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

As on March 31, 2019, the Company does not have any subsidiaries, joint ventures and associate Companies.

Further, In terms of Rule 8(5)(iv) of the Companies (Accounts) Rules 2014, the disclosure on subsidiaries companies is made hereunder:

- **The names of companies which have become its subsidiaries during the period under review**

None of the Companies have become Subsidiaries during the period under review.

- **The names of companies which have ceased to be its subsidiaries during the period under review:**

Sl. No.	Name of the Company
1.	Zamira Agriculture Limited
2.	Zamira Builders Limited
3.	Zamira Floriculture Limited
4.	Zamira Highrise Limited
5.	Zamira Horticulture Limited
6.	Zamira Moonview Limited
7.	Zamira Projects Limited
8.	Zamira Riverview Limited
9.	Zamira Seaview Limited
10.	Zamira Sunshines Limited
11.	Belisma Agriculture Limited
12.	Belisma Construction Limited
13.	Belisma Floriculture Limited
14.	Belisma Highrise Limited
15.	Belisma Horticulture Limited
16.	Belisma Moonview Limited
17.	Belisma Projects Limited
18.	Belisma Riverview Limited
19.	Belisma Seaview Limited
20.	Belisma Sunshine Limited

9. Number of Meetings of the Board

The Board met five (5) times during the Financial Year under review. The details thereof, including the attendance of the Directors, is provided in the Corporate Governance Report which is annexed to this Report.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and sub-regulation 3 of Regulation 25 of the Listing Regulations was held on 12/02/2019.

The Meetings were held in accordance with the provisions of the Act, the Listing Regulations and Secretarial Standards – I issued by the ICSI.

The details of the Meetings of the Board of Directors during the Financial Year 2018-19 is encompassed in the Corporate Governance Report which is annexed to the said Report.

10. Disclosure pursuant to Section 177(8) of the Act - Composition of the Audit Committee.

The Audit Committee of the Company comprises of two (2) Non-Executive Independent Directors and one (1) Non-Executive non Independent Director as on March 31, 2019. The Committee is chaired by a Non-Executive Independent Director, Mr. Bijay Kumar Agarwal (DIN- 00634259).

The details of the same are morefully provided in the Corporate Governance Report.

During the Financial Year under review, the Committee met four (4) times and all such meetings were held in accordance with the provisions of the Act, and the Listing Regulations and Secretarial Standards – I issued by the ICSI.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2018-19.

11. Composition of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of the Company comprises of three (3) Non-Executive Independent Directors as on March 31, 2019.

The detail of the Committee, including the meeting dates and the attendance of the Committee members, is provided in the Corporate Governance Report.

12. Composition of the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee consists of Three (3) Non-Executive Independent Director.

The details of the Committee are provided in the Corporate Governance Report.

13. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) read with section 134(5) of the Act, the Directors hereby confirm and state that:

- a. In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- b. The Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on the Financial Year ended on March 31, 2019 and of the loss of the company for the year under review.
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government.

No fraud was detected during the financial year under review.

15. Declaration by the Independent Directors and statement on compliance of Code of Conduct.

All the Independent Directors have furnished the Statement on Declaration of Independence under section 149 (6) of the Act and Regulation 16 of the Listing Regulations. Further, the Independent Directors have complied with the Code of Independent Directors prescribed in Schedule IV to the Act.

16. Statement on compliance of Code of Conduct for Directors and senior management personnel.

The Corporate Governance Report contains a Declaration on compliance to the Code of Conduct by the Directors and Senior Management Personnel of the Company.

17. Policy on Directors' Appointment & Remuneration.

The Company's Nomination and Remuneration Policy contains inter-alia, policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes,

independence of a director and other matters provided under sub-section (3) of section 178 of the Act and the Listing Regulations.

SEBI vide notification dated 9th May, 2018, has introduced the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, vide which, it has inter-alia, enhanced the role of the Nomination and Remuneration Committee with effect from 1st April, 2019. In terms of the said amendment, the Nomination and Remuneration Committee will be required to recommend to the Board, all remuneration, in whatever form, payable to senior management (Part D, Para A(6) of Schedule II of the Listing Regulations). The said amendment has revised the definition of senior management to also include: "chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer".

Accordingly, the Company's Nomination and Remuneration Policy has been revised to incorporate the above amendment.

The Policy defines the basic principles and procedure of nomination and determination of remuneration of all the Directors, Key Managerial Personnel and the senior management. It is further intended to ensure that the Company is able to attract, develop and retain high-performing Directors, Key Managerial Personnel and other employees and that their remuneration is aligned with the Company's business strategies, values and goals. The policy is based on the following pillars:

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- b. The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- c. The remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Policy is available on the website of the Company via the link:

<https://www.questfinancial.in/nomination-and-remuneration-policy.html>

18. Auditors & Auditors' Report

a. Statutory Auditors

M/s. Arun Jain & Associates (Firm Registration No. 325867E), Chartered Accountants of 2B, Grant Lane, 2nd Floor, Room No. 74, Kolkata – 700 012, Statutory Auditor of the Company furnished a certificate of eligibility in terms of section 139 read with section 141 of the Act and the rules framed thereunder.

b. Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

c. Secretarial Auditor

Mr. Abbas Vithorawala (C.P. No. 8827, Membership No. 23671), Company Secretary in whole-time Practice, who was appointed pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder to issue the Secretarial Audit Report for the Financial Year ended 31st March, 2019, has been further re-appointed to issue the Secretarial Audit Report for the Financial Year ended 31st March, 2020.

d. Secretarial Audit Report

The Secretarial Audit Report is appended to the Directors' Report in **Annexure-II**. The Report of the Secretarial Audit Report does not contain any adverse remark except :-

In terms of Section 203 read with the Rules made there under of the Companies Act, 2013 is required to appoint a whole-time Company Secretary. Company has not appointed Company Secretary as per the provision of section 203 of the Companies Act, 2013

2. In terms of Rule 25A of the Companies (Incorporation) Rules, 2014, every company is required to file E-Form INC-22A Active (Active Company Tagging Identities and Verification). Hence, the Company has

not filed said Form and the Status of the Company is Active-Non Compliant.

3. BSE has imposed penalty for non Compliance of Regulation 6(1)of the Listing Regulations pertaining to Appointment of Company Secretary the Company has not paid the fines and hence BSE has frozen all the promoters demat accounts.

Board of Directors' Comment:-

1. The Company had advertised in the newspaper to appoint a Company Secretary but have not received any positive response for the same.
2. The Company has not appointed Company secretary, therefore e-Form ACTIVE (Active Company Tagging Identities and Verification) will be filed after appointment.
3. The Company will request the BSE Ltd. for waiving of the fines imposed by the BSE Ltd.

e. Internal Audit Report.

The Internal Audit Report does not contain any adverse remarks.

19. Maintenance of Cost Records.

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

20. Particulars of Loans, guarantees or investments under Section 186 of the Act.

The provisions of section 186 of the Act are not applicable upon a Non-Banking Financial Company. Therefore, the Company is not required to provide any disclosure pursuant to Section 134(3)(g) of the Act.

21. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Act in the prescribed form.

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business. The Company has adhered to its "Policy on Related Party Transactions and Materiality of Related Party Transactions" while pursuing all Related Party transactions.

The Company has adhered to its "Policy on Related Party Transactions and Materiality of Related Party Transactions" while pursuing all Related Party transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Further, during the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

22. State of Company Affairs & Future Outlook.

As on 31st March, 2019, the Company, a Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Company, does not have any outstanding public deposits and the Company shall not accept in the Financial Year 2019-2020 and thereafter, any public deposit without obtaining the prior approval in writing of the Reserve Bank of India

23. Material Changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No Material Changes and commitments affecting the financial position of the Company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Directors' Report.

24. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo.

Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014:

a. Conservation of Energy.

The Company has no activity relating to conservation of energy.

b. Technology Absorption.

The Company has no activity relating to Technology Absorption. Further, the Company has not entered into any technology transfer agreement.

c. Foreign Exchange earnings and outgo.

The Company does not have any Foreign Exchange earnings and outgo during the financial year under review.

25. Risk Management Policy.

The Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company. The details pertaining to various types of risks are described in the Management Discussion and Analysis report which is annexed to the Directors' Report.

Pursuant to Schedule IV (II) (4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

The Company is not required to have a Risk Management Committee and has voluntarily complied with the constitution of the Risk Management Committee in terms of the Listing Regulations. Further, in terms of Regulation 17(9)(b) of the Listing Regulations, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company and has delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures.

26. Manner of formal annual evaluation of the performance of the Board, its Committees and that of its individual directors.

The manner of formal annual evaluation of the performance of the Board, its committees and that of the individual directors is morefully described in the Corporate Governance Report which is annexed to the Directors' Report. The evaluation is perused on the basis of the Company's performance evaluation policy.

27. Change in the nature of business.

There has been no change in the nature of business of the Company in the Financial Year under review.

28. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Audit Committee of the Company ensures that there is a direct relationship between the Company's objectives and the internal financial controls it implements, to provide reasonable assurance about their achievement.

In this connection, the Audit Committee in coordination with the Internal Audit Department periodically reviews the following:

- a. Transactions are executed in accordance with the management's general or specific authorization;
- b. All transactions are promptly recorded in the correct amount in the appropriate accounts and in the accounting period in which they are executed so as to permit preparation of financial information within a framework of recognized accounting policies and practices and relevant statutory requirements, if any;
- c. Accountability of assets is adequately maintained and assets are safeguarded from unauthorized access, use or disposition.

A reference is made in this connection to the CEO & CFO Certification which forms part of the Annual Report.

29. Disclosure pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company has no employee whose remuneration exceeds the limit prescribed under Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The disclosure pursuant to Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided herein below:

In computing the various parameters, Gross Salary has been considered. Gross Salary of the employees primarily encompasses Salary, allowances and perquisites.

I. Ratio of Remuneration of each director to the median remuneration of the employees of the company for the financial year.

Directors	Ratio of Remuneration to Median Remuneration
Mr. Prakash Kumar Jajodia* - Managing Director	2.94 times
Mr. Bijay Kumar Agarwal -Non-Executive Independent Director	- No remuneration or sitting fees was paid
Mr. Rabindra Kumar Hisaria -Non Executive Non-Independent Director	- No remuneration or sitting fees was paid
Mr. Kishan Kumar Jajodia - Non Executive Non-Independent Promoter Director	- No remuneration or sitting fees was paid
Mr. Amit Jajodia* -Non-Executive Non-Independent Director	- No remuneration or sitting fees was paid
Mrs. Jyoti Lohia - Non-Executive Independent Director	- No remuneration or sitting fees was paid

II. The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Mr. Prakash Kumar Jajodia* - Managing Director	- No increase in remuneration
Mr. Bijay Kumar Agarwal -Non-Executive Independent Director	- No remuneration or sitting fees was paid
Mr. Rabindra Kumar Hisaria -Non Executive Non-Independent Director & CFO	- No remuneration or sitting fees was paid
Mr. Kishan Kumar Jajodia -Non Executive Non-Independent Promoter Director	- No remuneration or sitting fees was paid
Mr. Amit Jajodia* -Non-Executive Non-Independent Director	- No remuneration or sitting fees was paid
Mrs. Jyoti Lohia -Non-Executive Independent Director	- No remuneration or sitting fees was paid
Mr. Tarun Laha -Non-Executive Independent Director	- No remuneration or sitting fees was paid

*Mr. Amit Jajodia (DIN-02291113) resigned from the Board as an Non-Independent Non-Executive Director with effect from 4th February, 2019, Further Mr. Prakash Kumar Jajodia (DIN-00633920), resigned from the Board as Managing Director with effect from 12th February, 2019.

III. The percentage increase in the median remuneration of the employees in the financial year.

There has been no increase in the median remuneration of the employees in the Financial Year.

IV. The number of permanent employees on the rolls of the company.

As on March 31, 2019, there are 9 Employees on the rolls of the Company.

V. The explanation on the relationship between average increase in remuneration and company performance.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

VI. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.

There were no exceptional circumstances or increase for managerial personnel in the last financial year. The percentile increase process and policy was same for the managerial personnel and all the other employees.

VII. The key parameters for any variable component of remuneration availed by the directors.

The Variable Components of Remuneration broadly comprises of - Performance based promotion and bonus.

The same shall also depend upon various factors including: their grade, industry bench mark, overall business performance.

Further, in determining the director's remuneration, their performance evaluation as duly carried out by the Board and/or Independent Directors, shall also be given due weightage.

Any annual increase in the remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel shall be at the sole discretion of the Board, based on the recommendation of the Nomination and Remuneration Committee and subject to such statutory approvals, if any.

VIII. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

None of the employees' remuneration is more than that of the highest paid director for the Financial Year under review.

IX. Affirmation that the remuneration is as per the remuneration policy of the company.

The Board of Directors hereby affirms that the remuneration paid to all directors, Key Managerial Personnel is in accordance with the Nomination and Remuneration Policy of the Company.

30. Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism/Whistle Blower Policy of the Company is aimed to provide a vigilance mechanism for the directors and employees of the Company to raise concern of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage the Company's directors and employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

No personnel have been denied access to the Audit Committee. There were no instances of reporting under the Whistle Blower Policy.

The details of the Vigil Mechanism/Whistle Blower Policy is explained in the Corporate Governance Report and also disclosed on the website of the Company.

31. Insider Trading

The Company has put in place following Codes pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015:

- a. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- b. Code of Conduct to Regulate, Monitor and Report Trading.

The aforesaid Codes have been disclosed on the website of the Company.

32. Transfer of amount to Investor Education and Protection Fund (IEPF).

Please note that, no claims shall lie against the Company in respect of unclaimed dividend amounts so

transferred to the Investor Education and Protection Fund (IEPF).

Mr. kishan Kumar Jajodia has been appointed as the Nodal Officer with effect from 1st April, 2019. Claimants may contact the Nodal Officer: Mr. kishan Kumar Jajodia, Director, through the dedicated e-mail Id for the said purpose: investorsquestfinancial@yahoo.co.in. Alternatively, the claimants may also write their concerns to the Nodal Officer, addressed at the Registered Office. The relevant details in the above matter, including the relevant notification of the Ministry, contact details of the Nodal Officer, access link to the refund webpage of the IEPF Authority website, etc., are available on the website of the Company via the following link:

<https://www.questfinancial.in>

33. Compliance to norms prescribed by RBI for NBFCs.

Your Company has been complying with all the requisite applicable norms prescribed by the Reserve Bank of India for Non-Deposit Taking Non-Systematically Important NBFCs.

34. Green Initiative

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with M/s. Niche Technologies Private Ltd., if shares are held in physical mode or with their DP, if the holding is in electronic mode.

Electronic Copies of the Annual Report and Notice of the Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report and Notice of the Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send their request to Mr. Kishan Kumar Jajodia, Director cum Compliance Officer of the Company.

In terms of Section 108 of the Act and Rule 20 of the Company's (Management and Administration) Rules 2014, the Company is providing remote e-voting facility to all the members to enable them to cast their votes electronically on all the resolutions set forth in the Notice.

35. Mandatory update of PAN and Bank details against shareholding and transfer of shares compulsorily in Demat mode with effect from 1st April, 2019.

SEBI has amended relevant provisions of the Listing Regulations to debar listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs. All shareholders holding shares in physical form have been duly notified of the same by Postal mode of communication and have been provided with the requisite form for furnishing PAN and Bank details. Further, two subsequent reminders thereof, have also been sent to the shareholders.

36. Compliance to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013.

The Company strives to provide a safe working environment to all its employees, including its women employees and is committed to the protection of women against sexual harassment.

In adherence to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013, the Company has in place a Policy for prevention of Sexual Harassment of Women.

The Board of Directors do hereby confirm and state that, Quest Group has constituted an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to look into the matters relating to sexual harassment at workplace. Mrs. Jyoti Lohia, Director, is the Presiding Officer of the Committee. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

In the event of any sexual harassment at workplace, any woman employee of the Quest Group may lodge complaint to Mrs. Jyoti Lohia in writing or electronically through e-mail at: investorsquestfinancial@yahoo.co.in

During the period under review, no complaints pertaining to sexual harassment of women at workplace were received by the Company. Accordingly, in terms of section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, a summary thereof is as under:

Particulars	No. of Complaints
Number of complaints pending at the beginning of the year.	Nil
Number of complaints received during the year.	Nil
Number of complaints disposed off during the year.	Nil
Number of cases pending at end of the year.	Nil

38. Management's Discussion and Analysis.

The Management's Discussion and Analysis Report in terms of the Listing Regulations forms part of the Annual Report.

39. Affirmation on Compliance of Secretarial Standards.

The Board hereby affirms that, the Company has duly complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

40. General.

No disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a. Policy on Corporate Social Responsibility (CSR) Initiatives.

The Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities in terms of the provisions of Section 135 of the Act and accordingly, the requisite disclosure requirement as is specified in Section 134(3) (o) of the Act, is not applicable on the Company.

b. Details of deposits which are not in compliance with the requirements of Chapter V of the Act.

The Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on 31st March, 2019. Accordingly, the question of unpaid or unclaimed deposits does not arise.

c. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

d. Details of shares as per Employees Stock Option Scheme/Sweat Equity shares / Equity shares with differential voting rights.

The Company has not issued any shares as per Employees Stock Option Scheme/Sweat Equity shares / Equity shares with differential voting rights.

41. Acknowledgement.

Your Directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and stakeholders, including, but not limited to, shareholders, customers and suppliers, among others. We place on record, our appreciation of the contribution made by our employees at all levels.

The Directors look forward to the continued support of all the stakeholders in the future and appreciate and value the contribution made by every member of the Company.

Place : Kolkata
Dated : 26.08.2019

For and on behalf of the Board of Directors
Bijay Kumar Agarwal
Chairperson
DIN: 0063425

Annexure-I to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[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:

i.	CIN	L65993WB1980PLC033060
ii.	Registration Date	21/10/1980
iii.	Name of the Company	Quest Financial Services Ltd.
iv.	Category/Sub-Category of the Company	Public Company, Limited By Shares, Non-Government Company
v.	Address of the Registered office and contact details	Centre Point, 21, Hemanta Basu Sarani, 2 nd Floor, Room No. 230, Kolkata - 700001
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Niche Technologies Pvt. Ltd. 71, B. R. B. Basu Road, D-511, Bagree Market, 5 th Floor, Kolkata – 700 001 Phone Nos. (033) 2235-7270/7271/2234-3576.

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:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Interest on Loan	64920	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:- NIL

h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	21879196	4647000	26526196	21.511	21709481	4647000	26356481	21.373	(0.138)
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	26826501	979105	27805606	22.548	25609573	980616	26590189	21.563	(0.985)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	54422339	9701500	64123839	51.999	56888708	9701500	66590208	53.999	2.000
c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
d) Others(Specify)									
d.									
1) NRI	109749	-	109749	0.089	108719	-	108719	0.088	(0.001)
2) Clearing Member	2266110	-	2266110	1.838	1185903	-	1185903	0.962	(0.876)
3) Trusts	7500	-	7500	0.006	7500	-	7500	0.006	0.000
Sub-total(B)(2)	105511395	15327605	120839000	97.991	105509884	15329116	120839000	97.991	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	105511395	15327605	120839000	97.991	105509884	15329116	120839000	97.991	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	107988895	15327605	123316500	100.00	107987384	15329116	123316500	100.00	-

ii.Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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.	Virtuous Holdings Pvt. Ltd.	90000	0.07	-	90000	0.07	-	-
2.	Anita Jajodia	575000	0.47	-	575000	0.47	-	-
3.	Kishan Kumar Jajodia	705000	0.57	-	705000	0.57	-	-
4.	Prakash Kumar Jajodia	598000	0.49	-	598000	0.49	-	-
5.	Sabita Jajodia	509500	0.41	-	509500	0.41	-	-
	Total	2477500	2.01	-	2477500	2.01	-	-

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

Sl. No.	Name		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.	Virtuous Holdings Pvt. Ltd.	At the beginning of the year	90000	0.07		
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year			90000	0.07
2.	Anita Jajodia	At the beginning of the year	575000	0.47		
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons	-	-	-	-

		for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
		At the End of the year			575000	0.47
3.	Kishan Kumar Jajodia	At the beginning of the year	705000	0.57		
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year			705000	0.57
4.	Prakash Kumar Jajodia	At the beginning of the year	598000	0.49		
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year			598000	0.49
5.	Sabita Jajodia	At the beginning of the year	509500	0.41		
		Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year			509500	0.41

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

Sr. no	Name		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
		For Each of the Top 10 Shareholders				
1.	Arun Gupta	At the beginning of the year	2019500	1.64		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			2019500	1.64
2	Concord Vinimay Pvt. Ltd	At the beginning of the year	1302474	1.056		
		Decrease in shares on 17/08/2018 (Transfer of shares)	(33990)	0.028	1268484	1.029
		Decrease in shares on 18/01/2019 (Transfer of shares)	(179768)	0.146	1088716	0.883
		Decrease in shares on 25/01/2019 (Transfer of shares)	(67000)	0.054	1021716	0.829
		Decrease in shares on 08/02/2019 (Transfer of shares)	(1021716)	0.829	0	0.000
		At the End of the year (or on the date of separation, if separated during the year)			0	0.000
3.	Darpan Commosales Pvt. Ltd.	At the beginning of the year	810000	0.657		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			810000	0.657

4.	Dinesh Kumar	At the beginning of the year	2200000	1.784		
		Decrease in shares on 13/04/2018 (Transfer of shares)	(947336)	0.768	1252664	1.016
		Decrease in shares on 20/04/2018 (Transfer of shares)	(560886)	0.455	691778	0.561
		Decrease in shares on 27/04/2018 (Transfer of shares)	(221833)	0.180	469945	0.381
		Decrease in shares on 04/05/2018 (Transfer of shares)	(140875)	0.114	329070	0.267
		Decrease in shares on 11/05/2018 (Transfer of shares)	(240723)	0.195	88347	0.072
		Decrease in shares on 18/05/2018 (Transfer of shares)	(88347)	0.072	0	0.000
		At the End of the year (or on the date of separation, if separated during the year)			0	0.000
5.	Fastner Machinery Dealers Pvt. Ltd.	At the beginning of the year	659861	0.535		
		Increase in shares on 13/04/2018 (Purchase of shares in Open Market)	20000	0.016	679861	0.551
		Increase in shares on 11/05/2018 (Purchase of shares in Open Market)	100000	0.081	779861	0.632
		Increase in shares on 01/06/2018 (Purchase of shares in Open Market)	14500	0.012	794361	0.644
		Increase in shares on 25/01/2019 (Purchase of shares in Open Market)	10000	0.008	804361	0.652
		Increase in shares on 29/03/2019 (Purchase of shares in Open Market)	9946	0.008	814307	0.660

		At the End of the year (or on the date of separation, if separated during the year)			814307	0.660
6.	Innova Auto Distributors Pvt. Ltd.	At the beginning of the year	1648194	1.337		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			1648194	1.337
7.	Keynote Painting Dealers Pvt. Ltd.	At the beginning of the year	4500000	3.65		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			4500000	3.65
8.	Mamtamayee Developers Pvt. Ltd.	At the beginning of the year	2093000	1.70		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			2093000	1.70
9.	Sanklap Vincom Pvt. Ltd.	At the beginning of the year	1347855	1.09		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-

		At the End of the year (or on the date of separation, if separated during the year)			1347855	1.09
10.	Shreyans Embroidery Machine Pvt. Ltd.	At the beginning of the year	1255813	1.02		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			1255813	1.02
11.	Spice Merchants Pvt. Ltd.	At the beginning of the year	2920636	2.37		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			2920636	2.37
12.	Sunil Champalal Somani	At the beginning of the year	1000000	0.811		
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)			1000000	0.811

v. Shareholding of Directors and Key Managerial Personnel

Sr. no	Name		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.	Kishan Kumar Jajodia (Director)	At the beginning of the year	7,05,000	0.57	-	-

		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year			7,05,000	0.57
2.	Prakash Kumar Jajodia (Managing Director)	At the beginning of the year	5,98,000	0.49	-	-
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year			5,98,000	0.49

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(in `)

SI. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Prakash Kumar Jajodia* (Managing Director)	
1.	Gross salary (a)Salary as per provisions contained in section17(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) Income- tax Act,1961	3,12,857 - -	3,12,857
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
6.	Total (A)	3,12,857	3,12,857
	Ceiling as per the Act		84,00,000

B. Remuneration to other directors:

(in `)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Bijay Kumar Agarwal	Rabindra Kumar Hisaria	Kishan Kumar Jajodia	Amit Jajodia*	Jyoti Lohia	
	<u>Independent Directors</u> - Fee for attending board Committee meetings - Commission - Others, please specify						
	Total(1)						
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others: Remuneration to CFO						
	Total(2)						
	Total(B)=(1+2)						
	Total Managerial Remuneration						
	Over all Ceiling as per the Act						

*Mr. Amit Jajodia (DIN-02291113) resigned from the Board as an Non-Independent Non-Executive Director with effect from 4th February, 2019, Further Mr. Prakash Kumar Jajodia (DIN-00633920), resigned from the Board as Managing Director with effect from 12th February, 2019.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(in `)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
					Nil

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as%of profit -others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total	Nil	Nil	Nil	Nil

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)
A. Company					
Penalty					
Punishment					
Compounding					
B. Director					
Penalty					
Punishment					
Compounding					
C. Other Officer in default					
Penalty					
Punishment					
Compounding					

NONE

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Quest Financial Services Ltd
Centre Point,
21, Hemanta Basu Sarani,
Room No. 230, 2nd floor
Kolkata-700001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Quest Financial Services Ltd** (hereinafter referred as '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 31st March 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes 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 31st March 2019, according to the provisions of:

- (i) The Companies Act, 2013, 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) The Reserve Bank of India Act, 1934;
- (v) 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 Borrowings - **Not applicable to the Company during the Audit Period;**
- (vi) 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, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 - **Not applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period.**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015- **Applicable from December 1, 2015**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except to the extent as mentioned herein below:*

1. In terms of Section 203 read with the Rules made there under of the Companies Act, 2013 is required to appoint a whole-time Company Secretary. Company has not appointed Company Secretary as per the provision of section 203 of the Companies Act, 2013

2. In terms of Rule 25A of the Companies (Incorporation) Rules, 2014, every company is required to file E-Form INC-22A Active (Active Company Tagging Identities and Verification). Hence, the Company has not filed said Form and the Status of the Company is Active-Non Compliant.

3. BSE has imposed penalty for non Compliance of Regulation 6(1)of the Listing Regulations pertaining to Appointment of Company Secretary the Company has not paid the fines and hence BSE has frozen all the promoters demat accounts.

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 period 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 at least 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

Place : Kolkata
Dated : August 26, 2019

CS Abbas Vithorawala
Company Secretary in Practice
M. No. 23671
C.P.No. 8827

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘ANNEXURE A’

To,
The Members
Quest Financial Services Ltd
Centre Point,
21, Hemanta Basu Sarani,
Room No. 230, 2nd floor
Kolkata-700001

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

1. Maintenance of secretarial record is the responsibility of the management of the company. 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Kolkata
Dated : August 26, 2019

CS Abbas Vithorawala
Company Secretary in Practice
M. No. 23671
C.P.No. 8827

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis Report contains forward-looking statements which are based on certain assumptions, risks, uncertainties and expectations of future events. All statements that address expectations or projections about the future are forward-looking statements. The actual results, performance or achievements can thus differ materially from those projected in any such statements depending on various factors including: the demand supply conditions, change in government regulations, tax regimes, economic development within the country and abroad and such other incidental factors over which, the Company does not have any direct control. This Report is framed in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. Industry Structure & Development

Sustained high economic growth has become a national imperative in India. The Honorable Prime Minister has laid down the vision of India becoming a \$5 trillion economy by 2025 - this requires a sustained real GDP growth rate of 8%. In this direction, steps such as:- reorienting policies for MSME growth, stress on "Sundar Bharat" and "Swasth Bharat", effective use of Technology for Welfare Schemes, plans of redesigning a Minimum Wage System in India for Inclusive Growth and providing affordable, reliable and sustainable Energy – are being stressed upon.

The global economy has witnessed challenging times on account of various reasons such as: Introduction of new and retaliatory tariff measures, heightened US-China trade tensions, weaker global economic growth. The World Economic Outlook (WEO) Report (April, 2019), has envisaged a stabilization of growth of the global economy in the first half of the year and a gradual recovery thereafter. It has further projected that, India's growth is likely to pick up in 2019 and 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

During the financial year under review, India has been the fastest growing major economy in the world. In the year 2018- 19, India recorded a moderated GDP growth rate of 6.8%. This moderation in growth momentum is mainly on account of lower growth in Agriculture & allied, Trade, hotel, transport, storage, communication and services related to broadcasting and 'Public administration & defence' sectors. On the positive side, Banking system improved as Non-Performing Asset (NPA) ratios declined and credit growth accelerated. Insolvency and Bankruptcy Code led to the recovery and resolution of significant amount of distressed assets and improved business culture. Service sector has remained the key driver of economic growth.

Non-Banking Financial Companies (NBFCs) bring in diversity and efficiency to the financial sector and makes it more responsive to the needs of the customers. In the recent past, NBFCs have played increasingly important role in resource mobilisation and credit intermediation, thereby helping commercial sector to make up for low bank credit growth. The crisis faced by a large prominent institution of the country in 2018-19, led to drying-up bank lending, resulting in severe liquidity crunch faced by NBFCs. The government took immediate steps to ring curb the severity. As a result, the flow of resources from the banking

sector to NBFCs did improve to certain extent. However, financial markets remained cautious on NBFCs and the squeeze in of inflow of resources to NBFCs has impacted the lending capability of the sector. The gradual improvement in liquidity situation indicates stabilisation for the NBFC sector and is an indication that, the Industry will be able to tide over the short term liquidity punch. Regardless of the recent panic, NBFCs are here to stay and will play a significant role in economic growth and financial inclusion. Further, the Micro finance institution model has proved itself to be a viable and sustainable means of providing access to finance and meet the financial requirements of the bottom of the pyramid population. As a dedicated credit delivery channel for vast un-banked/under-banked segments, these institutions have been playing a significant role in taking forward the Financial Inclusion agenda of the Government of India. In 2018-19, microfinance in India showed rapid, regionally-balanced and resilient growth.

2. Business Structure & Development

The core financial activities of the Company comprises of providing business loan to corporate and individuals. However, the Company has diversified its financial business portfolio to stay competitive.

The Company has been constantly focused on improving its revenue and maintaining a sustainable growth. The financial performance for the year ended 31st March, 2019 was satisfactory.

3. Opportunities and threats.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same. Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial Services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space.

The intense competition in the NBFC Sector, high cost of funds, coupled with regulatory restrictions - are some of the challenges for the NBFC sector. However, the opportunity of being a well regulated participant in the financial system is likely to outweigh the costs associated with greater regulations in the long run. Moreover, opportunities arising from large untapped rural and urban markets and increasing digitization are expected to benefit the NBFC sector.

4. Segment – wise or product wise performance

During the year under review, the Company earned Interest on loan approximately amounting to ` 18.95 lakhs as compared to ` 18.04 lakhs in the previous year.

5. Outlook.

The sound financial System is essential for country's overall economic growth. The overall performance of the Company for the financial year under review was better than performance of the previous corresponding year. The focus for the forthcoming financial year for the Company will be continued delivery in progressing mode and inculcate a high performance. NBFCs have proven their mettle in many other specialized financial services such as factoring, lease finance, venture capital finance, financing road transport and also in the business of securities-based lending such as Loan against Shares, Margin Funding, IPO Financing, Promoter Funding etc. The Company will strengthen its position in current business and will try to grab new opportunities beneficial for the Company as well as try to overcome all the hindrances and challenges blocking the performance of the Company. The Company is trying to explore new areas which can be developed and marketed to leverage its performance and growth.

6. Internal Control Systems and their Adequacy.

The Company strives to continuously upgrade its Internal Control System in line with the best available practices to commensurate with its size and the nature of its operations. The Company's Internal Control Systems are thus adequate.

The Audit Committee in coordination with the Internal Audit team regularly reviews the adequacy and effectiveness of internal control systems, in view of the ever changing business environments.

7. Review of Operational and Financial Performance.

The Company concluded yet another year of substantial growth in its core business. The Company is showing substantial growth in disbursement of loan and is making all due efforts in achieving its business objectives in the most efficient manner even in the dynamic market conditions. The total income of the Company during the Financial Year 2018-19 was ` 18.95 lakhs as compared to ` 52.73 lakhs for the previous financial year. The total expenses decreased to ` . 280.42 lakhs in the reporting year as compared to ` 2,444.43 lakhs in the previous year.

8. Material developments in Human Resources .

The Company always considers its human resources as a valuable asset and is committed towards their development for continuous growth. Focus on training to enhance the skill-sets of employees in line with the business and market requirements continued throughout the year and it confers rewards and recognition based on merit. Human resources play a key role in helping the Company deal with the fast-changing competitive environment. So, the company endeavors to provide individual development and growth to the employees that motivate them to give high performance helping the Company to achieve its goals. There were 9 number of employees on roll at the end of the financial year under review.

9. Cautionary Statement

The Directors placed on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain as industry leaders.

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic and political conditions in which the Company operates interest rate fluctuations, changes in Government / RBI regulations, Tax laws, other statutes and incidental factors.

The Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

Arun Jain & Associates

CHARTERED ACCOUNTANTS

2B, GRANT LANE

2ND FLOOR, ROOM NO. 74

KOLKATA - 700 012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Quest Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by **Quest Financial Services Limited** for the year ended on **March 31, 2019** as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") of the Stock Exchanges with relevant records and documents maintained by the company and furnished to us.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012

Date: 26th August, 2019

For ARUN JAIN & ASSOCIATES
(Chartered Accountants)
[FRN – 325867E]

(CA ARUN KUMAR JAIN)
(Proprietor)
(Membership No.053693)

QUEST FINANCIAL SERVICES LTD.

“Centre Point”, 21, Hemanta Basu Sarani, Room No.- 230, 2nd Floor, Kolkata-700 001
Phone No. +919831526324, E-Mail ID - investorsquestfinancial@yahoo.co.in,
Website-www.questfinancial.in, CIN-L65993WB1980PLC033060

CORPORATE GOVERNANCE REPORT

1. Brief Statement on Company’s Philosophy on Code of Governance.

Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and equity with the ultimate objective of increasing long-term shareholders value, keeping in view the needs and interests of all the stakeholders.

Your Company also believes that good Corporate Governance makes good business sense and build up a good Corporate Image. As such your Company not only complies with all requirements of Corporate Governance laid by various bodies, but follows it in spirit also.

During the period under review, the Company has complied with applicable Corporate Governance norms as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter, the “Listing Regulations”).

2. Board of Directors

The Board of Directors (hereinafter referred to as “the Board”) of the Company is a reflection of enriched experience, optimum diversity and vast knowledge. The Board of Directors have performed their role from time to time and have periodically reviewed the compliance reports as was required in terms of the applicable provisions of the Listing Regulations and other laws in force, if any. The Board has also sufficiently reviewed and acted upon the various agenda items placed before it.

2.1 The composition and category of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of shares held by them in the Company alongwith their Directorship and Committee Membership /Chairpersonship in other Companies.

The Company’s Board of Directors as on 31st March, 2019, comprises of one Executive Director and four Non-Executive Directors, including three Independent Directors and one Promoter Director.

Five Meetings of the Board were held during the financial year 2018-2019 i.e. on 24/04/2018, 29/05/2018, 10/08/2018, 13/11/2018 and 12/02/2019. The maximum time gap between any two Board Meetings was not more than 120 days.

Requisite quorum was present at all meetings and the Directors who were unable to attend any particular Board Meeting(s), had obtained leave of absence from the Board.

The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of Board and Committees of other companies as well as his holding in the Company, as on March 31, 2019 are given below :-

Name of Director	Category	No of shares held & % of shareholding in the Co.	No. of Board Meetings attended	Whether last AGM Attended	No. of Directorships in other companies		No. of Committee(s) Membership/ Chairpersonship held in other companies	
					Public	Private	Member	Chairperson
Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive - Independent	-	5	Yes	-	1	-	-
Mr. Rabindra Kumar Hisaria	Executive, Non-Independent	-	5	Yes	-	1	-	-
Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent	7,05,000 shares (0.57%)	5	Yes	9	4	1	-
Mrs. Jyoti Lohia	Non Executive, Independent Director	-	5	No	2	-	2	-
Mr. Amit Jajodia*	Non-Executive-Non Independent	-	4	Yes	4	2	-	-
Mr. Prakash Kumar Jajodia**	Executive-Non Independent- Managing Director	5,98,000 shares (0.49%)	5	Yes	9	4	2	-
Mr. Tarun Laha***	Non Executive, Independent Director	-	1	No	6	1	-	-

*Mr. Amit Jajodia (DIN- 02291113), Director resigned from the Company with effect from 04/02/2019.

**Mr. Prakash Kumar Jajodia (DIN- 00633920) resigned from the Company with effect from 12th February, 2019.

***Mr. Tarun Laha (DIN- 07477757) was appointed as an Additional – Non Executive Independent Director of the Company with effect from 12th February,2019.

The names of the listed entities in which Mrs. Jyoti Lohia (DIN- 07113757) Non Executive Independent Director of the Company is a Director alongwith her category of Directorship, is as under:

Sl. No.	Name of the listed entity	Category of Directorship
1.	Shree Nidhi Trading Co Ltd	Non-Executive- Independent Director

The names of the listed entities in which Mr. Kishan Kumar Jajodia (DIN- 00674858) Non-Executive-Non Independent Director of the Company is a Director alongwith his category of Directorship, is as under:

Sl. No.	Name of the listed entity	Category of Directorship
1.	Jaisukh Dealers Limited	Non-Executive- Independent Director

** Mr. Prakash Kumar Jajodia (DIN- 00633820) Managing Director of the Company, resigned from the Company with effect from 12/02/2019. Accordingly, the disclosure pertaining to his directorships in listed entities - is based on the data prevailing at the time of his resignation i.e. 12/02/2019. The names of the listed entities in which he was a Director as on the date of his resignation alongwith his category of Directorship, is as under:

Sl. No.	Name of the listed entity	Category of Directorship
1.	Jaisukh Dealers Limited	Non-Executive- Independent Director

None of the Directors on the Board is a member of more than 10 Committees & Chairperson of more than 5 Committees across all the Companies in which he or she is a Director. It be noted that, for the purpose of determination of limit, chairpersonship of the Audit Committee and the Stakeholders' Relationship Committee alone, have been considered.

None of the Independent Directors held directorship in more than 10 public limited Companies.

2.2 Disclosure of relationships between Directors inter-se.

No relationships exist between Directors inter-se on the Board of Directors of the Company as on 31st March, 2019.

2.3 Invitees

Apart from the Board members, the Chief Financial Officer (CFO) are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board.

2.4 Independent Directors

(a) Confirmation

The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

(b) Separate meetings of the Independent Directors.

In terms of Regulation 25(3) of the Listing Regulations, read with Schedule IV of the Companies Act, 2013, one exclusive meeting of the Independent Directors was held on

12th February, 2019, to discuss inter-alia amongst others, the agenda items as specified in Regulation 25(4) of the Listing Regulations, read with Schedule IV of the Companies Act, 2013. The attendance details are as under:

Sl. No.	Name of the Committee member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Bijay Kumar Agarwal	1	1
2.	Mrs. Jyoti Lohia	1	1
3.	Mr. Tarun Laha	1	1

The quorum for the separate meeting of the Independent Directors has been fixed as two (2).

(c) Tenure & Formal Letter of appointment to Independent Directors.

Mr. Tarun Laha (DIN-07477757) was appointed as an Additional Director with effect from February 12, 2019 in the category of Non-Executive Independent Director till the conclusion of the ensuing Annual General Meeting.

Mrs. Jyoti Lohia (DIN: 07113757) appointed as an Independent Director at the 35th Annual General Meeting of the Company held on with 29th September, 2015 till the conclusion of 40th AGM & were issued Appointment Letters in this regard.

Mr. Bijay Kumar Agarwal (DIN: 00634259) appointed as an Independent Director at the 34th Annual General Meeting of the Company held 29th September, 2014 till the conclusion of 39th AGM & were issued Appointment Letters in this regard.

The appointment letters containing the terms and conditions of appointment have been disclosed on the website of the Company.

(d) Familiarisation programme for Independent Directors.

Pursuant to Regulation 25(7) of the Listing Regulations, effective from 1st December, 2015, the company shall familiarise the independent directors about the company, including- their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

In this connection, various familiarization programmes were conducted during the Financial Year 2018-19 and the details of such familiarisation programmes has been disclosed on the website of the Company : viz: www.questfinancial.in , via the following link:

<http://www.questfinancial.in/familiarisation-program-for-independent-directors.html>

2.5 Profile of the Directors appointed/re-appointed.

Mr. Tarun Laha (DIN-07477757) was appointed as an Additional Director with effect from February 12, 2019 in the category of Non-Executive Independent Director. Accordingly, he will hold office till the conclusion of the 39th Annual General Meeting (AGM). The Board of Directors feel that, his association with the Company would be of immense benefit to the Company and accordingly, his appointment for a term of five years is being proposed at the ensuing AGM.

Mr. Bijay Kumar Agarwal (DIN: 00634259) appointed as an Independent Director at the 34th Annual General Meeting of the Company held 29th September, 2014 till the conclusion of 39th AGM. Considering his knowledge, experience and contribution to Board processes, it is being proposed to re-appoint him for another term of five years from the conclusion of the ensuing AGM.

Mr. Kishan Kumar Jajodia (DIN: 00674858) Non-Executive Director is liable to retire by rotation at the ensuing AGM, where he will present himself for re-appointment. The Company is expected to benefit from his vast and diversified experience of several years.

The profile of all the Directors is described on the website of the Company, viz: <http://www.questfinancial.in>

2.6 Disclosure to the Board of Directors by the Senior Management, in terms of Regulation 26(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There have been no material, financial and commercial transactions in which, the senior management have such personal interest that may have a potential conflict with the interest of the Company. Hence the question of disclosure by the senior management in terms of Regulation 26(5) of the Listing Regulations does not arise.

2.7 Chart/matrix setting out the skills/expertise/competence of the Board of Directors.

The Company's business is organized around two business segments namely, Financial and Embroidery. Financial activities consist of providing loans and investments in shares & securities.

The core skills / expertise / competences identified by the Board, as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are as under:

Name of the Directors	Years of experience	Core skills / expertise / competences identified by the Board				
		Trading	Leadership & Governance	Financial	Corporate law	Marketing
Mr. Bijay Kumar Agarwal	17	✓	✓	✓	✓	✓
Mr. Rabindra Kumar Hisaria	28		✓	✓	✓	
Mr. Kishan Kumar Jajodia	25		✓	✓	✓	

Mrs. Jyoti Lohia	5	✓	✓	✓	✓	✓
Mr. Tarun Laha	2	✓		✓		

2.8 Succession Planning

Pursuant to Regulation (4)(2)(f)(ii) read with Regulation 17(4) of the Listing Regulations, the Board has, during the financial year under review, satisfied itself that plans are in place for orderly succession for appointments to the Board and the senior management. The Company recognizes that succession planning will ensure that investors do not suffer due to sudden or unplanned gaps in leadership. Succession Planning will therefore ensure that the Company is well-prepared for expansion, loss of any key talent, business continuity and that there is an appropriate balance of skills, experience and expertise on the Board and Senior Management.

2.9 Policy on Board Diversity

Based on the Company's Policy on Board Diversity, as formulated by the Nomination and Remuneration Committee, the Board has time and again ensured that, optimum diversity on the Board is attained and maintained.

3. Audit Committee

3.1 Brief description of the terms of reference.

The Audit Committee has the power to investigate any activity within its terms of reference, including the powers /duties/responsibilities entrusted on it by the Listing Regulations, to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Audit Committee ensures that transparency, accuracy and quality of financial reporting is not compromised with.

The terms of reference of the Committee is in accordance with that specified in Regulation 18(3) of the Listing Regulations, read with Part C of Schedule II thereto, and also confirms to the requirements of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

3.2 The composition of the Committee, meetings and attendance of the members during the year.

The composition of the Audit Committee reflects independence and comprises of members with enriched qualification and all members are financially literate. As on 31st March, 2019, it comprises of two non-executive independent directors and one non-executive Non-Independent director as on 31st March, 2019.

The Committee met 4 (Four) times during the year i.e. on 29/05/2018, 10/08/2018, 13/11/2018 and 12/02/2019. The maximum time gap between any two Audit Committee Meetings was not more than 120 days.

Requisite quorum was present at all meetings and the committee members who were unable to attend any particular Meeting(s) of the Committee, obtained leave of absence from the Committee.

The details are enumerated herein below:

Sl. No.	Name	Category	No. of Meetings Attended
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent	4
2	Mr. Rabindra Kumar Hisaria	Non-Executive-Non Independent	4
3	Mrs. Jyoti Lohia	Non-Executive-Independent	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

3.4 Invitees

Apart from the Committee members other senior management executives, internal auditor, representative of the statutory auditor, etc., are called as and when necessary, to provide additional inputs for the items being discussed by the Committee.

4. Nomination and Remuneration Committee

4.1 Brief description of the terms of reference.

The terms of reference and the scope of Nomination and Remuneration Committee of the Board of Director are in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Regulations.

The Nomination and Remuneration Committee has performed its role in accordance with its terms of reference of the Listing Regulations read with Part D of Schedule II thereto.

4.2 The composition of the Committee, meetings and attendance of the members during the year.

The Nomination and Remuneration Committee of the Company as on 31st March, 2019, comprises of three Non-Executive Independent Directors.

The Committee met 2 (Two) time during the year i.e. on 12/02/2019 and 23/02/2019. All the committee members were present at the meeting.

The details are as follows:

Sl. No.	Name	Status	No. of Meetings Attended
1.	Mrs. Jyoti Lohia	Chairperson-Non-Executive-Independent	2
2.	Mr. Bijay Kumar Agarwal	Non Executive, Independent Director	2

3.	Mr. Amit Jajodia*	Non Executive, Independent Director	-
4.	Mr. Tarun Laha**	Non-Executive-Independent	1

*Mr. Amit Jajodia resigned from the Directorship as well as committee membership with effect from 04/02/2019.

**Mr. Tarun has been as the appointed as the member of the Committee with effect from 12/02/2019

4.3. Remuneration of Directors

4.3.1. All pecuniary relationship or transactions of the non-executive directors vis-à-vis, the Company.

The details of the related party transactions depicting, inter-alia amongst others, transactions of the non-executive directors, vis-à-vis, the Company, is disclosed in Note to the Financial Statements for the period under review.

4.3.2. Criteria of making payments to non-executive Directors.

The Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel is determined in accordance with the Nomination and Remuneration Policy of the Company.

During the financial year under review, the Nomination and Remuneration Policy was revised in line with the various amendments in the Listing Regulations. The Nomination and Remuneration Policy has been disclosed on the website of the Company.

<https://www.questfinancial.in/nomination-and-remuneration-policy.html>

Disclosures with respect to remuneration

(a) Remuneration of the Non-Executive Directors.

Regulation 17(6) of the Listing Regulations, provides that:

(i) The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.

(ii) The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013, for payment of sitting fees without approval of the Central Government.

(iii) The approval of shareholders as mentioned in (i) above, shall specify the limits for the maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate.

(iv) The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof. Such approval shall be valid only till the expiry of the term of such director.

(v) Independent directors shall not be entitled to any stock option.

Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof only by the approval of Board for the same, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and rules made thereunder, per meeting of the Board or Committee.

At present the Directors are not receiving any Sitting Fees for attending the Board Meeting or any Committee Meeting.

(b) Remuneration of the Executive Directors including Whole-time Director and Managing Director.

The Remuneration/ Compensation/ Commission etc. to be paid to Managing Directors and Whole-Time Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The Remuneration shall be broadly divided into the following components:

(i) **The Fixed Components-** This broadly encompasses: Salary, allowances, perquisites, retirement benefits, etc.

(ii) **The Variable Components-** Performance based promotion and bonus are primarily included hereto.

Any annual increase in the remuneration of the Directors shall be at the sole discretion of the Board, based on the recommendation of the Nomination and Remuneration Committee.

Further, in determining the director's remuneration, their performance evaluation as duly carried out by the Board and/or Independent Directors, shall also be given due weightage.

(c) Details of Remuneration paid to the Directors.

During the reported financial year, the Non-Executive and Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

Further, none of the Directors of the Company were paid any remuneration during the Financial Year under review.

(d) Service Contracts, notice period and severance fees.

Mr. Tarun Laha (DIN- 07477757), was appointed as an Additional Director with effect from 12th February, 2019 in the category of Independent Non-Executive Director to hold office upto the date of the ensuing Annual General Meeting.

Mrs. Jyoti Lohia (DIN: 07113757) appointed as an Independent Director at the 35th Annual General Meeting of the Company held on with 29th September, 2015 till the conclusion of 40th AGM & were issued Appointment Letters in this regard.

Mr. Bijay Kumar Agarwal (DIN: 00634259) appointed as an Independent Director at the 34th Annual General Meeting of the Company held 29th September, 2014 till the conclusion of 39th AGM & were issued Appointment Letters in this regard.

The office of Mr. Kishan Kumar Jajodia (DIN- 00674858) is liable to retire by rotation in terms of the Companies Act, 2013.

(e) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

Not applicable.

4.4. Annual evaluation of Performance:

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and in accordance with the applicable provisions of the Listing Regulations/Guidance Note issued by SEBI on evaluation, the disclosure regarding the manner of formal annual evaluation of the performance of the Board, its Committees and of individual directors are as under:

a. Role of the Nomination and Remuneration Committee (NRC):

- i. NRC has formulated criteria for evaluation of performance of independent directors and the board of directors.
- ii. NRC carries out evaluation of every director's performance.
- iii. NRC determines whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

b. Role of independent directors:

In the meeting of independent directors of the company (without the attendance of non-independent directors and management), such directors :

- I. Review the performance of non-independent directors and the Board as a whole.
- II. Review the performance of the Chairperson of the company, taking into account, the views of executive directors and non-executive directors.
- III. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- IV. Bring an objective view in the evaluation of the performance of board and management.

c. Evaluation of independent directors:

The performance evaluation of independent directors is done by the entire Board of Directors, excluding the director being evaluated.

d. Performance Evaluation of the Committee

The Board of Directors evaluate the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

5. Stakeholders Relationship Committee

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee has been constituted.

The Committee under the Chairpersonship of Mr. Bijay Kumar Agarwal, approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Share Registrars, oversee overall improvement of the quality of Investor services, performance of Registrar and Share Transfer Agent, oversee compliance relating to dividend payment, transfer of unclaimed amount to IEPF, implementation of the Code of Conduct for prevention of Insider Trading.

5.1. Composition of the Committee and Compliance Officer.

The Committee consists of three Non - Executive Independent Director, as on 31st March, 2019. The details are as follows:

Sl. No.	Name	Category
1	Mr. Bijay Kumar Agarwal	Non Executive, Independent Director - Chairperson
2	Mrs. Jyoti Lohia	Non-Executive-Independent
3.	Mr. Tarun Laha*	Non-Executive Independent
4.	Mr. Prakash Kumar Jajodia**	Executive-Non Independent-Managing Director
5.	Mr. Amit Jajodia**	Non-Executive-Non Independent

*Mr. Tarun Laha appointed as the member of the Committee with effect from 12/02/2019.

**Mr. Amit Jajodia and Mr. Prakash Kumar Jajodia resigned from the Directorship as well as committee membership with effect from 04/02/2019 and 12/02/2019 respectively.

5.2 Brief description of the terms of reference

The Committee has performed the role assigned to it in terms of Schedule II of the Listing Regulations.

The Committee deals with matters relating to approval of Share Transfer, Transmissions and Transposition, Folio Consolidation, Issue of Duplicate Share Certificates, Replacement of Share Certificates, Split and Consolidation of Certificates, Dematerialisation and Rematerialisation requests, monitoring of shareholder complaints

/requests, etc. The Committee is also empowered to resolve the grievances of the security holders of the Company.

5.3. Committee meeting details during the financial year 2018-19.

During the year, no meeting of the Stakeholders' Relationship Committee was held.

5.4 Status of Complaints received from the members:

During the year, Company has not received any requests/complaints from the shareholders.

The summary of complaints is provided herewith:

Particulars	No. of Complaints
Pending at the beginning of the Year	Nil
Number of shareholders' complaints received	Nil
Disposed of during the Year	Nil
Number of shareholders' complaints not solved to the satisfaction of the shareholders	Nil
Number of pending complaints	Nil

6. Risk Management Committee

The Risk Management Committee of the Company monitors and reviews the risk management plan of the Company. It is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

Pursuant to the provisions of the Listing Regulations, the constitution of the Risk Management Committee is not mandatory for the Company. However, on account of good Corporate Governance principles, and the fact that, NBFCs are subjected to varieties of risks which require constant monitoring and mitigation, the Company has decided to continue with the functioning of the Risk Management Committee.

6.1 Composition

All the members of the Committee are Board members.

The details are as follows:

Sl. No.	Name	Category
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent
2	Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent
3	Mrs. Jyoti Lohia	Non-Executive-Independent

6.2. Committee meeting details during the financial year 2018-19.

During the year, no meeting of the Risk Management Committee was held.

7. Fair Practice Code Committee.

The Fair Practice Code Committee strives to ensure transparency in the Company's dealings with its customers, to strengthen mechanisms for redressal of customer grievances and to ensure compliance with legal norms in matters relating to recovery of advances.

7.1 Composition.

The composition of the Fair Practice Code Committee is as under:

SI. No.	Name	Category
1	Mrs. Jyoti Lohia	Non-Executive-Independent-Chairperson
2	Mr. Bijay Kumar Agarwal.	Non-Executive-Independent
3	Mr. Tarun Laha*	Non-Executive-Independent
4.	Mr. Prakash Kumar Jajodia**	Executive-Non Independent-Managing Director

*Mr. Tarun Laha has been appointed as the member of the Committee with effect from 12/02/2019.

**Mr. Praksh Kumar Jajodia resigned from Directorship and Committee membership with effect from 12/02/2019.

7.2. Committee meeting details during the financial year 2018-19.

During the year, no meeting of the Fair Practice Code Committee was held.

8. IT Strategy Committee

In terms of the RBI Master Direction on Information Technology Framework for the NBFC sector, the Company has an IT Strategy Committee which is required to act within the scope of the RBI Directions/Circulars as issued/to be further issued from time to time and to also perform such other roles as and when it may be empowered for the same by the Board of Directors.

8.1 Composition.

The composition of the Committee is as under:

SI. No.	Name	Category
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent
2	Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent

3	Mrs. Jyoti Lohia	Non-Executive-Independent
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8.2. Committee meeting details during the financial year 2018-19.

The Committee met 2 times during the year on: 13/11/2018 and 12/02/2019. The attendance detail is as under:

Sl. No.	Name	No. of meetings entitled to attend.	No. of meetings attended.
1	Mr. Bijay Kumar Agarwal	2	2
2	Mr. Kishan Kumar Jajodia	2	2
3	Mrs. Jyoti Lohia	2	2

9. General Body Meetings

9.1. Location and time for last three Annual General Meetings :

Financial Year	Date of AGM	Venue	Time
2017-2018	26/09/2018	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2 nd Floor, Kolkata- 700 001	11.00 A.M.
2016-2017	15/09/2017	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2 nd Floor, Kolkata- 700 001	3.00 P.M.
2015-2016	29/09/2016	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2 nd Floor, Kolkata- 700 001	10.00 A.M.

9.2 Special Resolutions passed at the last three Annual General Meetings.

One Special resolution passed at the 38th AGM held on 26/09/2018 for serving document to the members of the Company on charging such fees in advance equivalent to the estimated actual expense of delivery.

No Special resolution passed at the 37th AGM held on 15/09/2017.

One Special resolution passed at the 38th AGM held on 29/09/2016 for Change in designation of Mr. Prakash Kumar Jajodia (DIN-00633920) from Whole-Time Director to Managing Director and revision in his remuneration.

9.3 Details of Special Resolution passed through postal ballot during the financial year 2018-19.

No special resolution was passed through Postal Ballot during the Financial Year 2018-19.

9.4 Whether any Special Resolution proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

Presently, no special resolution is being proposed to be conducted through Postal Ballot.

10. Management Discussion and Analysis.

Management Discussion and Analysis Report forms part of the Directors' Report.

11. Means of Communications

11.1 Quarterly results and Newspapers wherein the results are normally published.

Quarterly unaudited financial results and annual financial result of the Company were published in accordance the Listing Agreement/Listing Regulations with stock exchange in the Business Standard (English Daily) and Sukhabar (Bengali Daily) and the aforesaid results are also available on the Company's website i.e. www.questfinancial.in.

The quarterly and the annual results of the Company are submitted to the BSE Ltd. And Calcutta Stock Exchange Limited. The Annual Reports are e-mailed to every shareholders having their e-mail ID registered with DPs and are posted to every shareholder of the Company at their registered address whose e-mail ID is not registered.

11.2 Website where displayed.

The financial results of the Company are also posted on the website of the Company, viz. www.questfinancial.in. under the "Financial Results" section.

11.3 Official news release.

The Company was not required to make any official news release during the period under review.

11.4 Presentations made to institutional investors or to the analysts.

The Company was not required to make any presentations to the institutional investors or analysts.

11.5 Annual Reports.

The Annual Reports are sent to every shareholder of the Company through the permitted mode within the stipulated time frame.

11.6 Outcome of the Annual General Meeting.

The voting results of the 38th Annual General Meeting were displayed on the website of the Company www.questfinancial.in. The outcome of the Annual General Meeting was also uploaded through the Listing Centre of the Exchange.

12. General shareholder information

12.1 Annual General Meeting

- | | |
|------------------|--|
| (a) Date | : 30 th September, 2019 |
| (b) Time | : 9.30 a.m. |
| (c) Venue | : Centre Point" 21, Hemanta Basu Sarani, 2 nd Floor,
Room No. 230, Kolkata -700001 |

12.2 Financial Calendar: (Tentative)

Financial Year – 1st April, 2019 to 31st March, 2020	Relevant Dates
Board Meeting for consideration of accounts	28 th May, 2019
Dividend payment date	The Board of Directors has not recommended any Dividend for the Financial Year under review.
Posting of Annual Report along with notice of AGM	Atleast 21 clear days before the date of the Annual General Meeting.
Book closure dates	23 rd September, 2019 to 30 th September, 2019 (both days inclusive).
Last date for receipts of proxy forms	48 hrs. before the date of the Annual General Meeting (before 10.00 a.m.).
Unaudited results for the quarter ended on June 30, 2019.	On or before 14 th September, 2019.
Unaudited results for the quarter ended on September 30, 2019.	On or before 14 th December, 2019.
Unaudited results for the quarter ended on December 31, 2019.	On or before 14 th February, 2020.
Audited results for the year ended on March, 31, 2020.	On or before 30 th May, 2020.

12.3 Dividend payment date.

The Board of Directors has not recommended any dividend for the financial year 2018-19.

12.4 The name and address of the stock exchange at which the Company's securities are listed, alongwith the Stock code.

- 1.The BSE Ltd. (Stock code: 539962)
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001.
2. The Calcutta Stock Exchange Ltd. (Stock code: 10027006)
7, Lyons Range, Kolkata 700 001.

12.5 Listing Fees.

The Company has not paid the listing fee to the BSE Ltd.& The Calcutta Stock Exchange Ltd for the year 2018-2019.

12.6 Market price data- high, low, during each month in last financial year.

Month	High (₹)	Low (₹)	Volume (Nos.)
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April, 2018	0.20	0.19	3072607
May, 2018	0.21	0.19	1403174
June, 2018	0.28	0.16	1168527
July, 2018	0.29	0.28	633941
August, 2018	0.28	0.22	143169
September, 2018	0.22	0.19	439522
October, 2018	0.21	0.19	526534
November, 2018	0.21	0.19	604359
December, 2018	0.28	0.21	1056073
January, 2019	0.35	0.26	1722994
February, 2019	0.29	0.19	597084
March, 2019	0.25	0.21	768592

12.7 Performance in comparison to broad-based indices.

Month	BSE Sensex Closing (in `)	Quest Financial Services Ltd Closing Share Price (in `)
April, 2018	35160.36	0.19
May, 2018	35322.38	0.19
June, 2018	35423.48	0.28
July, 2018	37606.58	0.28
August, 2018	38645.07	0.22
September, 2018	36227.14	0.19
October, 2018	34442.05	0.19
November, 2018	36194.30	0.20
December, 2018	36068.33	0.26
January, 2019	36256.69	0.28
February, 2019	35867.44	0.21
March, 2019	38672.91	0.21
Average Share Price	36323.89	0.225

12.8

Trading eligibility of the securities.

The Equity Shares are eligible for active trading on the BSE Ltd. and have not been suspended from trading.

12.9 Share Transfer System

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE064D01012.

12.10 Distribution of shareholding & shareholding pattern.

(a) Distribution of shareholding as on 31/03/2019.

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	4271	28.62	10,73,777	0.87
501-1000	3126	20.95	29,17,951	2.37
1001-5000	4534	30.38	1,26,11,742	10.23
5001-10000	1270	8.51	1,06,17,209	8.61
10001-50000	1371	9.18	3,11,13,463	25.23
50001-100000	216	1.45	1,57,23,527	12.75
100001 and above	136	0.91	4,92,58,831	39.94
Total	14,924	100.00	12,33,16,500	100.00

(b) Shareholding Pattern as on 31/03/2019

Category	% of shareholding
Promoters Holding	2.01
Public Holding	
Bodies Corporate	21.37
Individuals	75.56
NRIs	0.09
Clearing Members	0.96
Trusts	0.01
Total	100.00

12.11 Dematerialization of shares and liquidity.

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 87.57% (Approx.) of total equity shares are in dematerialized form as on March 31, 2019.

12.12 Outstanding American Depository Receipt/Global Depository Receipt/Warrants/ convertible instruments, conversion date and likely impact on equity.

Not Applicable.

12.13 Commodity price risk or foreign exchange risk and hedging activities.

(a) Commodity price risk, hedging activities – not applicable.

(b) Foreign exchange risk:

The Money Changing Sector is exposed to various types of risks such as: adverse impact of Rupee depreciation as this would lead to escalating cost of foreign travel, foreign education, etc.

The Company strives to review and update, the adequacy of its Risk Management system from time to time in order to mitigate such risks. The Company has in place, detailed policies on customer acceptance policy, customer identification procedures etc. in accordance with the Reserve Bank of India guidelines to ensure that there is timely identification of business risks and operational risks, evaluation of their impact and

mitigation of the same through appropriate measures. Further, while, Currency fluctuations can be managed by having a better geographic balance in revenue mix, the Company also closely monitors the exchange rate movement.

12.14 Address for correspondence.

(a) Address for matters related to shares, any correspondence.

Registrar & Share Transfer Agent

M/s. Niche Technologies Private Ltd.
3A, Auckland Place, 7th Floor,
Room No. 7A & 7B.
Kolkata - 700 017
Phone Nos.: (033) 2280 6616/17/18
E- mail: nichetechpl@nichetechpl.com

(b) Address for any kind of assistance/clarification.

Mr. Rabindra Kumar Hisaria, CFO

C/o. Quest Financial Services Ltd.
Centre Point", 21, Hemanta Basu Sarani, Room No. - 230, 2nd Floor, Kolkata-700 001
E-mail: investorsquestfinancial@yahoo.co.in

(c) Dedicated email ID for Investors.

For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. investorsquestfinancial@yahoo.co.in

(d) Website

www.questfinancial.in

13. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Not Applicable.

14 . Other Disclosures

14.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The policy on Related Party Transactions is available on the Company's website at <http://questfinancial.in/subsidiary&related-party-transaction-policy.html>.

14.2 Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

During the last three financial years, the Company has duly complied with all the various applicable requirements and regulations of the erstwhile Listing Agreement entered with the Stock Exchange and the Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange or any statutory authority, on matters related to Capital Market, in the last three (3) years.

14.3 Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee.

The Board of Directors of the Company have adopted a Vigil Mechanism/Whistle Blower Policy with a view to provide a vigil mechanism for the directors and employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage the Company's directors and employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

No personnel have been denied access to the Audit Committee. There were no instances of reporting under the Whistle Blower Policy.

During the financial year under review, the Vigil Mechanism/Whistle Blower Policy of the Company has been reconstituted in terms of the Listing Regulations. Further, the newly introduced Regulation 9A in the SEBI (Prohibition of Insider Trading) Regulations, 2015, requires inter-alia, requires the Company to have a Whistle Blower Policy to report instances of leak of unpublished price sensitive information ("UPSI"). Accordingly, the reconstituted Vigil Mechanism/Whistle Blower Policy includes the above amendments as well.

The Vigil Mechanism/Whistle Blower Policy is disclosed on the website of the Company.

The details of the Policy are provided hereunder:

(a) Main Objectives

i. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and to attain high level of transparency, accountability and equity with the ultimate objective of providing maximum level of customer satisfaction & increasing long term shareholders value keeping in view the needs and interest of all stakeholders. For achieving the same, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

ii. The Vigil mechanism of the Whistle Blower Policy shall provide a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy.

Further, this mechanism shall provide for adequate safeguards against the victimization of the director(s) / employee(s) who avail the mechanism and a direct access to the Chairperson/Chairperson of the Audit Committee in appropriate or/and exceptional cases.

(b) Eligibility

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to issues covered under this Policy and concerning the Company.

(c) Receipt and Disposal of Protected Disclosures.

All Protected Disclosures should be reported in writing in English, Hindi or in the regional language of the place of employment of the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

Alternatively, the same can also be sent through email with the subject “Protected disclosure under the Whistle Blower Policy”.

On receipt of the protected disclosure, the Vigilance and Ethics Officer / Chairperson/ Chairperson of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he/she was the person who made the protected disclosure or not. He/she shall also carry out initial investigation either himself/herself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action.

(d) Contact details of the Vigilance and Ethics Officer.

Name	Designation	Correspondence address	e-mail id
Mr. Kishan Kumar Jajodia	Director	Quest Financial Services Ltd. “Centre Point”, 21, Hemanta Basu Sarani, Room No.- 230, 2 nd Floor, Kolkata-700 001	investorsquestfinancial@yahoo.co.in

14.4 Anti-Sexual harassment Policy.

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 readwith the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013. An Internal Complaints Committee has been set up to redress Complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this policy. Mrs. Jyoti Lohia, Director, is the Presiding Officer of the Committee.

No complaint on sexual harassment was received during the Financial Year 2018-19. The details are as under:

Particulars	No. of Complaints
Number of complaints filed during the financial year.	Nil
Number of complaints disposed off during the financial year.	Nil
Number of cases pending as on end of the financial year.	Nil

14.5 Fees paid to the Statutory Auditor for the F.Y 2018-19.

During the financial year under review, the company has paid a total fees of `22,420/- to the Statutory Auditor in respect of various services rendered by the Statutory Auditor:

Particulars	Amount (in `)
For Statutory Audit	17,700
For Tax Audit	4,720
Total	22,420

14.6 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

(a) Compliance with mandatory requirements.

The Company has duly complied with all the applicable mandatory requirements as stipulated in the Listing Regulations, Companies Act, 2013, and other applicable laws in force.

(b) Adoption of non-mandatory/discretionary requirements.

The Company has fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the Listing Regulations:

i. The Board - Non-Executive Chairperson's Office.

The Board of Directors is Chaired by Mr. Bijay Kumar Agarwal, who is a Non-Executive Independent Director;

ii. Modified opinion(s) in audit report.

The Company's financial statements does not contain any modified audit opinion(s).

iii. Separate posts of Chairperson and Managing Director.

Mr. Bijay Kumar Agarwal is the Chairperson of the Board of Directors and There is no Managing Director.

iii. Reporting of internal auditor.

The Internal Auditor reports directly to the Audit Committee.

14.7 Web link where policy for determining 'material' subsidiaries is disclosed.

The Company does not have any material listed/unlisted subsidiary companies and is therefore, not required to comply with the provisions of Regulation 24 of the Listing Regulations, regarding the Corporate Governance requirements with respect to subsidiary.

The Company has formulated a policy for determining “material subsidiary”. The same has been modified during the financial year under review, in line with the present Listing Regulations. The policy is disclosed on the website of the Company via the link :

: <http://questfinancial.in/subsidiary&related-party-transaction-policy.html>

14.8 Web link where policy on dealing with related party transactions is disclosed.

The Company has a Policy on Related Party Transactions and Materiality of Related Party Transactions. The same has been modified during the financial year under review, in line with the present Listing Regulations. The Policy is disclosed on the website of the Company via the link:

<http://questfinancial.in/subsidiary&related-party-transaction-policy.html>

14.9 Disclosures with respect to demat suspense account/ unclaimed suspense account.

None of the issued Equity shares of the Company are in the demat suspense account or unclaimed suspense account.

14.10. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the Financial year under review.

Not Applicable

14.11. Certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

In terms of Schedule V of the Listing Regulations, the Practicing Company Secretary's Certificate stating the Directors on the Board of the Company have not been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, forms part of the Annual Report.

14.12. Acceptance of recommendations of the Committees of the Board.

During the financial year under review, the Board has accepted all the recommendations of the Committees of the Board.

15. Code of Conduct on Prevention of Insider Trading.

The Company had laid down a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been modified in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This Code has been disclosed on the website of the Company via the link:

<https://www.questfinancial.in>

Further, various policies have also revised / formulated in terms of the aforementioned revised regulations.

16. CEO/CFO Certification.

In terms of Regulation 17(8) of the Listing Regulations, the Certificate from the Director and the Chief Financial Officer (CFO) was obtained and placed before the Board.

17. Practising Company Secretary's Compliance Certificate on Corporate Governance.

The Practising Chartered Accountant Certificate on Compliance of Conditions of Corporate Governance as provided in Chapter IV of the Listing Regulations, forms part of the Directors' Report.

18. Declaration – Code of Conduct for all Board members and select employees.

The Board has laid down a code of conduct for all Board members. It also suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 and is disclosed on the website of the Company.

The Company has a separate Code of Conduct for the senior management of the Company.

In terms of Regulation 26(3) of the Listing Regulations, the Board of Directors and select Employees have affirmed Compliance with the code of conduct and a declaration to this extent has been provided by the CFO, Mr. Rabindra Kumar Hisaria. The same forms part of the Annual Report.

Place : Kolkata
Dated : 26.08.2019

For and on behalf of the Board of Directors
Bijay Kumar Agarwal
Chairperson
DIN: 00634259

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct.

This is to confirm that the Company has adopted Code of Conduct for its employees. In addition, the Company has adopted the Code of Conduct for the Directors of the Company. Both these Codes are posted on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March, 2019, received from the senior management team of the Company and the Members of the Board of Directors, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the officers/personnel of the Company who are members of its core management team excluding Board of Directors and this shall comprise all members of management one level below the executive directors, including all functional heads.

Place : Kolkata
Date : 26.08.2019

Rabindra Kumar Hisaria
Chief Financial Officer
PAN- AASPH1680H

CEO & CFO COMPLIANCE CERTIFICATE

To
The Board of Directors,
Quest Financial Services Ltd.
Centre Point, 21, Hemanta Basu Sarani,
2nd Floor, Room No. 230,
Kolkata – 700 001

Re: CEO and CFO Compliance Certificate on Financial Statements for the year ended on 31st March, 2019

We, Kishan Kumar Jajodia, Director and Rabindra Kumar Hisaria, CFO, certify that:

A. we have reviewed financial statements and the cash flow statement for the financial year ended on 31st March, 2019 and that to the best of my knowledge and belief :

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year ending on 31st March, 2019 which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and steps have been taken to rectify these deficiencies.

D. I further certify that:

1. There have been no significant changes in the internal control over financial reporting during this year;

2. There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements; and

3. There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Mr. Kishan Kumar Jajodia
Director
DIN- 00674858

Mr. Rabindra Kumar Hisaria
CFO
PAN- AASPH1680H

Place : Kolkata
Date : 26.08.2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Quest Financial Services Limited
Centre Point, 21, Hemanta Basu Sarani,
2nd Floor, Room No. 230,
Kolkata- 700 001.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Quest Financial Services Limited having CIN-L65993WB1980PLC033060 and having registered office at Centre Point, 21, Hemanta Basu Sarani, 2nd Floor, Room No. 230, Kolkata- 700 001, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Bijay Kumar Agarwal	00634259	31/01/2007
2	Kishan Kumar Jajodia	00674858	30/11/2010
3	Rabindra Kumar Hisaria	05170751	14/02/2012
4	Jyoti Lohia	07113757	31/03/2015
5	Tarun Laha	07477757	12/02/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Dated : 28.05.2019

CS Abbas Vithorawala
Company Secretary in Practice
M. No. 23671
C.P.No. 8827

Arun Jain & Associates

CHARTERED ACCOUNTANTS

2B, GRANT LANE

2nd FLOOR, ROOM NO. 74

KOLKATA - 700 012

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

QUEST FINANCIAL SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **QUEST FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the statement of Profit and Loss, and the 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 (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("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, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 determined the matters described below to be the key audit matters to be communicated in our report:



SI No	Key Audit Matter	Auditor's Response
1.	Recovery and Collection	
	The Company is into the business of Non Banking Financing activities. In the present economic scenario the primary risk involved in financing is risk of recovery and Collection.	We have reviewed the recovery modus of the company and found that they are robust in collecting the bad debts, also. We also had a discussion with the management and found that adequate precaution has been taken and that, they have set a prudent upper-limit in financing.
2.	IT systems and controls	
	Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.	We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, 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 conclusion thereon.

In connection with our audit of the 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.

Management's responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows 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 written representations, received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors are 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, as per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197(16) of the Act regarding the Managerial remuneration:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

- (h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.32 to the financial statements;
 - 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 at the end of the year

2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012
Date: May 28, 2019

For Arun Jain & Associates
Chartered Accountants



[FRN - 325867E]

(Arun Kumar Jain)

Proprietor

Membership No. 053693

Annexure A to Independent Auditors' Report

Referred to Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

(i) in respect of fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physical verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) Company does not have any immovable property.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, as applicable. The Company has not granted any security in terms of Section 185 and 186 of the Companies Act, 2013.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year covered under the term of section 73 to 76 of the Companies Act, 2013 or any other provisions of the Act and rules framed thereunder.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Goods and Service Tax, Customs duty, Excise duty, Value Added tax, Cess and any other material statutory dues with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Service tax, Goods and Service Tax, Customs duty, Excise duty, Value Added tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, government, banks and dues to debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3 (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The company is a Non-Banking Financial Institution without accepting Public Deposits registered under section 45 IA of the Reserve Bank of India Act, 1934 having valid Certificate of Registration.

2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012
Date: May 28, 2019



For Arun Jain & Associates

Chartered Accountants

[FRN - 325867E]

A handwritten signature in blue ink, appearing to read 'Arun'.

(Arun Kumar Jain)

Proprietor

Membership No. 053693

Annexure B to Independent Auditor's Report

Referred to Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls Over Financial Reporting 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 **QUEST FINANCIAL SERVICES LIMITED** ("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 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 the 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 was 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 auditor's 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

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 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 and to the best of our information and according to the explanations given to us, 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.

2B, Grant Lane,
(2nd Floor), Room No. 74
Kolkata - 700012
Date: May 28, 2019

For Arun Jain & Associates
Chartered Accountants
[FRN - 325867E]



Arun

Kumar Jain)

Proprietor

Membership No. 053693

QUEST FINANCIAL SERVICES LIMITED

Balance Sheet as at March 31, 2019

Particulars	Note No.	Figures as at the end of	
		March 31, 2019 Rs.	March 31, 2018 Rs.
I - EQUITY & LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	2	1,233,165,000	1,233,165,000
(b) Reserves & Surplus	3	(793,215,373)	(767,068,107)
(c) Money received against share warrants		-	-
2 Share Application Money Pending Allotment		-	-
3 Non-Current Liabilities			
(a) Long Term Borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
3 Current Liabilities			
(a) Short Term Borrowings		-	-
(b) Trade Payables		-	-
(i) Total outstanding dues of micro enterprises & small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises & small enterprises		-	-
(c) Other Current Liabilities	4	1,902,685	1,002,866
(d) Short - Term Provisions	5	900,310	900,310
		442,752,622	468,000,069
II - ASSETS			
1 Non - Current Assets			
(a) Property, Plant and Equipment	6		
(i) Tangible Assets		166,103	740,090
(ii) Intangible Assets		1,725	1,725
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non - Current Investments	7	215,600,475	216,070,475
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
2 Current Assets			
(a) Current investments		-	-
(b) Inventories	8	167,131,898	188,226,219
(c) Trade Receivables	9	1,020,000	-
(d) Cash & Cash Equivalents	10	2,018,262	3,370,901
(e) Short Term Loans and advances	11	50,684,518	53,144,418
(f) Other Current Assets	12	6,129,641	6,446,241
		442,752,622	468,000,069

Summary of significant accounting policies & Notes on financial statements -1

As per our report of even date attached
For Arun Jain & Associates

Chartered Accountants
Registration No. 325867P

Arun Jain
Proprietor
Membership No. 053333
Place :- Kolkata
Dated : The 28th Day of May, 2019



For Quest Financial Services Ltd.

Kishan Kumar Jajodia
Kishan Kumar Jajodia
Director
DIN-00674858

For Quest Financial Services Ltd.

Bijay Agarwal
Bijay Kumar Agarwal
Director
DIN-00634259

For Quest Financial Services Ltd.

Rabindra Kumar Hisaria
Rabindra Kumar Hisaria
CFO

QUEST FINANCIAL SERVICES LIMITED

Statement of Profit & Loss Account for the Year ended March 31, 2019

Particulars	Note No.	Figures as at the end of	
		March 31, 2019 Rs.	March 31, 2018 Rs.
I. Revenue from Operations	13	1,894,784	5,272,787
II. Other Income	14	-	12,532
II. Total Revenue (I + II)		1,894,784	5,285,319
III. Expenses:			
Purchases of Stock-in-trade		-	-
Change in inventories of finished goods, work-in-progress and stock -in -trade	15	21,094,321	240,129,949
Employee Benefits Expenses	16	1,005,833	852,087
Finance Cost	17	-	603,387
Depreciation and amortization Expenses	6	110,245	330,799
Other Expenses	18	5,831,651	2,526,434
Total Expenses		28,042,050	244,442,656
IV. Profit/(Loss) before exceptional and extra ordinary items and Tax (II- III)		(26,147,266)	(239,157,337)
V. Exceptional Items		-	-
VI. Profit/(Loss) before extraordinary items and Tax (IV - V)		(26,147,266)	(239,157,337)
VII. Extraordinary Items		-	-
VIII. Profit/(Loss) before Tax (VI - VII)		(26,147,266)	(239,157,337)
IX. Tax Expenses			
1 Current Tax		-	-
2 Deferred Tax		-	-
X. Profit/(loss) for the period from Continuing Operations (VIII -IX)		(26,147,266)	(239,157,337)
XI. Profit/(loss) from Discontinuing operations		-	-
XII. Tax expenses of Discontinuing operations		-	-
XIII. Profit/(loss) from Discontinuing operations (after tax) (XI - XII)		-	-
XIV. Profit/(Loss) for the Period (XII + XIII)		(26,147,266)	(239,157,337)
XV. Earnings Per Equity Share			
1 Basic		(0.21)	(1.94)
2 Diluted		(0.21)	(1.94)

Summary of significant accounting policies & Notes on financial statements -1

As per our report of even date attached
For Arun Jain & Associates
 Chartered Accountants
 Registration No. 325867E

Arun Jain
 Proprietor



Membership No. 349993
 Place :- Kolkata
 Dated : The 28th Day of May, 2019

For Quest Financial Services Ltd.

Kishan Kumar Jajodia
 Director
 DIN-00674858

For Quest Financial Services Ltd.

Bijay Kumar Agarwal
 Director
 DIN-00634259

For Quest Financial Services Ltd.

Rabindra Kumar Hisaria
 CFO

QUEST FINANCIAL SERVICES LIMITED

1 Notes forming Part of Financial Statement for the Year 2018-2019 (31st March 2019)

A NATURE OF BUSINESS

QUEST FINANCIAL SERVICES LIMITED is a Non Banking Financial Company.

B SIGNIFICANT ACCOUNTING POLICIES

a Preparation of Accounts

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b Use of estimates:-

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

c Borrowing costs: -

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

d Current & Non Current assets and liabilities

An asset or liability is classified as current when it satisfies any of the following criteria

- (i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realised / due to be settled within twelve months after the reporting date; or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date; or
- (v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

e Revenue recognition

- (i) Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Revenue from interest from Income Tax Department on excess tax paid is recognised in the year in which intimation from Income Tax Department is received.



- (iii) Dividend income is recognized when the company's right to receive dividend is established by the reporting the reporting date.

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

f Tangible assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

g Intangible assets

Intangible assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

h Depreciation

- (i) Depreciation on fixed assets is provided using the Written Down Value Method at the rates prescribed under schedule II of the Companies Act, 2013.
- (ii) Depreciation on assets purchased / sold / discarded / disposed off during the year is charged on a pro-rata basis. Individual assets whose cost does not exceed Rs 5000 are fully depreciated in the year of acquisition.

i Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

j Current and non current investments

- (i) Investments that are readily realisable and intended to be held for a period not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value, determined on category of investment basis.
- (ii) Long-term investments presented as non-current investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary decline, in the value of investments.

k Retirement & other employees benefits

Provision for gratuity has not been made in the Accounts as there is no such liability for the year.

l Income tax

Tax expense comprises of current tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

m Advances, Debtors & Creditors

The Balances of Advances, Debtors and Creditors are subject to confirmation from respective parties.



n Provisions

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

o Investments

Investment have been treated as long term and carried at cost. Cost includes purchase cost and attributable expenses.

p Inventories

Goods are valued at cost.

q Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r Foreign Currency transaction

No Foreign Currency Transactions has been made by the Company in the Financial Year 2018-19.

s Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require and outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.

t Cash Flow Statement

Cash flows are reported using the indirect method and cash flows from operating, investing and financing activities of the Company are segregated.

u MSMED Act, 2006

The Government of India has promulgated an act namely The Micro, Small and Medium Enterprises Development Act, 2006, which comes into force with effect from October 2, 2006. As per the act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on over dues beyond the specified period irrespective of the terms agreed with the suppliers. The Company does not have any dues to any entity covered under the said Act.

v Prudential Norms

The Company has followed the prudential norms issued by Reserve Bank of India, as applicable, and revenue / assets have been represented (considering adjustments / write-off / net-off, as applicable) keeping in line therewith and management prudence.

w NBFC Requirement regarding transfer of profit to reserve

As per prudential Norms, 20% of profit after tax (rounded off to next hundred) to be transferred to Statutory Reserve Fund appropriating the Statement of Profit & Loss as per requirement of the R.B.I. Act. Further, the Company has incurred loss during the financial year. Therefore, no amount has been transferred to the Statutory Reserve Fund.



x Contingent Provision against Standard Assets

Contingent Provision @0.25% against Standard Loans is made as per R.B.I. requirement for NBFC appropriating surplus of the Statement of Profit & Loss.

y RELATED PARTIES DISCLOSURE AS PER ACCOUNTING STANDARD 18

A. LIST OF RELATED PARTIES

Party	Relationship
Prakash Kumar Jajodia	Whole Time Director (Resigned w.e.f.12.02.2019)
Kishan Kumar Jajodia	Director
Amit Jajodia	Director (Resigned w.e.f.04.02.2019)
Bijay Kumar Agarwal	Director
Rabindra Kumar Hisaria	Director & CFO
Jyoti Lohia	Director

B. RELATED PARTY TRANSACTION

Director's Remuneration	31.03.2019	31.03.2018
	₹	₹
Prakash Kumar Jajodia (Resigned w.e.f.)	312,857	360,000

z Earning Per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable for equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares

	31.03.2019	31.03.2018
	₹	₹
i- Net Profit/(Loss) After Tax	(26,147,266)	(239,157,337)
ii- Weighted Number of Equity Shares of Rs.	123,316,500	123,316,500
iii- Equity Shares for Diluted Earning Per Share	123,316,500	123,316,500
iv- Basic Earnings Per Share (Rs.)	(0.21)	(1.94)
v Diluted Earning Per Share (Rs.)	(0.21)	(1.94)

z.i. Segment Accounting Policies

Identification of Segments:

Primary Segment : Business Segmet:

The Company's business is organised around two business segments namely, Financial and Embroidery. Financial activities consist of providing loans and investments in shares & securities. Accordingly, the Company has provided primary segment information for these two segments as per Accounting Standard 17 on Segment Reporting issued by I.C.A.I.

There is no inter segment transfer.

All the common income, expenses, assets and liabilities which are not possible to be allocated to different segments are treated as un-allocable items.

Previous year's figures have been regrouped/rearranged whenever considered necessary to confirm to current year's grouping and classification.



QUEST FINANCIAL SERVICES LIMITED

Notes forming Part of Standalone Financial Statement for the Year 2018-2019

Particulars	Figures as at the end of	
	31st March 2019 Rs.	31st March 2018 Rs.
Note-2		
Share Capital		
Equity		
Authorized		
12,33,40,000 Equity Shares of Rs.10.00 each	1,233,400,000	1,233,400,000
(P.Y. 12,33,40,000 Equity Shares of Rs.10.00 each)		
Issued, Subscribed and Fully Paid up		
12,33,16,500 Equity Shares of Rs.10.00 each fully paid up	1,233,165,000	1,233,165,000
(Previous Year 12,33,16,500 Equity Shares of Rs.10.00 each fully paid up)		

2.1. The Company has only one class of shares referred to as equity shares having a par value of Rs 10/-. Each holder of equity shares is entitled to one vote per one share hold. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion of their shareholding.

2.2 Reconciliation of the number of shares outstanding	31st March 2019	31st March 2018
Number of shares at the beginning	123,316,500	123,316,500
Add : Issue during the year	-	-
Number of shares at the end	123,316,500	123,316,500

2.3 Shareholders holding more than 5% Share
NIL

2.4 The Company does not have any Holding Company/Ulimate Holding Company but have twenty Subsidiary Companies.

Particulars	Figures as at the end of	
	31st March 2019 Rs.	31st March 2018 Rs.
Note-3		
Reserve & Surplus		
Amalgamation Reserve		
Opening Balance (Credit/Debit)	(490,846,586)	(490,846,586)
Add/Less: Reserve generated during the year	-	-
Closing Balance(Credit/ Debit)	(490,846,586)	(490,846,586)
Profit & Loss Account		
Opening Balance (Credit/Debit)	(277,119,622)	(37,962,285)
Less : Transferred to Amalgamation Reserve	-	-
Add/Less: Surplus/Deficit in Profit & Loss for the year	(26,147,266)	(239,157,337)
Less : Adjustment with Provision for Income Tax	-	-
Less : Transferred to Special Reserve	-	-
	(303,266,888)	(277,119,622)
Special Reserve Account		
Opening Balance (Credit/Debit)	898,101	898,101
Add/Less: Reserve generated during the year	-	-
	898,101	898,101
	(793,215,373)	(767,068,107)

Particulars	Figures as at the end of	
	31st March 2019 Rs.	31st March 2018 Rs.
Note-4		
Other Current Liabilities		
Liability for expenses		993,866
Audit Fees payable	112,558	-
Stock Exchange Fees payable	617,510	-
Custody & RTA Fees payable	187,054	-
Directors Remuneration & others payable	944,769	-
Advertising & Posting Charges payable	36,954	-
TDS Payable	-	9,000
Income Tax Demand A.Y 2010-11 A/c Dristi	3,840	-
	1,902,685	1,002,866

Particulars	Figures as at the end of	
	31st March 2019 Rs.	31st March 2018 Rs.
Note-5		
Short Term Provisions		
Provision for Taxation	-	-
Contingent provision of Standard Assets	900,310	900,310
	900,310	900,310



NOTE-6
PROPERTY, PLANT AND EQUIPMENT
Tangible Assets

Property, Plant and Equipment	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Original Cost	Addition	Deduction	Book value as on 31.03.2019	Opening balance	Depreciation for 2018-19	Impairment	Depreciation	Net block as at 31.03.2019	Net block as at 31.03.2018
Building										
Factory flooring	170,500	-	-	170,500	82,533	8,344	79,623	170,500	-	87,967
Factory Shed	575,125	-	-	575,125	279,038	21,171	274,916	575,125	-	296,087
Furniture & Fixture										
	1,068,795	-	-	1,068,796	895,587	49,523	-	945,110	123,686	173,209
Office Equipments										
Air conditioner	515,000	-	-	515,000	489,252	-	-	489,252	25,748	25,748
Stabilizer	141,960	-	-	141,960	134,864	-	7,096	141,960	-	7,096
Fire Extinguisher	17,500	-	-	17,500	14,481	460	2,559	17,500	-	3,019
Computers										
Computer	333,352	-	-	333,352	316,683	-	-	316,683	16,669	16,669
Electrical Installations and Equipments										
Electric Equipments	654,638	-	-	654,638	545,750	24,366	84,522	654,638	-	108,888
Electric Installation	128,700	-	-	128,700	107,296	6,381	15,023	128,700	-	21,404
Total of Tangible Assets	3,605,571	-	-	3,605,571	2,865,484	110,245	463,739	3,439,468	166,103	740,087
Intangible Assets										
Computer Software	34,500	-	-	34,500	32,775	-	-	32,775	1,725	1,725
Total of Tangible Assets	34,500	-	-	34,500	32,775	-	-	32,775	1,725	1,725
Total Assets-Tangible + Intangible	3,640,071	-	-	3,640,071	2,898,259	110,245	463,739	3,472,243	167,828	741,812
Previous year										
Tangible Assets	15,281,581	-	-	15,281,581	10,491,031	330,798	3,719,665	14,541,494	740,087	4,790,550
Intangible Assets	34,500	-	-	34,500	32,775	-	-	32,775	1,725	1,725
Total	15,316,081	-	-	15,316,081	10,523,806	330,798	3,719,665	14,574,269	741,812	4,792,275



Note-7 Non Current Investments as Trade Investments	Figures as at the end of 31-Mar-19		Figures as at the end of 31-Mar-18	
	No. of Shares	Rs.	No. of Shares	Rs.
Name of Companies				
Investment in Equity Instruments				
Unquoted Equity Shares				
Awadh Heemghar Pvt. Ltd.	-	-	-	-
Cyrus Infocomm Pvt. Ltd.	15,000	3,000,000	15,000	3,000,000
Expressware Housing Ltd.	25,000	2,500,000	25,000	2,500,000
Fastner Machinery Dealers Pvt. Ltd.	57,220	28,610,000	57,220	28,610,000
Jaguar Infra Developers Pvt. Ltd.	42,210	21,105,000	41,110	20,555,000
Kali Confectioners Pvt. Ltd.	-	-	169,000	4,225,000
Linkup Financial Consultants Pvt. Ltd.	3,219	1,126,500	3,219	1,126,500
Primary Iron Traders Pvt. Ltd.	488,500	4,885,000	488,500	4,885,000
Risorgimento Industrial Co. Ltd.	1,350,000	137,273,975	1,350,000	137,273,975
Victoria Cloth Merchants Pvt. Ltd.	5,000	875,000	5,000	875,000
Zonal Commercial Pvt. Ltd.	8,000	4,000,000	8,000	4,000,000
Total-A		203,375,475		207,050,475
Quoted Equity Shares				
Impex Services Ltd.*	400,000	8,000,000	400,000	8,000,000
Shreenidhi Trading Co. Ltd.	37,456	4,225,000	-	-
Total-B		12,225,000		8,000,000
Investment in Unquoted Equity Shares of Subsidiary Companies				
Zamira Agriculture Limited	-	-	5,100	51,000
Zamira Builders Limited	-	-	5,100	51,000
Zamira Floriculture Limited	-	-	5,100	51,000
Zamira Highrise Limited	-	-	5,100	51,000
Zamira Horticulture Limited	-	-	5,100	51,000
Zamira Moonview Limited	-	-	5,100	51,000
Zamira Projects Limited	-	-	5,100	51,000
Zamira Riverview Limited	-	-	5,100	51,000
Zamira Seaview Limited	-	-	5,100	51,000
Zamira Sunshines Limited	-	-	5,100	51,000
Belisma Agriculture Limited	-	-	5,100	51,000
Belisma Construction Limited	-	-	5,100	51,000
Belisma Floriculture Limited	-	-	5,100	51,000
Belisma Highrise Limited	-	-	5,100	51,000
Belisma Horticulture Limited	-	-	5,100	51,000
Belisma Moonview Limited	-	-	5,100	51,000
Belisma Projects Limited	-	-	5,100	51,000
Belisma Riverview Limited	-	-	5,100	51,000
Belisma Seaview Limited	-	-	5,100	51,000
Belisma Sunshine Limited	-	-	5,100	51,000
Total-C			5,100	51,000
Grand Total=A+B+C				1,020,000
Market Value of the Quoted Investment		18,076,081		17,400,000
*Market Price of Impex Services Ltd. is as on last trade price available at the CSE Ltd. website.				
*Impex Services Ltd.Scrip Not Traded In CSTAR Since 1997				
Aggregate value of unquoted investment		203,375,475		208,070,475
*Face Value is Rs.10/- each or otherwise specified.				



<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-8		
<u>Inventories</u>		
Raw Materials	-	-
Stock-in-trade (Mode of Valuation- At Cost)	167,131,898	188,226,219
	167,131,898	188,226,219

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-9		
<u>Trade Receivables</u>		
Unsecured considered good		
<u>Related Parties</u>		
Subsidiaries		
Outstanding exceeding six months	-	-
Others	-	-
<u>Others</u>		
Outstanding exceeding six months	-	-
Others	1,020,000	-
	1,020,000	-

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-10		
<u>Cash & Cash Equivalents</u>		
Balance with Banks in Current Account	10,179	50,787
Cash on hand (As Certified by the Management)	2,008,083	3,320,114
	2,018,262	3,370,901

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-11		
<u>Short Term Loans and Advances</u>		
Unsecured, Considered Goods		
Loan & Advances to Related Parties-Subsidiaries	-	-
Advances Recoverable in cash or in kind	50,684,518	53,144,418
	50,684,518	53,144,418

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-12		
<u>Other Current Assets</u>		
Tax Deducted at Source	6,127,641	5,844,241
Security Deposit For Land	-	600,000
CDSL-Security deposit	2,000	2,000
	6,129,641	6,446,241



<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-13		
<u>Revenue from Operations</u>		
Sales	-	3,448,693
Interest on Loan	1,894,784	1,804,094
Profit on sale of Investment	-	20,000
	1,894,784	5,272,787

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-14		
<u>Other Income</u>		
Profit on sale of assets	-	12,532
	-	12,532

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-15		
<u>Change in Inventories of finished goods, work-in progress and stock-in-trade</u>		
Closing Stock	167,131,898	188,226,219
Less: Opening Stock	188,226,219	428,356,168
Increase/ (Decrease) of Stock	(21,094,321)	(240,129,949)

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-16		
<u>Employee Benefits Expense</u>		
Wages	-	-
Salary & Bonus	677,000	468,050
Directors Remuneration	312,857	360,000
Staff Welfare Exp	15,976	24,037
	1,005,833	852,087

<u>Particulars</u>	<u>Figures as at the end of</u>	
	<u>31st March 2019</u> Rs.	<u>31st March 2018</u> Rs.
Note-17		
<u>Finance Cost</u>		
Interest	-	603,387
	-	603,387



Particulars	Figures as at the end of	
	31st March 2019 Rs.	31st March 2018 Rs.
Note-18		
Other Expenses		
Advertisement	37,043	23,679
Bank Charges	15,668	6,427
Bad Debts	4,271,284	-
Business Promotion Expenses	-	83,433
Custody Fees & RTA Fees	294,053	241,183
Demat Charges	-	1,265
Filing Fees	1,200	1,800
Impairment of Assets	94,646	-
Income Tax Demand A.Y 2010-11 A/c Dristi	28,740	-
Legal, Professional & Consultancy Charges	19,060	243,110
Listing Fees	354,000	473,940
Loss on sale of Assets	319,993	1,145,193
Misc. Expenses	24,163	30,000
Office Maintenance Expenses	14,178	24,483
Postage & telegram	49,024	140,554
Printing & Stationery	75,608	28,590
Telephone Charges	14,250	23,979
Travelling & Conveyance	12,899	20,178
Repairs & Maintenance-Hardware & Software	3,422	16,200
Rent	180,000	-
Auditors Remuneration	-	-
For Statutory Audit	17,700	17,700
For Tax Audit	4,720	4,720
	5,831,651	2,526,434

Note-19

Contingent Liabilities

Pending demand of Income Tax pertaining to Financial Year 2011-12

Nil



QUEST FINANCIAL SERVICES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Figures as at March 31, 2019 (Amt. in Rs)	Figures as at March 31, 2018 (Amt. in Rs)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary item	(26,147,266)	(239,157,337)
Adjustment for		
Depreciation	110,245	330,799
Impairment of Asset	463,742	3,719,661
Operating Profit before working capital change	(25,573,279)	(235,106,877)
Change in working capital		
Adjustment for (increase)/decrease in operating assets		
Inventories		
Trade Receivables	21,094,321	240,129,949
Short Term Loans & Advances	(1,020,000)	10,980,000
Long Term Loans & Advances	2,459,900	(1,417,228)
Other Current Assets		
	316,600	(76,181)
	22,850,821	249,616,540
Adjustment for increase/(decrease) in operating liabilities		
Trade Payable		
Other Current Liabilities		
Short Term Borrowings	899,819	398,334
Short Term Provisions		(3,732,903)
	899,819	(3,334,569)
Cash Generated from Operations		
Income Tax		
Net Cash from Operating Activities	(1,822,639)	11,175,094
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Fixed Assets		
(Purchase)/Sale of Investments	470,000	(10,650,000)
Net Cash Flow from Investing Activities	470,000	(10,650,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings		
Net Cash Flow from Financing Activities		
Net increase/(decrease) in cash and cash equivalents	(1,352,639)	525,094
Opening Cash & Bank Balance	3,370,901	2,845,807
Closing Cash & Bank Balance	2,018,262	3,370,901

As per our report of even date attached
For Arun Jain & Associates
Chartered Accountants
Registration No. 325867E

Arun Jain
Proprietor
Membership No. 053693
Place :- Kolkata
Dated : The 28th Day of May, 2019



Quest Financial Services Ltd

Bijay Agarwal
Director

For Quest Financial Services Ltd.

Kishan Kumar Jajodia
Director
DIN-00674858

For Quest Financial Services Ltd.

Rabindra Kumar Hisaria
CFO