

41th Annual Report

&

Accounts

2020-2021

QUEST FINANCIAL SERVICES LIMITED

Quest Financial Services Limited
Corporate Identity No.: L65993WB1980PLC033060

Board of Directors:

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mr. Rabindra Kumar Hisaria	Executive- Non Independent-Director
Mr. Sanjoy Pandit	Non Executive-Independent Director
Mr. Tarun Laha	Non Executive-Independent Director

Audit Committee:

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mr. Sanjoy Pandit	Non-Executive-Independent
Mr. Rabindra Kumar Hisaria	Executive-Non Independent

Nomination And Remuneration Committee:

Mr. Sanjoy Pandit	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
Mr. Sanjoy Pandit	Non-Executive-Independent
Mr. Tarun Laha	Non-Executive-Independent

Risk Management Committee:

Mr. Bijay Kumar Agarwal	Non-Executive-Independent-Chairperson
Mr. Sanjoy Pandit	Non-Executive-Independent
Mr. Tarun Laha	Non-Executive-Independent

Fair Practice Code Committee:

Mr. Sanjoy Pandit	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. Verma S & Associates
Chartered Accountants
22/3, S K Deb Road, 1st Bye Lane,
Ground Floor, Near Tetultala Bus Stop
Kolkata – 700 048

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

DIRECTORS' REPORT

Dear Members,

The Directors of the Company have pleasure in presenting the 41st Annual Report of the Company together with Audited Accounts for the year ended March 31, 2021.

1. Financial Summary and Highlights

The highlights of the financial performance of the Company for the financial year ended March 31, 2021 as compared to the previous financial year are as under:-

Particulars	(Rs. in lacs)	
	Standalone	
	2020-21	2019-20
Total Revenue	12.67	15.76
(Less):Total Expenditure	(14.82)	(64.21)
Profit/(Loss) before Exceptional & Extraordinary Items	(2.15)	(48.45)
Profit/(Loss) Before Tax	(2.15)	(48.45)
(Less): Item that will not be reclassified to profit or loss	-	(17.90)
(Less): Provision for Current Tax	-	-
(Less):Contingent provision for Standard Assets	-	-
Net Profit/(Loss) after Tax	(2.15)	(66.35)
(Less): Transfer to Statutory Reserve	-	-
Add/(Less): Brought forward from previous year	(7,998.51)	(7,932.16)
Balance carried to Balance Sheet	(8,000.66)	(7,998.51)

2. Dividend.

Company has registered loss of ` 2.15 lakhs before taxes during the financial year under review as against loss of ` 48.45 lakhs during the previous financial year. Therefore, the Board of Directors (hereinafter referred to as “the Board”) has request for their inability to declare 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 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.

5. Listing.

The equity shares of the Company are listed on the Calcutta Stock Exchange Limited and BSE Limited.

Further, the annual listing fees was not paid for the financial year 2020-21 to the BSE Limited and the Calcutta Stock Exchange Limited. Presently, trading in the securities of the Company has been suspended by the BSE Ltd. due to non-payment of listing fees and penal reasons.

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 Chartered Accountant in practice regarding compliance of condition of Corporate Governance is annexed to the Directors' Report.

7. Extract of the Annual Return

The Annual Return in Form MGT-7 for the financial year ended 31.03.2021 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, 2021, the composition of the Board is as under:

- a) Mr. Bijay Kumar Agarwal (DIN-00634259) – Chairperson (Non-Executive Independent);
- b) Mr. Rabindra Kumar Hisaria (DIN-05170751) – Non-Independent Executive Director;
- c) Mr. Tarun Laha (DIN-07477757) – Independent Non-Executive Director;

Ms. Jyoti Lohia (DIN-07113757) Non-Executive Independent Director, resigned from the Board with effect from 31st December, 2020, due to personal reasons and unavoidable circumstances.

Ms. Nagina Kharwar (DIN: 09280504) who was appointed as an Additional Director of the Company w.e.f 14th August 2021 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of ensuing Annual General Meeting and is eligible 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.

9. Number of Meetings of the Board

The Board met Seven (7) 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 13/02/2021.

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 2020-21 is encompassed in the Corporate Governance Report which is annexed to this 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) Executive non Independent Director as on March 31, 2021. 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 seven (7) 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.

The details of the Meetings of the Committee during the Financial Year 2020-21 is encompassed in the Corporate Governance Report which is annexed to the this Report.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2020-21.

11. Composition of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee of the Company comprises of two (2) Non-Executive Independent Directors and one (1) Executive Non Independent Director as on March 31, 2021.

Composition of Nomination & Remuneration Committee has not been complied due to the resignation of Non-Executive Independent Woman Director. As on the signing of the this Report, Mrs. Nagina Kharwar has been appointed as a Non-Executive Independent Woman Director in the Committee.

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 two (2) Non-Executive Independent Directors and one (1) Executive Non Independent Director as on March 31, 2021.

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

The detail of the Committee, including the meeting dates and the attendance of the Committee members, is 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, 2021 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.

Pursuant to the proviso of sub-section (4) of Section 178 of the Companies Act, 2013, the aforesaid policy is available on the Company's website - <https://www.questfinancial.in/nomination-and-remuneration-policy.html>

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.

18. Auditors & Auditors' Report

a. Statutory Auditors

Members of the Company at the 40th Annual General Meeting (AGM) held on 31st December, 2020, approved the appointment of M/s. Verma S & Associates, Chartered Accountants (FRN: 328962E) of 22/3, S K Deb Road, 1st Bye Lane, Ground Floor, Near Tetultala Bus Stop, Kolkata – 700 048 as the Statutory Auditor of the Company for a term of three years from the conclusion of the Annual General Meeting) held on 31st December, 2020 till the conclusion of the Annual General Meeting to be held in the calendar year 2023.

However, the Company has received confirmation from M/s. Verma S & Associates, Chartered Accountants (FRN: 328962E) of 22/3, S K Deb Road, 1st Bye Lane, Ground Floor, Near Tetultala Bus Stop, Kolkata – 700 048, Statutory Auditor of the Company, that in terms of section 139 of the Act, to the effect that it continues to satisfy the criteria provided in section 141 of the Companies Act, 2013 and that it's appointment is within the limits prescribed in the said section.

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, issued the Secretarial Audit Report for the Financial Year ended 31st March, 2021.

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 :-

1. In terms of section 203 of the Companies Act, 2013 read with the Rules made thereunder, is required to appoint a Whole Time Company Secretary. Company has not appointed the Company Secretary.

2. Every company incorporated on or before 31st December, 2017 shall file the particulars of the company and its registered office, in e-Form ACTIVE (Active Company Tagging Identities and Verification) with in prescribed time, as per Companies (Incorporation) Amendment Rules, 2019- Hence, Company has not filed e-form Active with in prescribed time, therefore Company is marked as “Active – Non-Compliant” in the MCA Master data.

3. BSE Ltd. has imposed penalty for non compliance of Regulation 6(1) of the SEBI (LODR) Regulations, 2015 pertaining to appointment of Company Secretary. Further, the Company has not paid the fine and hence BSE Ltd. has frozen the promoters demat accounts.

4. Regulation 55A (1) of SEBI (Depositories and Participants) Regulations, 1996, requires every issuer to submit to the Stock Exchanges, audit report by a practicing company secretary or qualified chartered accountant on a quarterly basis, for the purposes of reconciliation of the total issued capital, the Company has not filed the report with the BSE Ltd. for the quarter 31.12.2020 and 31.03.2021.

5. As per Second proviso to sub-section (1) of Section 149 of the Companies Act, 2013 every listed company should appoint a women Director on its board, the Company has not appointed any Women director on its board.

6. As per Regulation 40 (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has not filed certificate with the BSE Ltd. for the half year ended 31.03.2021.

7. Composition of Nomination & Remuneration Committee has not been complied.

8. The Company has not filed ADT-1 regarding appointment of Statutory Auditor.

The Board of Directors' point-wise comments are as under:-

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.
4. The same was inadvertently not submitted.
5. Post the resignation of Mrs. Jyoti Lohia (DIN-07113757) on 31st December, 2020, the Company was in process of appointing another woman Director in her place. Ms. Nagina Kharwar (DIN-09280504) was appointed with effect from 14th August, 2021.
6. The same was inadvertently not submitted.
7. As on 31st March, 2021, the composition requirement of the Nomination & Remuneration Committee could not be met. Subsequently, the same was duly complied with and as on the date of this Directors' Report, the composition has been duly met.
8. The same was inadvertently not submitted.

e. Internal Auditor

Mr. Amit Jajodia (C.P. No. 14303, Membership No. 37613), Company Secretary in whole-time Practice is the Internal Auditor of the Company. He has been re-appointed at the meeting of the Board.

f. Internal Audit Report

The Internal Audit Report does not contain any adverse remarks.

19. Maintenance of Cost Records.

During the financial year under review, the maintenance of cost records as well the requirement of Cost Audit was 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.

During the financial year under review, total revenue has decreased by Rs. 3.10 Lacs (approx). However, due to low generation of income has resulted in loss of Rs. 2.15 Lacs (approx). As the recovery process of the global economy against the backdrop of the COVID-19 pandemic has already begun, the Company expects increase in growth prospects in the coming years.

As on 31st March, 2021, 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 2021-2022 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