

QUEST FINANCIAL SERVICES LTD.

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CORPORATE GOVERNANCE REPORT

1. Brief Statement on Company’s Philosophy on Code of Governance.

Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and equity with the ultimate objective of increasing long-term shareholders value, keeping in view the needs and interests of all the stakeholders.

Your Company also believes that good Corporate Governance makes good business sense and build up a good Corporate Image. As such your Company not only complies with all requirements of Corporate Governance laid by various bodies, but follows it in spirit also.

During the period under review, the Company has complied with applicable Corporate Governance norms as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter, the “Listing Regulations”).

2. Board of Directors

The Board of Directors (hereinafter referred to as “the Board”) of the Company is a reflection of enriched experience, optimum diversity and vast knowledge. The Board of Directors have performed their role from time to time and have periodically reviewed the compliance reports as was required in terms of the applicable provisions of the Listing Regulations and other laws in force, if any. The Board has also sufficiently reviewed and acted upon the various agenda items placed before it.

2.1 The composition and category of the Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting and also the number of shares held by them in the Company alongwith their Directorship and Committee Membership /Chairpersonship in other Companies.

The Company’s Board of Directors as on 31st March, 2019, comprises of one Executive Director and four Non-Executive Directors, including three Independent Directors and one Promoter Director.

Five Meetings of the Board were held during the financial year 2018-2019 i.e. on 24/04/2018, 29/05/2018, 10/08/2018, 13/11/2018 and 12/02/2019. The maximum time gap between any two Board Meetings was not more than 120 days.

Requisite quorum was present at all meetings and the Directors who were unable to attend any particular Board Meeting(s), had obtained leave of absence from the Board.

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The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of Board and Committees of other companies as well as his holding in the Company, as on March 31, 2019 are given below :-

Name of Director	Category	No of shares held & % of shareholding in the Co.	No. of Board Meetings attended	Whether last AGM Attended	No. of Directorships in other companies		No. of Committee(s) Membership/ Chairpersonship held in other companies	
					Public	Private	Member	Chairperson
Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive - Independent	-	5	Yes	-	1	-	-
Mr. Rabindra Kumar Hisaria	Executive, Non-Independent	-	5	Yes	-	1	-	-
Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent	7,05,000 shares (0.57%)	5	Yes	9	4	1	-
Mrs. Jyoti Lohia	Non Executive, Independent Director	-	5	No	2	-	2	-
Mr. Amit Jajodia*	Non-Executive-Non Independent	-	4	Yes	4	2	-	-
Mr. Prakash Kumar Jajodia**	Executive-Non Independent- Managing Director	5,98,000 shares (0.49%)	5	Yes	9	4	2	-
Mr. Tarun Laha***	Non Executive, Independent Director	-	1	No	6	1	-	-

*Mr. Amit Jajodia (DIN- 02291113), Director resigned from the Company with effect from 04/02/2019.

**Mr. Prakash Kumar Jajodia (DIN- 00633920) resigned from the Company with effect from 12th February, 2019.

***Mr. Tarun Laha (DIN- 07477757) was appointed as an Additional – Non Executive Independent Director of the Company with effect from 12th February, 2019.

The names of the listed entities in which Mrs. Jyoti Lohia (DIN- 07113757) Non Executive Independent Director of the Company is a Director alongwith her category of Directorship, is as under:

Sl. No.	Name of the listed entity	Category of Directorship
1.	Shree Nidhi Trading Co Ltd	Non-Executive- Independent Director

The names of the listed entities in which Mr. Kishan Kumar Jajodia (DIN- 00674858) Non-Executive-Non Independent Director of the Company is a Director alongwith his category of Directorship, is as under:

Sl. No.	Name of the listed entity	Category of Directorship
1.	Jaisukh Dealers Limited	Non-Executive- Independent Director

** Mr. Prakash Kumar Jajodia (DIN- 00633820) Managing Director of the Company, resigned from the Company with effect from 12/02/2019. Accordingly, the disclosure pertaining to his directorships in listed entities - is based on the data prevailing at the time of his resignation i.e. 12/02/2019. The names of the listed entities in which he was a Director as on the date of his resignation alongwith his category of Directorship, is as under:

Sl. No.	Name of the listed entity	Category of Directorship
1.	Jaisukh Dealers Limited	Non-Executive-Independent Director

None of the Directors on the Board is a member of more than 10 Committees & Chairperson of more than 5 Committees across all the Companies in which he or she is a Director. It be noted that, for the purpose of determination of limit, chairpersonship of the Audit Committee and the Stakeholders' Relationship Committee alone, have been considered.

None of the Independent Directors held directorship in more than 10 public limited Companies.

2.2 Disclosure of relationships between Directors inter-se.

No relationships exist between Directors inter-se on the Board of Directors of the Company as on 31st March, 2019.

2.3 Invitees

Apart from the Board members, the Chief Financial Officer (CFO) are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board.

2.4 Independent Directors

(a) Confirmation

The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

(b) Separate meetings of the Independent Directors.

In terms of Regulation 25(3) of the Listing Regulations, read with Schedule IV of the Companies Act, 2013, one exclusive meeting of the Independent Directors was held on

12th February, 2019, to discuss inter-alia amongst others, the agenda items as specified in Regulation 25(4) of the Listing Regulations, read with Schedule IV of the Companies Act, 2013. The attendance details are as under:

Sl. No.	Name of the Committee member	No. of meetings entitled to attend	No. of meetings attended
1.	Mr. Bijay Kumar Agarwal	1	1
2.	Mrs. Jyoti Lohia	1	1
3.	Mr. Tarun Laha	1	1

The quorum for the separate meeting of the Independent Directors has been fixed as two (2).

(c) Tenure & Formal Letter of appointment to Independent Directors.

Mr. Tarun Laha (DIN-07477757) was appointed as an Additional Director with effect from February 12, 2019 in the category of Non-Executive Independent Director till the conclusion of the ensuing Annual General Meeting.

Mrs. Jyoti Lohia (DIN: 07113757) appointed as an Independent Director at the 35th Annual General Meeting of the Company held on with 29th September, 2015 till the conclusion of 40th AGM & were issued Appointment Letters in this regard.

Mr. Bijay Kumar Agarwal (DIN: 00634259) appointed as an Independent Director at the 34th Annual General Meeting of the Company held 29th September, 2014 till the conclusion of 39th AGM & were issued Appointment Letters in this regard.

The appointment letters containing the terms and conditions of appointment have been disclosed on the website of the Company.

(d) Familiarisation programme for Independent Directors.

Pursuant to Regulation 25(7) of the Listing Regulations, effective from 1st December, 2015, the company shall familiarise the independent directors about the company, including- their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

In this connection, various familiarization programmes were conducted during the Financial Year 2018-19 and the details of such familiarisation programmes has been disclosed on the website of the Company : viz: www.questfinancial.in , via the following link:

<http://www.questfinancial.in/familiarisation-program-for-independent-directors.html>

2.5 Profile of the Directors appointed/re-appointed.

Mr. Tarun Laha (DIN-07477757) was appointed as an Additional Director with effect from February 12, 2019 in the category of Non-Executive Independent Director. Accordingly, he will hold office till the conclusion of the 39th Annual General Meeting (AGM). The Board of Directors feel that, his association with the Company would be of immense benefit to the Company and accordingly, his appointment for a term of five years is being proposed at the ensuing AGM.

Mr. Bijay Kumar Agarwal (DIN: 00634259) appointed as an Independent Director at the 34th Annual General Meeting of the Company held 29th September, 2014 till the conclusion of 39th AGM. Considering his knowledge, experience and contribution to Board processes, it is being proposed to re-appoint him for another term of five years from the conclusion of the ensuing AGM.

Mr. Kishan Kumar Jajodia (DIN: 00674858) Non-Executive Director is liable to retire by rotation at the ensuing AGM, where he will present himself for re-appointment. The Company is expected to benefit from his vast and diversified experience of several years.

The profile of all the Directors is described on the website of the Company, viz: <http://www.questfinancial.in>

2.6 Disclosure to the Board of Directors by the Senior Management, in terms of Regulation 26(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There have been no material, financial and commercial transactions in which, the senior management have such personal interest that may have a potential conflict with the interest of the Company. Hence the question of disclosure by the senior management in terms of Regulation 26(5) of the Listing Regulations does not arise.

2.7 Chart/matrix setting out the skills/expertise/competence of the Board of Directors.

The Company's business is organized around two business segments namely, Financial and Embroidery. Financial activities consist of providing loans and investments in shares & securities.

The core skills / expertise / competences identified by the Board, as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are as under:

Name of the Directors	Years of experience	Core skills / expertise / competences identified by the Board				
		Trading	Leadership & Governance	Financial	Corporate law	Marketing
Mr. Bijay Kumar Agarwal	17	✓	✓	✓	✓	✓
Mr. Rabindra Kumar Hisaria	28		✓	✓	✓	
Mr. Kishan Kumar Jajodia	25		✓	✓	✓	

Mrs. Jyoti Lohia	5	✓	✓	✓	✓	✓
Mr. Tarun Laha	2	✓		✓		

2.8 Succession Planning

Pursuant to Regulation (4)(2)(f)(ii) read with Regulation 17(4) of the Listing Regulations, the Board has, during the financial year under review, satisfied itself that plans are in place for orderly succession for appointments to the Board and the senior management. The Company recognizes that succession planning will ensure that investors do not suffer due to sudden or unplanned gaps in leadership. Succession Planning will therefore ensure that the Company is well-prepared for expansion, loss of any key talent, business continuity and that there is an appropriate balance of skills, experience and expertise on the Board and Senior Management.

2.9 Policy on Board Diversity

Based on the Company’s Policy on Board Diversity, as formulated by the Nomination and Remuneration Committee, the Board has time and again ensured that, optimum diversity on the Board is attained and maintained.

3. Audit Committee

3.1 Brief description of the terms of reference.

The Audit Committee has the power to investigate any activity within its terms of reference, including the powers /duties/responsibilities entrusted on it by the Listing Regulations, to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Audit Committee ensures that transparency, accuracy and quality of financial reporting is not compromised with.

The terms of reference of the Committee is in accordance with that specified in Regulation 18(3) of the Listing Regulations, read with Part C of Schedule II thereto, and also confirms to the requirements of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

3.2 The composition of the Committee, meetings and attendance of the members during the year.

The composition of the Audit Committee reflects independence and comprises of members with enriched qualification and all members are financially literate. As on 31st March, 2019, it comprises of two non-executive independent directors and one non-executive Non-Independent director as on 31st March, 2019.

The Committee met 4 (Four) times during the year i.e. on 29/05/2018, 10/08/2018, 13/11/2018 and 12/02/2019. The maximum time gap between any two Audit Committee Meetings was not more than 120 days.

Requisite quorum was present at all meetings and the committee members who were unable to attend any particular Meeting(s) of the Committee, obtained leave of absence from the Committee.

The details are enumerated herein below:

Sl. No.	Name	Category	No. of Meetings Attended
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent	4
2	Mr. Rabindra Kumar Hisaria	Non-Executive-Non Independent	4
3	Mrs. Jyoti Lohia	Non-Executive-Independent	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

3.4 Invitees

Apart from the Committee members other senior management executives, internal auditor, representative of the statutory auditor, etc., are called as and when necessary, to provide additional inputs for the items being discussed by the Committee.

4. Nomination and Remuneration Committee

4.1 Brief description of the terms of reference.

The terms of reference and the scope of Nomination and Remuneration Committee of the Board of Director are in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Regulations.

The Nomination and Remuneration Committee has performed its role in accordance with its terms of reference of the Listing Regulations read with Part D of Schedule II thereto.

4.2 The composition of the Committee, meetings and attendance of the members during the year.

The Nomination and Remuneration Committee of the Company as on 31st March, 2019, comprises of three Non-Executive Independent Directors.

The Committee met 2 (Two) time during the year i.e. on 12/02/2019 and 23/02/2019. All the committee members were present at the meeting.

The details are as follows:

Sl. No.	Name	Status	No. of Meetings Attended
1.	Mrs. Jyoti Lohia	Chairperson-Non-Executive-Independent	2
2.	Mr. Bijay Kumar Agarwal	Non Executive, Independent Director	2

3.	Mr. Amit Jajodia*	Non Executive, Independent Director	-
4.	Mr. Tarun Laha**	Non-Executive-Independent	1

*Mr. Amit Jajodia resigned from the Directorship as well as committee membership with effect from 04/02/2019.

**Mr. Tarun has been as the appointed as the member of the Committee with effect from 12/02/2019

4.3. Remuneration of Directors

4.3.1. All pecuniary relationship or transactions of the non-executive directors vis-à-vis, the Company.

The details of the related party transactions depicting, inter-alia amongst others, transactions of the non-executive directors, vis-à-vis, the Company, is disclosed in Note to the Financial Statements for the period under review.

4.3.2. Criteria of making payments to non-executive Directors.

The Remuneration payable to the Directors, Key Managerial Personnel and Senior Management Personnel is determined in accordance with the Nomination and Remuneration Policy of the Company.

During the financial year under review, the Nomination and Remuneration Policy was revised in line with the various amendments in the Listing Regulations. The Nomination and Remuneration Policy has been disclosed on the website of the Company.

<https://www.questfinancial.in/nomination-and-remuneration-policy.html>

Disclosures with respect to remuneration

(a) Remuneration of the Non-Executive Directors.

Regulation 17(6) of the Listing Regulations, provides that:

(i) The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.

(ii) The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013, for payment of sitting fees without approval of the Central Government.

(iii) The approval of shareholders as mentioned in (i) above, shall specify the limits for the maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate.

(iv) The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof. Such approval shall be valid only till the expiry of the term of such director.

(v) Independent directors shall not be entitled to any stock option.

Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof only by the approval of Board for the same, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and rules made thereunder, per meeting of the Board or Committee.

At present the Directors are not receiving any Sitting Fees for attending the Board Meeting or any Committee Meeting.

(b) Remuneration of the Executive Directors including Whole-time Director and Managing Director.

The Remuneration/ Compensation/ Commission etc. to be paid to Managing Directors and Whole-Time Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The Remuneration shall be broadly divided into the following components:

(i) **The Fixed Components-** This broadly encompasses: Salary, allowances, perquisites, retirement benefits, etc.

(ii) **The Variable Components-** Performance based promotion and bonus are primarily included hereto.

Any annual increase in the remuneration of the Directors shall be at the sole discretion of the Board, based on the recommendation of the Nomination and Remuneration Committee.

Further, in determining the director's remuneration, their performance evaluation as duly carried out by the Board and/or Independent Directors, shall also be given due weightage.

(c) Details of Remuneration paid to the Directors.

During the reported financial year, the Non-Executive and Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

Further, none of the Directors of the Company were paid any remuneration during the Financial Year under review.

(d) Service Contracts, notice period and severance fees.

Mr. Tarun Laha (DIN- 07477757), was appointed as an Additional Director with effect from 12th February, 2019 in the category of Independent Non-Executive Director to hold office upto the date of the ensuing Annual General Meeting.

Mrs. Jyoti Lohia (DIN: 07113757) appointed as an Independent Director at the 35th Annual General Meeting of the Company held on with 29th September, 2015 till the conclusion of 40th AGM & were issued Appointment Letters in this regard.

Mr. Bijay Kumar Agarwal (DIN: 00634259) appointed as an Independent Director at the 34th Annual General Meeting of the Company held 29th September, 2014 till the conclusion of 39th AGM & were issued Appointment Letters in this regard.

The office of Mr. Kishan Kumar Jajodia (DIN- 00674858) is liable to retire by rotation in terms of the Companies Act, 2013.

(e) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

Not applicable.

4.4. Annual evaluation of Performance:

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and in accordance with the applicable provisions of the Listing Regulations/Guidance Note issued by SEBI on evaluation, the disclosure regarding the manner of formal annual evaluation of the performance of the Board, its Committees and of individual directors are as under:

a. Role of the Nomination and Remuneration Committee (NRC):

i. NRC has formulated criteria for evaluation of performance of independent directors and the board of directors.

ii. NRC carries out evaluation of every director's performance.

iii. NRC determines whether to extend or continue the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors.

b. Role of independent directors:

In the meeting of independent directors of the company (without the attendance of non-independent directors and management), such directors :

I. Review the performance of non-independent directors and the Board as a whole.

II. Review the performance of the Chairperson of the company, taking into account, the views of executive directors and non-executive directors.

III. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

IV. Bring an objective view in the evaluation of the performance of board and management.

c. Evaluation of independent directors:

The performance evaluation of independent directors is done by the entire Board of Directors, excluding the director being evaluated.

d. Performance Evaluation of the Committee

The Board of Directors evaluate the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

5. Stakeholders Relationship Committee

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee has been constituted.

The Committee under the Chairpersonship of Mr. Bijay Kumar Agarwal, approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Share Registrars, oversee overall improvement of the quality of Investor services, performance of Registrar and Share Transfer Agent, oversee compliance relating to dividend payment, transfer of unclaimed amount to IEPF, implementation of the Code of Conduct for prevention of Insider Trading.

5.1. Composition of the Committee and Compliance Officer.

The Committee consists of three Non - Executive Independent Director, as on 31st March, 2019. The details are as follows:

Sl. No.	Name	Category
1	Mr. Bijay Kumar Agarwal	Non Executive, Independent Director - Chairperson
2	Mrs. Jyoti Lohia	Non-Executive-Independent
3.	Mr. Tarun Laha*	Non-Executive Independent
4.	Mr. Prakash Kumar Jajodia**	Executive-Non Independent-Managing Director
5.	Mr. Amit Jajodia**	Non-Executive-Non Independent

*Mr. Tarun Laha appointed as the member of the Committee with effect from 12/02/2019.

**Mr. Amit Jajodia and Mr. Praksh Kumar Jajodia resigned from the Directorship as well as committee membership with effect from 04/02/2019 and 12/02/2019 respectively.

5.2 Brief description of the terms of reference

The Committee has performed the role assigned to it in terms of Schedule II of the Listing Regulations.

The Committee deals with matters relating to approval of Share Transfer, Transmissions and Transposition, Folio Consolidation, Issue of Duplicate Share Certificates, Replacement of Share Certificates, Split and Consolidation of Certificates, Dematerialisation and Rematerialisation requests, monitoring of shareholder complaints

/requests, etc. The Committee is also empowered to resolves the grievances of the security holders of the Company.

5.3. Committee meeting details during the financial year 2018-19.

During the year, no meeting of the Stakeholders' Relationship Committee was held.

5.4 Status of Complaints received from the members:

During the year, Company has not received any requests/complaints from the shareholders.

The summary of complaints is provided herewith:

Particulars	No. of Complaints
Pending at the beginning of the Year	Nil
Number of shareholders' complaints received	Nil
Disposed of during the Year	Nil
Number of shareholders' complaints not solved to the satisfaction of the shareholders	Nil
Number of pending complaints	Nil

6. Risk Management Committee

The Risk Management Committee of the Company monitors and reviews the risk management plan of the Company. It is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

Pursuant to the provisions of the Listing Regulations, the constitution of the Risk Management Committee is not mandatory for the Company. However, on account of good Corporate Governance principles, and the fact that, NBFCs are subjected to varieties of risks which require constant monitoring and mitigation, the Company has decided to continue with the functioning of the Risk Management Committee.

6.1 Composition

All the members of the Committee are Board members.

The details are as follows:

Sl. No.	Name	Category
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent
2	Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent
3	Mrs. Jyoti Lohia	Non-Executive-Independent

6.2. Committee meeting details during the financial year 2018-19.

During the year, no meeting of the Risk Management Committee was held.

7. Fair Practice Code Committee.

The Fair Practice Code Committee strives to ensure transparency in the Company's dealings with its customers, to strengthen mechanisms for redressal of customer grievances and to ensure compliance with legal norms in matters relating to recovery of advances.

7.1 Composition.

The composition of the Fair Practice Code Committee is as under:

Sl. No.	Name	Category
1	Mrs. Jyoti Lohia	Non-Executive-Independent-Chairperson
2	Mr. Bijay Kumar Agarwal.	Non-Executive-Independent
3	Mr. Tarun Laha*	Non-Executive-Independent
4.	Mr. Prakash Kumar Jajodia**	Executive-Non Independent-Managing Director

*Mr. Tarun Laha has been appointed as the member of the Committee with effect from 12/02/2019.

**Mr. Praksh Kumar Jajodia resigned from Directorship and Committee membership with effect from 12/02/2019.

7.2. Committee meeting details during the financial year 2018-19.

During the year, no meeting of the Fair Practice Code Committee was held.

8. IT Strategy Committee

In terms of the RBI Master Direction on Information Technology Framework for the NBFC sector, the Company has an IT Strategy Committee which is required to act within the scope of the RBI Directions/Circulars as issued/to be further issued from time to time and to also perform such other roles as and when it may be empowered for the same by the Board of Directors.

8.1 Composition.

The composition of the Committee is as under:

Sl. No.	Name	Category
1	Mr. Bijay Kumar Agarwal	Chairperson-Non-Executive-Independent
2	Mr. Kishan Kumar Jajodia	Non-Executive-Non Independent

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3	Mrs. Jyoti Lohia	Non-Executive-Independent
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8.2. Committee meeting details during the financial year 2018-19.

The Committee met 2 times during the year on: 13/11/2018 and 12/02/2019. The attendance detail is as under:

Sl. No.	Name	No. of meetings entitled to attend.	No. of meetings attended.
1	Mr. Bijay Kumar Agarwal	2	2
2	Mr. Kishan Kumar Jajodia	2	2
3	Mrs. Jyoti Lohia	2	2

9. General Body Meetings

9.1. Location and time for last three Annual General Meetings :

Financial Year	Date of AGM	Venue	Time
2017-2018	26/09/2018	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2 nd Floor, Kolkata- 700 001	11.00 A.M.
2016-2017	15/09/2017	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2 nd Floor, Kolkata- 700 001	3.00 P.M.
2015-2016	29/09/2016	"Centre Point", 21 Hemanta Basu Sarani, Room No. 230, 2 nd Floor, Kolkata- 700 001	10.00 A.M.

9.2 Special Resolutions passed at the last three Annual General Meetings.

One Special resolution passed at the 38th AGM held on 26/09/2018 for serving document to the members of the Company on charging such fees in advance equivalent to the estimated actual expense of delivery.

No Special resolution passed at the 37th AGM held on 15/09/2017.

One Special resolution passed at the 38th AGM held on 29/09/2016 for Change in designation of Mr. Prakash Kumar Jajodia (DIN-00633920) from Whole-Time Director to Managing Director and revision in his remuneration.

9.3 Details of Special Resolution passed through postal ballot during the financial year 2018-19.

No special resolution was passed through Postal Ballot during the Financial Year 2018-19.

9.4 Whether any Special Resolution proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

Presently, no special resolution is being proposed to be conducted through Postal Ballot.

10. Management Discussion and Analysis.

Management Discussion and Analysis Report forms part of the Directors' Report.

11. Means of Communications

11.1 Quarterly results and Newspapers wherein the results are normally published.

Quarterly unaudited financial results and annual financial result of the Company were published in accordance the Listing Agreement/Listing Regulations with stock exchange in the Business Standard (English Daily) and Sukhabar (Bengali Daily) and the aforesaid results are also available on the Company's website i.e. www.questfinancial.in.

The quarterly and the annual results of the Company are submitted to the BSE Ltd. And Calcutta Stock Exchange Limited. The Annual Reports are e-mailed to every shareholders having their e-mail ID registered with DPs and are posted to every shareholder of the Company at their registered address whose e-mail ID is not registered.

11.2 Website where displayed.

The financial results of the Company are also posted on the website of the Company, viz. www.questfinancial.in. under the "Financial Results" section.

11.3 Official news release.

The Company was not required to make any official news release during the period under review.

11.4 Presentations made to institutional investors or to the analysts.

The Company was not required to make any presentations to the institutional investors or analysts.

11.5 Annual Reports.

The Annual Reports are sent to every shareholder of the Company through the permitted mode within the stipulated time frame.

11.6 Outcome of the Annual General Meeting.

The voting results of the 38th Annual General Meeting were displayed on the website of the Company www.questfinancial.in. The outcome of the Annual General Meeting was also uploaded through the Listing Centre of the Exchange.

12. General shareholder information

12.1 Annual General Meeting

- | | |
|------------------|--|
| (a) Date | : 30 th September, 2019 |
| (b) Time | : 9.30 a.m. |
| (c) Venue | : Centre Point" 21, Hemanta Basu Sarani, 2 nd Floor,
Room No. 230, Kolkata -700001 |

12.2 Financial Calendar: (Tentative)

Financial Year – 1st April, 2019 to 31st March, 2020	Relevant Dates
Board Meeting for consideration of accounts	28 th May, 2019
Dividend payment date	The Board of Directors has not recommended any Dividend for the Financial Year under review.
Posting of Annual Report along with notice of AGM	Atleast 21 clear days before the date of the Annual General Meeting.
Book closure dates	23 rd September, 2019 to 30 th September, 2019 (both days inclusive).
Last date for receipts of proxy forms	48 hrs. before the date of the Annual General Meeting (before 10.00 a.m.).
Unaudited results for the quarter ended on June 30, 2019.	On or before 14 th September, 2019.
Unaudited results for the quarter ended on September 30, 2019.	On or before 14 th December, 2019.
Unaudited results for the quarter ended on December 31, 2019.	On or before 14 th February, 2020.
Audited results for the year ended on March, 31, 2020.	On or before 30 th May, 2020.

12.3 Dividend payment date.

The Board of Directors has not recommended any dividend for the financial year 2018-19.

12.4 The name and address of the stock exchange at which the Company's securities are listed, alongwith the Stock code.

- 1.The BSE Ltd. (Stock code: 539962)
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001.
2. The Calcutta Stock Exchange Ltd. (Stock code: 10027006)
7, Lyons Range, Kolkata 700 001.

12.5 Listing Fees.

The Company has not paid the listing fee to the BSE Ltd.& The Calcutta Stock Exchange Ltd for the year 2018-2019.

12.6 Market price data- high, low, during each month in last financial year.

Month	High (₹)	Low (₹)	Volume (Nos.)

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April, 2018	0.20	0.19	3072607
May, 2018	0.21	0.19	1403174
June, 2018	0.28	0.16	1168527
July, 2018	0.29	0.28	633941
August, 2018	0.28	0.22	143169
September, 2018	0.22	0.19	439522
October, 2018	0.21	0.19	526534
November, 2018	0.21	0.19	604359
December, 2018	0.28	0.21	1056073
January, 2019	0.35	0.26	1722994
February, 2019	0.29	0.19	597084
March, 2019	0.25	0.21	768592

12.7 Performance in comparison to broad-based indices.

Month	BSE Sensex Closing (in `)	Quest Financial Services Ltd Closing Share Price (in `)
April, 2018	35160.36	0.19
May, 2018	35322.38	0.19
June, 2018	35423.48	0.28
July, 2018	37606.58	0.28
August, 2018	38645.07	0.22
September, 2018	36227.14	0.19
October, 2018	34442.05	0.19
November, 2018	36194.30	0.20
December, 2018	36068.33	0.26
January, 2019	36256.69	0.28
February, 2019	35867.44	0.21
March, 2019	38672.91	0.21
Average Share Price	36323.89	0.225

12.8

Trading eligibility of the securities.

The Equity Shares are eligible for active trading on the BSE Ltd. and have not been suspended from trading.

12.9 Share Transfer System

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE064D01012.

12.10 Distribution of shareholding & shareholding pattern.

(a) Distribution of shareholding as on 31/03/2019.

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	4271	28.62	10,73,777	0.87
501-1000	3126	20.95	29,17,951	2.37
1001-5000	4534	30.38	1,26,11,742	10.23
5001-10000	1270	8.51	1,06,17,209	8.61
10001-50000	1371	9.18	3,11,13,463	25.23
50001-100000	216	1.45	1,57,23,527	12.75
100001 and above	136	0.91	4,92,58,831	39.94
Total	14,924	100.00	12,33,16,500	100.00

(b) Shareholding Pattern as on 31/03/2019

Category	% of shareholding
Promoters Holding	2.01
Public Holding	
Bodies Corporate	21.37
Individuals	75.56
NRIs	0.09
Clearing Members	0.96
Trusts	0.01
Total	100.00

12.11 Dematerialization of shares and liquidity.

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 87.57% (Approx.) of total equity shares are in dematerialized form as on March 31, 2019.

12.12 Outstanding American Depository Receipt/Global Depository Receipt/ Warrants/ convertible instruments, conversion date and likely impact on equity.

Not Applicable.

12.13 Commodity price risk or foreign exchange risk and hedging activities.

(a) Commodity price risk, hedging activities – not applicable.

(b) Foreign exchange risk:

The Money Changing Sector is exposed to various types of risks such as: adverse impact of Rupee depreciation as this would lead to escalating cost of foreign travel, foreign education, etc.

The Company strives to review and update, the adequacy of its Risk Management system from time to time in order to mitigate such risks. The Company has in place, detailed policies on customer acceptance policy, customer identification procedures etc. in accordance with the Reserve Bank of India guidelines to ensure that there is timely identification of business risks and operational risks, evaluation of their impact and

mitigation of the same through appropriate measures. Further, while, Currency fluctuations can be managed by having a better geographic balance in revenue mix, the Company also closely monitors the exchange rate movement.

12.14 Address for correspondence.

(a) Address for matters related to shares, any correspondence.

Registrar & Share Transfer Agent

M/s. Niche Technologies Private Ltd.
3A, Auckland Place, 7th Floor,
Room No. 7A & 7B.
Kolkata - 700 017
Phone Nos.: (033) 2280 6616/17/18
E- mail: nichetechpl@nichetechpl.com

(b) Address for any kind of assistance/clarification.

Mr. Rabindra Kumar Hisaria, CFO

C/o. Quest Financial Services Ltd.
Centre Point", 21, Hemanta Basu Sarani, Room No. - 230, 2nd Floor, Kolkata-700 001
E-mail: investorsquestfinancial@yahoo.co.in

(c) Dedicated email ID for Investors.

For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. investorsquestfinancial@yahoo.co.in

(d) Website

www.questfinancial.in



13. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Not Applicable.

14 . Other Disclosures

14.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The policy on Related Party Transactions is available on the Company's website at <http://questfinancial.in/subsidiary&related-party-transaction-policy.html>.

14.2 Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

During the last three financial years, the Company has duly complied with all the various applicable requirements and regulations of the erstwhile Listing Agreement entered with the Stock Exchange and the Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange or any statutory authority, on matters related to Capital Market, in the last three (3) years.

14.3 Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee.

The Board of Directors of the Company have adopted a Vigil Mechanism/Whistle Blower Policy with a view to provide a vigil mechanism for the directors and employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage the Company's directors and employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

No personnel have been denied access to the Audit Committee. There were no instances of reporting under the Whistle Blower Policy.

During the financial year under review, the Vigil Mechanism/Whistle Blower Policy of the Company has been reconstituted in terms of the Listing Regulations. Further, the newly introduced Regulation 9A in the SEBI (Prohibition of Insider Trading) Regulations, 2015, requires inter-alia, requires the Company to have a Whistle Blower Policy to report instances of leak of unpublished price sensitive information ("UPSI"). Accordingly, the reconstituted Vigil Mechanism/Whistle Blower Policy includes the above amendments as well.

The Vigil Mechanism/Whistle Blower Policy is disclosed on the website of the Company.

The details of the Policy are provided hereunder:

(a) Main Objectives

i. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and to attain high level of transparency, accountability and equity with the ultimate objective of providing maximum level of customer satisfaction & increasing long term shareholders value keeping in view the needs and interest of all stakeholders. For achieving the same, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

ii. The Vigil mechanism of the Whistle Blower Policy shall provide a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy.

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Further, this mechanism shall provide for adequate safeguards against the victimization of the director(s) / employee(s) who avail the mechanism and a direct access to the Chairperson/Chairperson of the Audit Committee in appropriate or/and exceptional cases.

(b) Eligibility

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to issues covered under this Policy and concerning the Company.

(c) Receipt and Disposal of Protected Disclosures.

All Protected Disclosures should be reported in writing in English, Hindi or in the regional language of the place of employment of the Whistle Blower as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.

Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower Policy".

On receipt of the protected disclosure, the Vigilance and Ethics Officer / Chairperson/ Chairperson of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he/she was the person who made the protected disclosure or not. He/she shall also carry out initial investigation either himself/herself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action.

(d) Contact details of the Vigilance and Ethics Officer.

Name	Designation	Correspondence address	e-mail id
Mr. Kishan Kumar Jajodia	Director	Quest Financial Services Ltd. "Centre Point", 21, Hemanta Basu Sarani, Room No.- 230, 2 nd Floor, Kolkata-700 001	investorsquestfinancial@yahoo.co.in

14.4 Anti-Sexual harassment Policy.

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013. An Internal Complaints Committee has been set up to redress Complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this policy. Mrs. Jyoti Lohia, Director, is the Presiding Officer of the Committee.

No complaint on sexual harassment was received during the Financial Year 2018-19. The details are as under:

Particulars	No. of Complaints
Number of complaints filed during the financial year.	Nil
Number of complaints disposed off during the financial year.	Nil
Number of cases pending as on end of the financial year.	Nil

14.5 Fees paid to the Statutory Auditor for the F.Y 2018-19.

During the financial year under review, the company has paid a total fees of `22,420/- to the Statutory Auditor in respect of various services rendered by the Statutory Auditor:

Particulars	Amount (in `)
For Statutory Audit	17,700
For Tax Audit	4,720
Total	22,420

14.6 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

(a) Compliance with mandatory requirements.

The Company has duly complied with all the applicable mandatory requirements as stipulated in the Listing Regulations, Companies Act, 2013, and other applicable laws in force.

(b) Adoption of non-mandatory/discretionary requirements.

The Company has fulfilled the following discretionary requirements as prescribed in Part E of Schedule II of the Listing Regulations:

i. The Board - Non-Executive Chairperson's Office.

The Board of Directors is Chaired by Mr. Bijay Kumar Agarwal, who is a Non-Executive Independent Director;

ii. Modified opinion(s) in audit report.

The Company's financial statements does not contain any modified audit opinion(s).

iii. Separate posts of Chairperson and Managing Director.

Mr. Bijay Kumar Agarwal is the Chairperson of the Board of Directors and There is no Managing Director.

iii. Reporting of internal auditor.

The Internal Auditor reports directly to the Audit Committee.

14.7 Web link where policy for determining 'material' subsidiaries is disclosed.

The Company does not have any material listed/unlisted subsidiary companies and is therefore, not required to comply with the provisions of Regulation 24 of the Listing Regulations, regarding the Corporate Governance requirements with respect to subsidiary.

The Company has formulated a policy for determining “material subsidiary”. The same has been modified during the financial year under review, in line with the present Listing Regulations. The policy is disclosed on the website of the Company via the link :

: <http://questfinancial.in/subsidiary&related-party-transaction-policy.html>

14.8 Web link where policy on dealing with related party transactions is disclosed.

The Company has a Policy on Related Party Transactions and Materiality of Related Party Transactions. The same has been modified during the financial year under review, in line with the present Listing Regulations. The Policy is disclosed on the website of the Company via the link:

<http://questfinancial.in/subsidiary&related-party-transaction-policy.html>

14.9 Disclosures with respect to demat suspense account/ unclaimed suspense account.

None of the issued Equity shares of the Company are in the demat suspense account or unclaimed suspense account.

14.10. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) during the Financial year under review.

Not Applicable

14.11. Certificate from a company secretary in practice 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.

In terms of Schedule V of the Listing Regulations, the Practicing Company Secretary's Certificate stating the Directors on the Board of the Company have not 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, forms part of the Annual Report.

14.12. Acceptance of recommendations of the Committees of the Board.

During the financial year under review, the Board has accepted all the recommendations of the Committees of the Board.

15. Code of Conduct on Prevention of Insider Trading.

The Company had laid down a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The same has been modified in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This Code has been disclosed on the website of the Company via the link:

<https://www.questfinancial.in>

Further, various policies have also revised / formulated in terms of the aforementioned revised regulations.

16. CEO/CFO Certification.

In terms of Regulation 17(8) of the Listing Regulations, the Certificate from the Director and the Chief Financial Officer (CFO) was obtained and placed before the Board.

17. Practising Company Secretary's Compliance Certificate on Corporate Governance.

The Practising Chartered Accountant Certificate on Compliance of Conditions of Corporate Governance as provided in Chapter IV of the Listing Regulations, forms part of the Directors' Report.

18. Declaration – Code of Conduct for all Board members and select employees.

The Board has laid down a code of conduct for all Board members. It also suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 and is disclosed on the website of the Company.

The Company has a separate Code of Conduct for the senior management of the Company.

In terms of Regulation 26(3) of the Listing Regulations, the Board of Directors and select Employees have affirmed Compliance with the code of conduct and a declaration to this extent has been provided by the CFO, Mr. Rabindra Kumar Hisaria. The same forms part of the Annual Report.

Place : Kolkata
Dated : 26.08.2019

For and on behalf of the Board of Directors
Bijay Kumar Agarwal
Chairperson
DIN: 00634259