



SPS FINQUEST LIMITED

CIN : U67120MH1996PLC098051

20th Annual Report

ANNUAL REPORT**2015-2016**

Directors	:	Mr. Pramod P. Shah, Chairman Mr. Girish T. Jajoo, Managing Director Mr. Sandeep P. Shah Mr. Priyesh Jhaveri Mr. Hitesh S. Shah Ms. Ankita M. Shah
Company Secretary	:	Mrs. Pinal R. Darji
Bankers	:	Indusind Bank Bank of India
Auditors	:	Kochar & Associates
Registered Office	:	R-514, 5 th Floor, Rotunda Building, B.S.Marg, Fort, Mumbai- 400 001.
Registrar & Share Transfer Agent	:	Universal Capital Securities Pvt.td. (Formerly known as M/s.Mondkar Computers Pvt.Ltd.) 21, Shakil Niwas, Mahakali Caves Road Andheri (East), Mumbai 400 093 Tel: 022-2836 66 20, 28207203-05 Fax: 022-2836 9704, 28207207

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[NOTICE]

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of SPS Finquest Limited will be held at 4.00 p.m. on Monday, the 19th September, 2016 at Room No.514, Rotunda Building, 5th floor, B.S. Marg, Fort, Mumbai 400 001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2016 and Statement of Profit & Loss Account for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sandeep P. Shah (DIN 00368350), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration.

On behalf of the Board of Directors
FOR SPS FINQUEST LTD.

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

Registered Office:

Room No.514, Rotunda Building
B.S. Marg, Fort,
Mumbai 400 020
Date: May 26, 2016

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint one or more proxy (ies) to attend and vote instead of himself and the proxy (ies) need not be a member.**
2. The proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books will remain closed from 13/09/2016 to 19/09/2016 (both days inclusive).
4. As required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, profile of Directors seeking appointment/ re-appointment at the Annual General Meeting is provided separately in this report.
5. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
6. The members who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.
7. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
8. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
10. Electronic copy of the Annual Report for 2015-16 is being sent to all the members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their e-mail address, physical copies of the Annual Report for 2015-16 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a company to provide advance opportunity at least once in a financial year to the member to register his e-mail address and any change therein. In compliance with the same, we request the members who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the members are informed that the Company is pleased to offer e-voting facilities as an alternative mode to voting at the meeting. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting. The instructions for e-voting are as under:
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - The shareholders should log on to the e-voting website www.evotingindia.com.
 - Click on Shareholders.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <SPS FINQUEST LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The voting period begins on 16.09.2016 (9.00 a.m.) and end on 18.09.2016 (5.00 p.m.) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Other Instructions:

a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 12.09.2016.

b) Mr. Upendra Shukla, Practicing Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.

c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against if any, forthwith to the Chairman of the Company.

d) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.

e) The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.spsfinquest.co.in and on the website of the CDSL within two days of the passing of the resolutions at the 20th AGM and communicated to BSE Ltd., where the shares of the Company are listed.

Details of Directors seeking appointment/ re-appointment at the 20th Annual General Meeting as required under Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are given hereunder:

Name of the Director	Mr. Sandeep P. Shah
Date of Birth	19/10/1972
Date of Appointment	20-05-2010
Qualification	B.Com.
Brief Profile	Shri Sandeep Pramod Shah has carried the legacy of Shri Pramod P Shah. With over 20 Years of experience in Capital Market, he believes to take SPS at the peak of success. He believes in philosophy that “In real life, the most practical advice for leaders is not to treat pawns like pawns, nor princes like princes, but all persons like persons
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	NIL
Memberships/ Chairmanship of committees of other companies (includes only Audit & Shareholders/ Investors Grievance/ Stakeholders Relationship Committee)	NIL
Shareholding in the Company (Equity)	707600

DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present their 20th Annual Report on the business and operations of the Company together with the audited Statements of the accounts for the year ended on March 31st, 2016.

SUMMARY OF FINANCIAL PERFORMANCE:

	(Amount in Lacs)	
	Year Ended 31-Mar-16	Year Ended 31-Mar-15
Total Revenue	274.76	520.11
Less: Expenses	30.94	452.36
Profit before Depreciation, Amortisation and Tax	243.82	67.75
Less: Depreciation and Amortisation	0.76	0.50
Profit Before tax	243.06	67.25
Less: Current tax	49.50	80.50
Less: Deffered tax	1.53	(5.27)
Profit After tax	192.03	(7.98)

DIVIDEND:

In order to conserve the financial resources to part finance the expected increase in stock funding business, your Directors have not recommended any dividend.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

MANAGEMENT DISCUSSION AND ANALYSIS:

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

INDUSTRY STRUCTURE AND DEVELOPMENT:

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

In a subdued global economy and ongoing slowdown in China, India's macro-economic performance remained stable during the financial year 2015-16. According to Central Statistical Organisation, India's GDP growth is expected to be 7.6% in financial year 2015-16, marginally higher than 7.2% recorded in the previous year. An equally important aspect was the stability in retail inflation around 5% allowing RBI to continue with its accommodative policy stance. However, rate cuts to the tune of 100 basis points during the year did not translate into desired reduction in lending rates. Consequently, improvement in business and consumer confidence during the year were weak.

REGULATIONS:

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

PERFORMANCE

Total revenue including other operating income for the financial year ended 31st March, 2016 was Rs. 2,74,76,398/- as against Rs.5,20,11,279/- in the previous year. The reduction in income was mainly on account of reduced interest income on stock funding business of the Company. However, the Company earned a higher pre-tax profit of Rs.2,43,07,262/- as against Rs.67,25,212/- in the last year. Absence of finance cost and provision for doubtful debts as also substantial reduction in other expenses helped the Company in earning a higher pre-tax profit. After providing for income-tax and deferred tax, the Company recorded a net profit of Rs.1,92,03,784/- as against a loss of Rs.7,97,543/- a year ago.

A sum of Rs.38,40,757/- was transferred to Reserve Fund in terms of Section 45 IC(1) of RBI Act, 1934 out of the Statement of Profit & Loss.

MATERIAL CHANGES AND COMMITMENT

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

OPPORTUNITY AND THREATS

Considering the Indian macro-economic factors are in much better shape, the capital market is expected to remain buoyant in the years to come. The market regulators are also concerned in regaining the confidence of investors, which was adversely effected due to economic slowdown and scams.

The worrying factors include the uncertainties regarding the monsoon as also the ability of scheduled commercial banks to extend credit against the backdrop of huge NPAs. Uncertainties in Euro zone and Brexit and volatility in crude prices will also have impact on the Indian economy.

FUTURE OUTLOOK:

According to new GDP, it seems that the country is getting back to a higher growth trajectory. Jobs are being created in the service sector, that coupled with government expenditure on core infrastructure and initiative such as 'Make in India' are giving the required impetus to urbanization, which will augur well for the economy in general and your Company in particular in medium to long term.

SUBSIDIARY:

The Company does not have any subsidiary company.

CONSOLIDATED FINANCIAL STATEMENT:

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

CORPORATE GOVERNANCE:

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

LOANS, GUARANTEE AND INVESTMENT:

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

PUBLIC DEPOSIT:

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

TRANSACTION WITH RELATED PARTIES:

None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to Section 134 (3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 1 in Form AOC-2 and the same forms part of this report.

CONSERVATION OF ENERGY, ETC.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in composition of the Board during the year under review.

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