



SPS FINQUEST LIMITED

CIN : L67120MH1996PLC098051

24th Annual Report

ANNUAL REPORT

2019-2020

Directors	:	Mr. Pramod P. Shah, Chairman Mr. Girish T. Jajoo, Managing Director Mr. Sandeep P. Shah Mr. Priyesh Jhaveri Ms. Ankita M. Shah Mrs. Hema M. Shah
Company Secretary	:	Mrs. Sarita H Jotaniya
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. PhoneNo.022-22722488 Website : www.spsfinquest.co.in Email : info@spsfinquest.co.in CIN : L67120MH1996PLC098051
Registrar & Share Transfer Agent	:	Universal Capital Securities Pvt.td. (Formerly known as M/s.Mondkar Computers Pvt.Ltd.) C-101, 247 Park, LBS Road Vikroli west, Mumbai 400 083 Tel: 022- 28207203-05 Fax: 022- 28207207 Email ID :- info@unisec.in , Web :- www.unisec.in .

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[NOTICE]

NOTICE is hereby given that the 24th Annual General Meeting of the Members of SPS Finquest Limited will be held at 4.00 p.m. on Wednesday, the 30th September, 2020 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, 2020 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.

SPECIAL BUSINESS:

3. To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Hema M. Shah (DIN: 08695750), who was appointed as an Additional Director by the Board of Directors in its meeting held on February, 11, 2020 and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold the office for a term of five (5) consecutive years up to February 10, 2025.”

On behalf of the Board of Directors

FOR SPS FINQUEST LTD.

PRAMOD P. SHAH

(CHAIRMAN)
(DIN: 00685016)

Registered Office:

Room No.514, Rotunda Building
B.S. Marg, Fort,
Mumbai 400 001

Date: 24th July, 2020

NOTES:

1. **A Member entitled to attend and vote is entitled to appoint one or more proxy (ies) to attend and vote instead of himself and the proxy (ies) need not be a member.**
2. The proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed.
4. The Register of Members and the Share Transfer Books will remain closed from 24/09/2020 to 30/09/2020 (both days inclusive).
5. As required under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, profile of Directors seeking appointment/ re-appointment at the Annual General Meeting is provided separately in this report.
6. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.

7. The members who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.
8. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
9. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
11. Electronic copy of the Annual Report for 2019-20 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 2019-20 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a company to provide advance opportunity at least once in a financial year to the member to register his e-mail address and any change therein. In compliance with the same, we request the members who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.
12. Details of Directors seeking appointment/ re-appointment at the 24th 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	Mrs. Hema M. Shah
Date of Birth	19/10/1972	13/08/1977
Date of Appointment	20/05/2010	11/02/2020
Qualification	B.Com.	B.Com.
Brief Profile	Mr. Sandeep P. Shah has carried the legacy of Shri Pramod P Shah. He has more than two decades business experience in Capital and Money Market.	Mrs. Hema M. Shah is associated with HDFC as Fixed Deposit Agent. She has expertise in mobilizing funds.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	NIL	NIL
Memberships/ Chairmanship of committees of other companies (includes only Audit & Shareholders/ Investors Grievance/ Stakeholders Relationship Committee)	NIL	NIL
Shareholding in the Company (Equity)	7,10,800	NIL

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

The Board of Directors in its meeting held on 11th February, 2020 based on the recommendation of the Nomination & Remuneration Committee had appointed Mrs. Hema M. Shah as Additional Director (Independent). Pursuant to the provisions of Section 160 of the Companies Act, 2013, Mrs. Shah would be vacating the office of Director in ensuing 24th Annual General Meeting.

Mrs. Hema M. Shah is Commerce Graduate from Bombay University. She has over two decades of experience in deposit mobilizing services. She is associated with HDFC as fixed deposit agent.

In view of her wide experience in business relating to deposit mobilisation, the Board of Directors is of the view that associating Mrs. Hema M. Shah as Director, would benefit the Company immensely. Hence, in compliance with the provisions of Section 149 of the Companies Act, 2013 and Listing Regulations, it is proposed to appoint Mrs. Hema M. Shah as an Independent Director of the Company to hold office for a consecutive term of five years commencing from February 11, 2020.

The Company has received from Mrs. Shah (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Sub-Section (2) of Sec. 164 of the Companies Act, 2013; and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-Section 6 of Sec. 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mrs. Hema M. Shah, proposed to be appointed as an Independent Director, fulfils the conditions specified in the Act and the Rules made thereunder and she is independent of the management. A copy of the draft letter of appointment proposed to be issued to Mrs. Hema M. Shah on her appointment as an Independent Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working days till the date of Annual General Meeting.

Brief resume of Mrs. Hema M. Shah, nature of her experience in specific functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations with the Stock Exchanges are provided in the annexure 'A' to the notice.

Mrs. Hema M. Shah and her relatives may be deemed to be interested to the extent of her appointment as an Independent Director and their shareholding interest if any, in the Company. Save and except, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested in the proposed resolution.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board recommends the Ordinary Resolution as set out at Item Nos. 3 of the Notice for approval by the Members.

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

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

Registered Office:

Room No.514, Rotunda Building
B.S. Marg, Fort,
Mumbai 400 001
Date: 24th July, 2020

DIRECTORS' REPORT

To,
The Members,

Your Directors hereby presents their 24th Annual Report on the business and operations of the Company together with the audited Statements of the accounts for the year ended on 31st March, 2020.

SUMMARY OF FINANCIAL PERFORMANCE:

	(Amount in Rs. Lacs)	
	Year Ended 31-03-2020	Year Ended 31-03-2019
Total Revenue	811.08	394.04
Less: Expenses	2270.15	1015.13
Profit /(Loss) before Depreciation, Amortization and Tax	(1459.07)	(621.10)
Less : Depreciation, Amortization	4.30	5.25
Profit Before tax	(1463.37)	(626.35)
Less : Current Tax	130.00	86.00
Less : Deferred Tax	(159.28)	(11.33)
Short/(Excess) Provision for tax for earlier years	--	(0.30)
Profit/(Loss) After Tax	(1434.08)	(701.32)

DIVIDEND

Your Directors have not recommended any dividend.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

INDUSTRY STRUCTURE AND DEVELOPMENT:

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

COVID-19 pandemic world over has created panic and has adversely impacted the economy. Indian economy too is severely affected. In view of uncertainty prevailing from beginning of February, 2020 to end of March, 2020, capital market had shown a steep fall during this period, resulting in erosion in value of investments.

REGULATIONS

The Capital Market is regulated by stringent rules and regulations of the Securities & Exchange Board of India (SEBI) and the stock exchanges. The Company, being registered with the Reserve Bank of India as Non-Banking Finance Company (NBFC), is also subjected to strict rules and guidelines notified by the Reserve Bank of India from time to time. Your Company is committed to the best Corporate Governance practices based on conscience, openness, fairness, transparency, compliances and ethical practices towards attaining performance with integrity and accountability thereby paving the way for enhanced investors' and stakeholders' confidence. Thus, ensuring long term success.

PERFORMANCE

Indian Accounting Standards were made applicable to the Company effect from 1st April, 2019. Accordingly, the accounts for the financial year ended 31st March, 2020 are prepared in compliance with the Indian Accounting Standards and accounts of the previous years were re-casted accordingly.

The Company earned a total income of Rs.8,11,08,184/- including other income of Rs.3,42,59,971/- as against Rs.3,94,03,683/- in the previous year. The Company incurred a loss of Rs.14,63,36,623/- as against a loss of Rs.6,26,34,464/- a year ago. Steep devaluation in the value of current investments resulted in loss.

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

MATERIAL CHANGES AND COMMITMENT

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

OPPORTUNITY AND THREATS

COVID-19 pandemic has severely affected not only the Indian economy but also world economy. GDP of the major developed and under developed countries have shown negative growth in the current year. Though the Indian economy is expected to bounce in the later part of the current financial year, your Directors think it prudent to abstain from making any forward looking statement.

FUTURE OUTLOOK

Due to COVID-19 pandemic effect world over, your Director abstain from making any forward looking statement. However, your Directors foresee a better future for Indian economy as also for your Company in long term.

SUBSIDIARY:

The Company does not have any subsidiary, joint venture or associate company.

CONSOLIDATED FINANCIAL STATEMENT:

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

CORPORATE GOVERNANCE:

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

LOANS, GUARANTEE AND INVESTMENT:

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

PUBLIC DEPOSIT:

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

TRANSACTION WITH RELATED PARTIES:

All the transactions with related parties entered into during the financial year 2019-2020 were on arm's length basis and also in the ordinary course of business. Details of all related party transactions are placed before the audit committee. The policy on related party transactions as approved by the Board of Directors is placed on the Company's website.

Since all the transactions with the related parties entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC-2 is not applicable.

CONSERVATION OF ENERGY, ETC.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of your Company in its meeting held on 11th February, 2020 had appointed Mrs. Hema M. Shah (DIN: 08695750) as an Additional Director (Independent). She would be vacating the office of Director in the forthcoming annual general meeting pursuant to the provisions of Section 161 of the Companies Act, 2013. The Company has received intimation from a shareholder conveying his intention of proposition her appointment as an Independent Director in the ensuing AGM.

To comply with the Articles of Association of the Company and the Companies Act, 2013, Mr. Sandeep P. Shah (DIN: 00368350) shall retire by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

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

The Company has the following personnel as the Key Managerial Personnel (KMP) under Section 203 of the Companies Act, 2013:

1. Mr. Girish Jajoo, Managing Director
2. Mr. Subhash R. Yadav, Chief Financial Officer
3. Ms. Sarita Jotaniya, Company Secretary.

DISCLOSURE BY INDEPENDENT DIRECTORS

All the Independent Directors have furnished declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

AUDIT COMMITTEE

The Committee presently comprises of Ms. Ankita M. Shah and Ms. Hema M. Shah, both Independent Directors and Mr. Girish Jajoo, Managing Director. All the members of the Committee are having financial and accounting knowledge. The Committee met 4 times during the financial year 2019-20.

NOMINATION & REMUNERATION COMMITTEE/POLICY

The said Committee presently comprises of Ms. Ankita Shah and Mr. Priyesh Jhaveri, both Independent Directors and Mr. Sandeep Shah, Director. The Committee met once during the financial year.

The Nomination and Remuneration Policy recommended by the Nomination & Remuneration Committee is duly approved and adopted by the Board of Directors. The said policy is annexed to the report as Annexure 1.

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee consists of three members viz. Mr. Sandeep Shah, Chairman, Ms. Ankita Shah and Mr. Girish Jajoo as its members. The Committee mainly looks into redressal of shareholders and investors grievances with respect to transfer of shares, dematerialization of shares, non-receipt of annual report or declared dividend, etc. The shareholders grievances committee met once during the year. During the year ended 31st March, 2020, the Company did not receive any complaint from any of its members.

BOARD MEETINGS

Six meetings of the Board were held during the year under review. One meeting of the Independent Directors was also held during the year.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

CSR COMMITTEE

The Company does not fulfill any of the three criteria specified in Section 135(1) of the Companies Act, 2013 and as such is not required to comply with the provisions of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

INTERNAL CONTROL SYSTEM

Adequate internal control systems are in place to maintain quality of product, proper accounting as per norms and standards prescribed, asset maintenance and its proper use. The Company has an independent internal auditor, who periodically reviews the accounts and reports to the Audit Committee.

RISK MANAGEMENT

The management continuously access the risk involved in the business and all out efforts are made to mitigate the risk with appropriate action. All the assets of the Company are adequately covered by comprehensive insurance.