

**37<sup>th</sup> Annual Report**

**&**

**Accounts**

**2016 - 2017**





CIN: L65993WB1980PLC033060

**Board of Directors :**

Mr. Prakash Kumar Jajodia  
Mr. Kishan Kumar Jajodia  
Mr. Amit Jajodia  
Mr. Rabindra Kumar Hisaria  
Mr. Bijay Kumar Agarwal  
Mrs. Jyoti Lohia

Managing Director  
Non-Executive-Non-Independent  
Non-Executive-Non-Independent  
Executive-Non-Independent  
Non-Executive-Independent-Chairperson  
Non-Executive-Independent

**Audit Committee :**

Mr. Bijay Kumar Agarwal  
Mrs. Jyoti Lohia  
Mr. Rabindra Kumar Hisaria

Non-Executive-Independent-Chairperson  
Non-Executive-Independent  
Non-Executive-Non-Independent

**Nomination And Remuneration Committee :**

Mrs. Jyoti Lohia  
Mr. Amit Jajodia  
Mr. Bijay Kumar Agarwal

Non-Executive-Independent-Chairperson  
Non-Executive-Non-Independent  
Non-Executive-Independent

**Stakeholder's Relationship Committee :**

Mr. Bijay Kumar Agarwal  
Mrs. Jyoti Lohia  
Mr. Prakash Kumar Jajodia  
Mr. Amit Jajodia

Non-Executive-Independent-Chairperson  
Non-Executive-Independent  
Managing Director  
Non-Executive-Non Independent

**Chief Financial Officer :**

Mr. Rabindra Kumar Hisaria

**Registered Office :**

"Centre Point",  
21, Hemanta Basu Sarani  
2<sup>nd</sup> 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.  
71, B.R.B. Basu Road  
D-511, Bagree Market  
Kolkata-700 001

**Bankers :**

Canara Bank

**Auditors :**

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

# QUEST FINANCIAL SERVICES LTD.

"Centre Point", 21, Hemanta Basu Sarani, Room No.- 230, 2<sup>nd</sup> Floor, Kolkata-700 001  
Phone No. 033-3028 7790, Fax No.033-3028 7789,  
E-Mail ID - investorsquestfinancial@yahoo.co.in, Website-www.questfinancial.in,  
CIN-L65993WB1980PLC033060



## **DIRECTORS' REPORT**

Dear Members,

The Directors of the Company have pleasure in presenting the 37<sup>th</sup> Annual Report of the Company together with Audited Accounts for the year ended March 31, 2017.

### **1. Financial Summary or Highlights**

The highlights of the financial performance of the Company for the financial year ended March 31, 2017 as compared to the previous financial year are as under:-

(Rs. in Lacs)		
Particulars	2016-17	2015-16
Total Revenue	93.64	332.59
(Less):Total Expenditure	(101.82)	(360.12)
Profit before Exceptional & Extraordinary Items	(8.18)	(27.53)
Add/(Less): Exceptional Items	-	-
Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets)	-	-
Profit Before Tax	(8.18)	(27.53)
(Less): Provision for Current Tax	-	-
(Less):Contingent provision for Standard Assets	-	-
Net Profit after Tax	(8.18)	(27.53)
(Less): Transfer to Statutory Reserve	-	-
Add/(Less): Brought forward from previous year	(371.44)	(343.91)
Balance carried to Balance Sheet	(379.62)	(371.44)

### **2. Financial Performance**

#### **A. Annual Financial Results**

The total income of the Company during the Financial Year 2016-17 was Rs. 9,363,505/- as compared to Rs. 33,258,708/- for the previous financial year. The total expenses reduced to Rs. 10,181,788/- in the reporting year as compared to Rs. 36,011,949/- in the previous year.

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

At the beginning of the Financial Year under review, the Company had 14 subsidiaries and no joint ventures and associate Companies. As on March 31, 2017, the Company has 20 subsidiaries whose business did not commence its operation in the period under review and has no joint ventures or associate Companies.

The details of the same has been provided in Form AOC-1, which is appended to the Directors' Report in **Annexure-I**.

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**

1. Zamira Agriculture Ltd.
2. Zamira Builders Ltd.
3. Zamira Floriculture Ltd.
4. Zamira Highrise Ltd.
5. Zamira Horticulture Ltd.
6. Zamira Moonview Ltd.
7. Zamira Projects Ltd.
8. Zamira Riverview Ltd.
9. Zamira Seaview Ltd.
10. Zamira Sunshine Ltd.
11. Belisma Agriculture Ltd.
12. Belisma Construction Ltd.
13. Belisma Floriculture Ltd.
14. Belisma Highrise Ltd.
15. Belisma Horticulture Ltd.
16. Belisma Moonview Ltd.
17. Belisma Projects Ltd.
18. Belisma Riverview Ltd.
19. Belisma Seaview Ltd.
20. Belisma Sunshine Ltd.

The business of above mentioned companies have not commenced during the year under review.

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

1. QFS Gem & Jewelleries Ltd.
2. QFS Papers Ltd.
3. QFS Properties Ltd.
4. QFS Textiles Ltd.
5. Campbell Builders Ltd.
6. Campbell Constructions Ltd
7. Campbell Consultants Ltd
8. Campbell Developers Ltd.
9. Campbell Homes Ltd.
10. Campbell Housing Ltd
11. Campbell Marketing Ltd.
12. Campbell Projects Ltd.
13. Campbell Real Estates Ltd.
14. Campbell Residency Ltd.

**3. Dividend**

During the year under review, the Company has incurred losses and also due to accumulated losses, the Board of Directors request for their inability to declare dividend.

#### **4. 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.

#### **5. 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 Rs. 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 Rs. 1,23,31,65,000/- divided into 12,33,16,500 Equity Shares of Rs. 10/- each.

#### **6. 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. The Company has not paid the annual listing fee for the financial year 2017-18.

#### **7. Corporate Governance Report**

The Company has been complying with all the requirements of the code of Corporate Governance, as specified by the Securities and Exchange Board of India the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”).

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from a Practicing Chartered Accountant regarding compliance of condition of Corporate Governance is annexed to the said Report.

#### **8. Extract of the Annual Return**

The Extract of the Annual Return as on the financial year ended on March 31, 2017, 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-II**.

#### **9. Number of Meetings of the Board**

The Board of Directors of the Company met eight (8) times during the Financial Year under review, i.e. on: 25/04/2016, 30/05/2016, 21/07/2016, 13/08/2016, 11/11/2016, 04/02/2017, 06/03/2017 and 28/03/2017.

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 28/03/2017.

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

The details of the Meetings of the Board of Directors during the Financial Year 2016-17 is encompassed in the Corporate Governance Report which is annexed to the said Report.

#### **10. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee**

The Audit Committee of the Company comprises of two non-executive independent directors and one non-executive non independent director as on March 31, 2017. 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 five (5) times and all such meetings were held in accordance with the provisions of the Act, and the Listing Regulations.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2016-17.

#### **11. Composition of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Company comprises of two non-executive independent directors and one non-executive non Independent Director as on March 31, 2017.

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

#### **12. Composition of the Stakeholders Relationship Committee**

The Stakeholders Relationship Committee consists of two non-executive independent directors, one executive non independent Managing Director and one non-executive non 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, 2017 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. Declaration by the Independent Directors**

Section 149(7) of the Act requires every independent director to give a declaration that he/she meets the criteria of Independence, at the first Board Meeting of every financial year.

Accordingly, the Company has taken on record, the Statement of Declaration of Independence, as submitted by all the Independent Directors.

#### **15. Policy on Directors' Appointment & Remuneration**

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and Listing Regulation 2015, the Nomination and Remuneration Committee has formulated the criteria for determining

qualifications, positive attributes and independence of a director and has further formulated a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees, which has been duly approved by the Board of Directors.

While formulating the Policy, the Nomination and Remuneration Committee has assured that:

- 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 Nomination and Remuneration Policy is available on the website of the Company at <http://www.questfinancial.in/nomination-&-remuneration-Policy.html>. Further, The Nomination and Remuneration Policy of the Company is appended to the Directors' Report in **Annexure-III**.

## **16. Auditors & Auditors' Report**

### **A. Statutory Auditors**

The appointment of M/s Arun Jain & Associates (Firm Registration No. 325867E), Chartered Accountants of 2B, Grant Lane, 2nd Floor, Room No-74, Kolkata – 700012, is subject to ratification by the members at the ensuing Annual General Meeting.

In this connection, M/s Arun Jain & Associates have furnished a Certificate of Eligibility pursuant to Section 141 of the Act read with the Rules framed thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors recommends their ratification to the shareholders.

### **B. Independent Auditors' Report**

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

### **C. Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act read with the Rules made thereunder, Mr. Abbas Vithorawala (C.P. No. 8827, Membership No. 23671), Company Secretary in whole-time Practice, was appointed for the issuance of the Secretarial Audit Report for the Financial Year ended March 31, 2017.

### **D. Secretarial Audit Report**

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

*There was a delay in filing of DIR-12 regarding the resignation of Company Secretary.*

*Company has not appointed Company Secretary.*

Board of Directors' Comment:- The Company had duly given advertisement to fill the vacancy of the Company Secretary of the Company. Whereas, have not received any positive response for the same.

## **17. Particulars of Loans, guarantees or investments under section 186**

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.

There was a delay in filing of DIR-12 regarding the resignation of company Secretary.

Company has not appointed Company Secretary.

**18. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 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 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.

**19. State of Company Affairs & Future Outlook**

The total income of the Company during the Financial Year 2016-17 was Rs. 9,363,505/- as compared to Rs. 33,258,708/- for the previous financial year. The total expenses reduced to Rs. 10,181,788/- in the reporting year as compared to Rs. 36,011,949/- in the previous year.

**20. 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.

**21. Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo**

In terms of Section 134(3)(m) of the Act read with the Rules made there under, the Company has no activity relating to Conservation of Energy, Technology Absorption.

Further, during the year there was no Foreign Exchange Earnings and Outgo.

Therefore, the Company is not required to make any disclosure as specified in Section 134 (3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

**22. Risk Management Policy**

In terms of compliance with Section 134(3)(n) of the Act, 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.

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.

Further, in terms of Regulation 17(9)(b) of Listing Regulations, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and has have 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. This is described morefully in the Corporate



Governance Report.

### **23. Policy on Corporate Social Responsibility (CSR) Initiatives**

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3)(o) of the Act.

### **24. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors**

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 various applicable clauses of the Listing Regulations and the disclosure regarding the manner of formal annual evaluation by the Board of its own performance and that of its various committees and individual directors is provided hereto:

#### **A. Evaluation Criteria**

Pursuant to Part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of the Independent Directors and the Board. The Nomination and Remuneration Committee also identifies persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommends to the Board their appointment and removal and carries out the evaluation of every director's performance in accordance with Section 178(2) of the Act read with the Rules framed there under and Part D of Schedule II of the Listing Regulations.

The Board shall monitor & review the Board Evaluation Framework and evaluate the performance of all the Board Committees.

Further, the Nomination and Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The details of the same are morefully described in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity in accordance with Regulation 19(4) of the Listing Regulations.

#### **B. Performance Evaluation of the individual directors**

Pursuant to section 178(2) of the Act, the Nomination and Remuneration Committee of the Company carries out the performance evaluation of the individual directors.

#### **C. Board of Directors**

A separate meeting of the Independent Directors of the Company was held on 28/03/2017, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Listing Regulations, for transacting the following businesses as setforth in the Agenda:

1. Review the performance of the non-independent directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors.
3. Assessment of 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.

The same was perused in accordance with the Evaluation criteria determined by the Nomination and Remuneration Committee.

The Independent Directors of the Company in fulfilling their role and functions as specified in Clause II of Schedule IV to the Act, help in bringing an objective view in the evaluation of the performance of the Board and management.

The Independent Directors expressed satisfaction over the performance of all the non-independent Directors and the Chairman.

#### **D. Performance Evaluation of the Independent Directors**

Pursuant to Clause VIII of Schedule IV to the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto the performance evaluation of the Independent Directors is perused by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, the extension of the term of appointment or its continuance in respect of the independent directors is being considered.

#### **E. Performance Evaluation of the Committee**

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

#### **25. Nomination and Remuneration Policy**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have adopted a Nomination and Remuneration Policy in terms of Section 178 of the Act, read with Rules made thereunder and read with Part – D of Schedule II of the Listing Obligations, as amended from time to time.

The Nomination and Remuneration Policy is available on the website of the Company at <http://www.questfinancial.in/nomination-&-remuneration-Policy.html>.

#### **26. Change in the nature business**

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

#### **27. Directors & Key Managerial Personnel**

##### **A. Non-Executive & Executive Directors - Non-independent**

Mr. Kishan Kumar Jajodia (DIN- 00674858), being non Executive Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as the Director without any variation in the terms of his appointment.

##### **B. Independent Directors**

Mr. Bijay Kumar Agarwal (DIN - 00634259) was appointed as a non-retiring Independent Director of the Company for a term of five consecutive years commencing from the conclusion of 34th Annual General Meeting of the Company. Further, Mrs. Jyoti Lohia (DIN-07113757) was appointed as a non-retiring Independent Director of the Company to hold office for a period of five consecutive years 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.

##### **C. Chief Financial Officer**