

REPORT ON CORPORATE GOVERNANCE

Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 are not applicable to the Company. However, despite of the non-applicability the Company endeavors to comply with the said Corporate Governance norms. This report is therefore strictly not applicable to the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, government and others. It emphasizes on long term prosperity of the Corporations while abiding with their National, Human, Social, Economic and Political Obligation. The Corporate Governance principle has become an important constituent for corporate success. The practice of good Corporate Governance has become a necessary pre-requisite for any corporation to effective function in the globalised market scenario.

2. BOARD OF DIRECTORS

In terms of the requirement of the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Nomination and Remuneration Committee has been designated to evaluate the need for change in the composition and size of the Board of the Company and to select members to fill Board vacancies and to evaluate performance of Board members and Key Managerial Personnel.

Quest Softech's Board consists of an optimal combination of Executive Directors and Non-Executive Directors. Fifty percent of the Board comprised of Independent Directors. The Board of Directors, along with the Committees of the Board, provides leadership and guidance to the Company's Management and directs, supervises and controls the activities of the Company.

a) Composition of Board:

Name of Director	Category	Number of board meetings during the year 2018-19		Whether attended last AGM held on September 28, 2018	Number of director-ships in other Public Companies		Number of committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Dhiren Kothary (DIN: 00009972)	Executive Director	6	6	Yes	-	-	-	-
Mr. Suresh Vishwasrao (DIN: 00837235)	Non-Executive Director	6	6	Yes	1	1	-	3
Mr. Paresh Zaveri (DIN: 01240552)	Non-Executive, Independent Director	6	2	No	1	5	-	-
*Ms. Aditi Nangalia (DIN: 07525037)	Non-Executive, Independent Director	6	2	Yes	-	-	-	-

* Resigned w.e.f. 14.11.2018

- i. Mr. Paresh Zaveri, Non-Executive Independent directors of the Company, have the appropriate professional qualifications, accounting and related financial management expertise.
- ii. Six (6) Board Meetings were held during the financial year ended March 31, 2019 and the gap between the two meetings did not exceed 120 days.
- iii. The Board meetings were held on 24/05/2018, 30/05/2018, 13/08/2018, 14/11/2018, 07/02/2019 & 25/03/2019.
- iv. None of the directors on the board is a member of more than ten committees or chairman of more than five committees across all the companies in which they are directors. Chairmanship/ membership of committees include only Audit, Nomination and Remuneration, Stakeholders Relationship Committee and Risk Management Committee as covered under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as per the disclosures made by the directors.

3. COMMITTEES OF THE BOARD

The Board has constituted Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions / noting.

The Board has constituted following four Committees of Directors:

- i. Audit Committee
- ii. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Risk Management Committee

(i) Audit Committee:

a) Composition of Audit Committee & Attendance at Meeting:

The Audit Committee of the Company comprises of three members. Five (5) Audit Committee Meetings were held during the year on FY 2018-19 on 30/05/2018, 13/08/2018, 14/11/2018, 07/02/2019 and 25/03/2019. The necessary quorum was present for all the Meetings. The Audit Committee meetings are usually held at the registered office of the Company and are normally attended by the members and invitees, if any.

The attendances of the members at the Audit Committee Meetings are as follows:

Name of Director	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
*Ms. Aditi Nangalia(Chairman)	Independent, Non-Executive Director	5	3
Mr. Paresh Zaveri	Independent, Non-Executive Director	5	1
Mr. Suresh Vishwasrao	Non-Executive Director	5	5

* Resigned w.e.f. 14.11.2018

b) Terms of Reference:

The Constitution of the Audit Committee also meets the requirements under Section 177 of the Companies Act, 2013. The terms of reference and power of the audit committee are in line with those contained under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

(iii) Nomination and Remuneration Committee**a) Composition of Nomination and Remuneration Committee**

The Remuneration Committee comprised of three (3) Non-Executive Directors. Two (2) meetings of Nomination and Remuneration Committee was held in the FY 2018-19 on 30/05/2018 and 13/08/2018. The Committee recommends remuneration / compensation packages for the Executive Directors within prescribed limits from time to time. The composition of the Nominations and Remuneration Committee is in conformity with SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Name of Director	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
*Ms. Aditi Nangalia(Chairman)	Independent, Non-ExecutiveDirector	2	2
Mr. Paresh Zaveri	Independent, Non-ExecutiveDirector	2	-
Mr. Suresh Vishwasrao	Non-Executive Director	2	2

* Resigned w.e.f. 14.11.2018

b) Remuneration to Executive Director and Non-Executive Directors

None of the Non-Executive Director and Independent Director drawing any salary nor sitting fees for attending Board Meeting or any commission from the Company except Mr. Dhiren Kothary, executive director of the Company drawing remuneration of Rs.1,20,000/- p.a.

There is no pecuniary relationship or transaction between any of the Non-Executive Director and the Company.

No. of Equity Shares held by Directors

Name	No. of Equity Shares held	(%) Percentage of holding
Mr. Dhiren Kothary	2,450,444	24.50
Mr. Suresh Vishwasrao	100	0.00
Mr. Paresh Zaveri	-	-
*Ms. Aditi Nangalia	-	-

* Resigned w.e.f. 14.11.2018

c) Stakeholder Relationship Committee**i. Composition of Stakeholder Relationship Committee**

As per section 178 of the Companies Act, 2013 the Stakeholders Relationship Committee looks into the matter like transfer/transmission, issue of duplicate shares, non-receipt of declared dividend etc. and investigates the investor's complaints and takes necessary steps for redress thereof. Three (3) meetings of Stakeholder Relationship Committee was held in the FY 2018-19 on 30/05/2018, 13/08/2018 and 25th March, 2019.

The composition of the Stakeholders Relationship Committee is in conformity with SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Name of Director	Category	Number of meetings during the financial year 2018-19	
		Held	Attended
Ms. Aditi Nangalia(Chairman)	Independent, Non-ExecutiveDirector	3	2
Mr. Paresh Zaveri	Independent, Non-ExecutiveDirector	3	1
Mr. Suresh Vishwasrao	Non-Executive Director	3	3

i. Registrar and Transfer Agent (R & T Agent)

The Company, to speed up share transfers, has delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

Purva Sharegistry (India) Private Limited has been appointed as the Registrar and Transfer (R&T) Agent of the Company and the Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor's services. The Committee also advises on the matter enabling better invest or services and relations. All matters connected with the share transfer, dividends and other matters are being handled by the STA located at the address mentioned below.

Address for communication for Shareholding related queries is as follows:

M/s. Purva Sharegistry (India) Private Limited
 9, Shiv Shakti Industrial Estate
 J.R. Boricha Marg, Lower Parel (E) Mumbai - 400011
 Email Id: support@purvashare.com
 Website: www.purvashare.com
 Tel: 91-22-2301 2518 / 6761
 Fax: 91-22-2301 2517

iii. Complaints received and redressed during the year FY 2018-19:

Nature of Complaints	Nature of Complaints	No. of Complaints resolved	No. of Complaints pending	No Complaints were pending/ outstanding
NA	NIL	NIL	NIL	NIL

d) Risk Management Committee:

The Company has constituted Risk Management Committee to inform the board for risk assessment, control and to mitigate the same arises, if any, in terms of business market. The Committee comprised of Mr. Dhiren Kothary (Executive Director) and Mr. Suresh Vishwasrao (Non-Executive Director) of the Company. The Board has framed plan to monitor and manage the risk.

The Company has formulated and laid down the procedure for assessment and minimization of risks. These procedures have been considered by the Board and a properly defined framework is being laid down to ensure that executive management controls the identified risks.

4. SUBSIDIARY COMPANY

The Company does not have any subsidiary company at present. Therefore, the Regulation 24 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 do not apply to the Company.

5. REMUNERATION POLICY

During the year 2018-19, due to unavailability of sufficient revenue the Company did not pay sitting fees to its non-executive directors for attending meetings of the board and meetings of committees of the Board.

6. OTHER DISCLOSURES

a. Related Party Transactions

There are no materially significant related party transactions i.e. transaction material in nature with its promoters, directors, their relatives or the management, subsidiaries of the Company etc. having potential conflict with the interest of the Company at large.

b. Statutory Compliance, Penalties and structures

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the year. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the years.

c. Accounting Standards

In preparation of the financial statements, the Company follows Accounting Standards issued by the Institute of Chartered Accountants of India.

d. Proceeds from Public Issue

There was no public issue of equity shares of the Company during the FY 2018-19.

e. Compliance with the Mandatory/ Non Mandatory requirements.

The Company has made efforts to comply with requirements of SEBI (LODR), to the maximum extent possible.

f. The Certificate of Company Secretary in practice certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed herewith as a part of the report.

g. Details relating to total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are given in the Financial Statements.

7. CEO/ CFO CERTIFICATION

In terms with Schedule V(d) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, Mr. Dhiren B. Kothary, Executive Director, has issued certificate to the Board of Directors which forms a part of the Annual Report of the Company.

8. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and SEBI (LODR).

9. PREVENTION OF INSIDER TRADING:

During the year under review, the Company has amended the “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” (“the Code”) in accordance with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“The PIT Regulations”).

The Code is applicable to Promoters, Member of Promoter’s Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” in compliance with the PIT Regulations. The Company has also formulated “Policy and Procedure for Inquiry in case of leak of Unpublished Price Sensitive Information”.

10. RECONCILIATION OF SHARE CAPITAL AUDIT

A Qualified Practicing Company Secretary carries out a Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital and place the report for perusal of the Board. The RSC Audit report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

11. MEANS OF COMMUNICATION**(i) Quarterly Results:**

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as quarterly results announcement, annual report, Company’s website and specific communications to Stock Exchanges, where the Company’s shares are listed.

(ii) Newspapers where in results are normally published:

The results are normally published in English Newspapers and Regional Newspaper in Mumbai.

(iii) Website:

The Company’s website is www.questsoftech.co.in.

The Company has designated the following e-mail Ids, viz., info@questprofin.co.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

12. EMPLOYEES’ STOCK OPTION SCHEMES (ESOP)

No employee has been issued share options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.

13. COMPLIANCE OFFICER

Mr. Akshay Hegde, Company Secretary is the Compliance Officer of the Company.

14. MARKET PRICE DATA:

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE)

Month	BSE (Monthly) All Prices in			
	Open	High Price	Low Price	Close
Apr-18	3.3	3.3	3.3	3.3
Jun-18	3.3	3.3	3.3	3.3
Jul-18	3.25	3.25	3.25	3.25
Aug-18	3.25	3.25	3.09	3.09
Sep-18	2.94	2.94	2.8	2.8
Oct-18	2.8	2.8	2.8	2.8
Dec-18	2.8	2.8	2.8	2.8
Jan-19	2.94	3.08	2.66	2.66
Mar-19	2.79	2.79	2.79	2.79

15 (A) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019:

Range (in Rs)	Open	High Price	Low Price	Close
0001 - 5000	4833	85.19	89,29,150	8.93
5001 - 10,000	405	7.14	32,94,370	3.29
10,001 - 20,000	192	3.38	28,89,520	2.89
20,001 - 30,000	99	1.75	25,16,280	2.52
30,001 - 40,000	31	0.55	10,71,100	1.07
40,001 - 50,000	37	0.65	17,35,740	1.74
50,001 - 1,00,000	44	0.78	30,65,920	3.07
1,00,000 & above	32	0.56	7,64,97,920	76.50

(B) SHAREHOLDING PATTERN AS ON MARCH 31, 2019:

Category	No. of shares held	Percentage to shareholding (%)
Foreign Companies	-	-
Non-Resident	6,705	0.07
Foreign Financial Institution	-	-
Financial Institutions	-	-
Mutual Fund	-	-
Promoters	19,30,953	19.31
Directors	24,50,444	24.50
Resident Individual	53,31,635	53.31
Nationalized Bank	13,926	0.14
Other Bodies corporate	1,60,951	1.61
HUF	90,934	0.91
Employee/ Subscriber to Memorandum	200	0.00
Clearing Members	13,872	0.14
Others	380	0.00
Total	1,00,00,000	100

(C) SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM

As on March 31, 2019, 75.71 percent of the Company's shares were held in dematerialized form and the remaining 24.29 percent in physical form. The breakup is listed below

Shares in Form	No. of shares	% held
NSDL	67,00,175	67.00
CDSL	8,71,055	8.71
Physical	24,28,770	24.29
Total	1,00,00,000	100

16. OUTSTANDING GDRS/ ADRS/ WARRANTS/ CONVERTIBLE INSTRUMENTS AND THEIR IMPACT ON EQUITY:

The Company has not issued any GDR/ ADRs/ Warrants or any convertible instruments. No amounts were outstanding on accounts of the same as on the date of the Balance Sheet.

17. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company does not indulge in commodity hedging activities and accordingly, no commodity hedging activities are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated 15th November, 2018.

The Company does not have any foreign currency debt.

18. NOTE ON APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Particulars of Directors to be appointed and re-appointed at the ensuing Annual General Meeting is given under the Note No. 2 of the Notice convening the meeting.

19. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report are appended to and forms part of the Annual Report.

20. CODE OF CONDUCT

The members of the board and senior management personnel have affirmed the compliance with the Code applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a Certificate by the Executive Director in terms of Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

21. GENERAL BODY MEETINGS**i. Annual General Meetings**

Details of Special Resolution passed in the previous three Annual General Meetings are given below:

Year	Venue	Date & Time	Special Resolution Passed
2015-16	Chandreshwar Hall, 71/73, Opera House, Jagannath Shankar Seth Rd, Girgaon, Mumbai, Maharashtra 400004	September 30, 2016 10.00 am	No Special Resolution passed
2016-17	82-A, Mittal Court, Nariman Point, Mumbai - 400021	September 29, 2017 11.00 a.m.	No Special Resolution passed
2017-18	82-A, Mittal Court, Nariman Point, Mumbai - 400021	September 28, 2017 10.30 a.m.	No Special Resolution passed

All the Resolutions were passed with requisite majority.

ii. Extraordinary general meeting

No extraordinary general meeting of the members was held during the year 2018-19.

iii. Postal Ballot

No Special Resolution was passed through Postal Ballots during the financial year and no special resolution is being proposed to be conducted through postal ballot.

22. SHAREHOLDER

i. GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of AGM	30th September, 2019 at 10.30 am C-75/76, 7th Floor, Plot No-224, C Wing, Mittal Court, Jamnalal Bajaj, Nariman Point, Mumbai - 400021
Financial Year	April 1, 2018 - March 31, 2019
Dates of Book Closure	September 27, 2019 to September 30, 2019 (both days inclusive)
Dividend Payment Date	There is no dividend recommended by the Board
Listing on Stock Exchange	Bombay Stock Exchange Ltd
BSE Scrip Code	535719
Scrip Name	QUEST
International Security Identification	INE989J01017

ii. BOOK CLOSURE DATES

September 27, 2019 to September 30, 2019 (both days inclusive)

iii. ADDRESS FOR CORRESPONDANCE:

Quest Softech (India) Limited
Regd. Office: 82, Mittal Court, A Wing,
Nariman Point, Mumbai - 400021
[Email: info@questprofin.co.in](mailto:info@questprofin.co.in)
Tel: +91 022 6179 8008
Fax: +91 022 6179 8045

For and on behalf of the Board of Directors

Date : May 29, 2019
Place : Mumbai

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

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

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