

DIRECTORS' REPORT

To
The Members,
Your Directors have pleasure in presenting their twentieth (20th) Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

FINANCIAL PERFORMANCE:

(Rs. in Lacs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Total income	5.00	10.79
Expenditure	18.27	14.29
Profit before interest, finance charges and depreciation	(13.27)	(3.50)
Interest and finance charges	-	-
Depreciation	-	-
Profit before tax	(13.27)	(3.50)
Profit after taxation	25.34	(0.32)
Balance brought forward from previous year	(488.52)	(488.20)
Loss after taxation carried forward to Balance Sheet	(463.18)	(488.52)

2. BRIEF DESCRIPTION OF THE COMPANY'S AFFAIR DURING THE YEAR

Quest Softech (India) Limited ("Quest") is a Public Limited Company, listed on Bombay Stock Exchange (BSE) Limited on July 05, 2013. The main business of the Company is providing software and hardware consulting services related to the preparation and maintenance of accounting information and reports. Owing to subdued market conditions, the Company did not achieve major revenues.

3. DIVIDEND

The Board of Director of the Company regrets their inability to recommend any dividend for the financial year ended March 31, 2019, due to the losses incurred at operational levels.

4. RESERVES

No amount is proposed to be transferred to the reserves for the financial year ended March 31, 2019.

5. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the Report.

6. CHANGES IN NATURE OF BUSINESS

There has been no change in the business of the Company during the year under review.

7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

8. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate systems of Internal Control to ensure compliance with policies and procedures which is commensurate with size, scale and complexity of its operations. The Company has appointed an external professional firm as an Internal Auditor. The Internal Audit of the Company is regularly carried out to review the internal control systems and processes. The internal Audit Reports along with implementation and recommendations contained therein are periodically reviewed by Audit Committee.

9. AUDITORS

i) Statutory Auditor

At the seventeenth (17th) AGM held on September 30 2016, the members of the Company approved the appointment of M/s. C K S P & Co. LLP (Firm Registration No. 131228W / W100044) as statutory auditors of the Company for a term of 5 years from the financial year 2016-17 onwards at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors. Accordingly, M/s. C K S P & Co. LLP will continue as statutory auditors of the Company till the financial year 2020- 21.

Vide notification dated May 7, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with.

Accordingly, no such item has been considered in notice of the twentieth (20th) AGM.

ii. Secretarial Auditor

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Dharmendra Sharma & Associates, Practising Company Secretaries as the Secretarial Auditors of the Company to undertake Secretarial Audit of the Company.

The Secretarial Audit Report is annexed herewith as Annexure II.

Explanation in respect of observation in Secretarial Audit Report

In respect of observation of the Secretarial Auditor about non-appointment of Women Director, the Board of Director states that the Company had duly appointed a Women Director who held office upto November 14, 2018. Thereafter, the Company is in process of seeking a suitable candidate for the post of Women Director. However, the said appointment could not take place till the date of signing of Directors' Report. The Company is taking necessary steps to appoint a Women Director.

iii. Internal Auditor

M/s. Bajrang Paras & Co., Chartered Accountants, perform the duties of internal auditor of the Company and their report is reviewed by the Audit Committee periodically.

10. AUDITORS' REPORT

There was no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors in their report and the said Auditor's Report & notes to accounts are self-explanatory.

11. NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met 6 (six) times during the year under review. The details of the meetings of the Board including of its Committees meeting are given in the Report on Corporate Governance section forming part of this Annual Report.

12. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013, a meeting of independent directors was held without the attendance of non-independent directors and members of Management.

13. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company (ies).

14. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company on March 31, 2019 was Rs. 10 crores. There was no change in the Authorised or Paid-up Capital/ Subscribed Capital during FY 2018-19.

15. DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

The Company has received declarations from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Act.

16. VIGIL MECHANISM

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for

- (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and
- (b) direct access to the Chairperson of the Audit Committee of the Company in appropriate or exceptional cases.

17. EXTRACT OF ANNUAL RETURN

Extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure I and is attached to this Report.

18. DEPOSITS

Your Company has not accepted any fixed deposits, as defined in Section 73 and 74 of the Companies Act, 2013 read with the relevant rules, during the year under review.

19. MANAGERIAL REMUNERATION

The details of the Managerial Remuneration, which is approved by the Board, on the recommendation of the Nomination & Remuneration Committee, are given in the notes to the financial statements.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The details of Directors and Key Managerial Personnel have been given in the Corporate Governance Report being part of this Annual Report.

During the year under review, following changes took place in the Composition of Board of Directors of the Company;

Mr. Suresh Vishwasrao retires at the AGM and has offered himself for re-appointment.

Ms. Aditi Nangalia (07525037), Non-Executive Independent Director resigned from the Board of Directors from w.e.f November 14, 2018.

Necessary resolutions for re-appointment of the aforesaid Director have been included in the Notice convening the ensuing AGM and detail of the Director for re-appointment is mentioned in the Annexure I to the Notice 2018-19.

21. COMMITTEES OF THE BOARD

The committee of the Board duly constituted as per Regulation 17 SEBI Listing Obligation and Disclosure Requirement (LODR), 2015. It is disclosed separately in the corporate governance report, which forms part of the directors' report.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has certain loans and unquoted investments. The details of changes in the Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has neither made any transaction with any related party and nor entered into any contract with any related party. Therefore, no such disclosure been annexed to this Report.

24. CORPORATE GOVERNANCE CERTIFICATE

The Company is committed to good corporate governance in line with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 SEBI ("LODR") and Quest Softech corporate governance norms. The Company is following the provision on corporate governance specified in the SEBI ("LODR").

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (LODR), is presented in a separate section forming part of the Annual Report.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Provision of Section 134 of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of Board of Directors), directors furnish herein below the additional information

i. Conservation of Energy

Although the operation of the Company is not energy intensive, it continues to adopt energy conservation measure at all operational levels. The disclosure under section 134 (3)(m) of

the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is not applicable to the Company.

ii. Technology Absorption

Your Company has not imported any technology during the year under review.

iii. Foreign exchange earnings and outgo

During the year under review, there were no transactions in Foreign Currency.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of the Corporate Social Responsibility under the Companies Act, 2013 are not applicable on the Company.

27. PARTICULAR OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

i. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Executive Director	Ratio to median Remuneration
Mr. Dhiren Kothary	0.14

Executive Director	Ratio to median Remuneration
Mr. Suresh Vishwasrao	NA
Mr. Paresh Zaveri	NA
Ms. Aditi Nangalia*	NA

* Resigned w.e.f. 14.11.2018

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

Executive Director	Ratio to median Remuneration
Mr. Dhiren Kothary	-
Mr. Suresh Vishwasrao	-
Mr. Paresh Zaveri	-
Ms. Aditi Nangalia*	-

* Resigned w.e.f. 14.11.2018

iii. The percentage increase in the median remuneration of employees in the financial year – 471

iv. The number of permanent employees on the rolls of Company 1 (One)

v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

There was increase in salary of employee during the year as mentioned above. There is no exceptional increase in the remuneration of Managerial Remuneration in comparison to the average increase in the salary of other employees.

vi. The key parameters for any variable component of remuneration availed by the directors - None

vii. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms remuneration is as per the remuneration policy of the Company.

viii. In terms of the provisions of section 197 read with the rule 5 of (Appointment and Remuneration of Managerial Personnel) Rules, 2014, None of the employees drawing remuneration in excess of the limit set out in the said rule.

28. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3) and 134(5) of the Companies Act, 2013 the Board of Directors confirms that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The directors have selected such accounting policies and 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 at March 31, 2019 and of the profit of the Company for that year;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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;

The Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively;

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.

29. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the Audit and Nomination & Remuneration Committees.

30. RISK MANAGEMENT

The Company has devised and implemented mechanism for risk management.

31. LISTING WITH STOCK EXCHANGES

The Company's shares are listed on BSE Ltd. (BSE) & with effect from July 05, 2013. The annual listing fee for the financial year 2019-20 to BSE has been paid and requisite taxes in respect of listing fees has been deposited to the statutory authority.

32. DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the applicable norms under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

33. ACKNOWLEDGEMENTS

Your Directors acknowledge with gratitude and wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength.

Your Directors also thank the shareholders, investors, customers, business partners, bankers and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

For and on behalf of the Board of Directors

**Sd/-
Dhiren Kothary
Wholetime Director
(DIN: 00009972)**

**Sd/-
Suresh Vishwasrao
Non-Executive Director
(DIN: 00837235)**

**Date : May 29, 2019
Place : Mumbai**

**Registered Office:
82, Mittal Court, A Wing, Nariman Point,
Mumbai - 400021**