

ANNUAL REPORT

2016-17



QUEST SOFTECH (INDIA) LIMITED

BOARD OF DIRECTORS

| | | |
|-----------------------|---|------------------------|
| Mr. Dhiren Kothary | : | Executive Director |
| Mr. Suresh Vishwasrao | : | Non-Executive Director |
| Mr. Paresh Zaveri | : | Independent Director |
| Ms. Aditi Nangalia | : | Independent Director |

COMPANY SECRETARY

Ms. Swati Trilokekar

STATUTORY AUDITOR

M/s Chokshi & Co. LLP
Chartered Accountants
101-102, Kshamalaya,
37, Sir V. Thackersey Marg,
Mumbai-400020

REGISTERED OFFICE

82, Mittal Court,
A Wing, Nariman Point
Mumbai- 400 021

REGISTRAR AND TRANSFER AGENT

M/s. Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate
J.R. Boricha Marg, Lower Parel (E)
Mumbai – 400011

BANKERS

HDFC Bank Ltd
Crawford Market Branch
Mumbai, Maharashtra

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING (AGM) of QUEST SOFTECH (INDIA) LIMITED will be held on Friday September 29, 2017 at 11.00 am at 82, Mittal Court, A-Wing, 8th Floor, Nariman Point, Mumbai- 400 021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement for the financial year ended March 31, 2017 with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Vishwasrao (DIN-00837235) who retires by rotation and being eligible offers himself for re-appointment.
3. To Ratify Appointment of Chokshi & Co LLP, Chartered Accountants

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 139 (2), Section 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Chokshi & Co LLP, Chartered Accountants (Firm Registration Number (FRN) – 131228W/W100044), statutory auditor of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Nineteenth AGM of the Company to be held in the year 2018 on such remuneration as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

By Order of the Board
Dhiren Kothary
Executive Director

Date: August 26, 2017
Place: Mumbai

Registered Office:

82, Mittal Court, A Wing, 8th Floor,
Nariman Point, Mumbai- 400 021

NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), seeking ratification of Auditors appointment under Item No. 3 of the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable. A person can act as proxy on behalf of number of Members, not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. The appointment of proxy shall be in the Form No. MGT.11 given at the end of Annual Report.
4. The Register of Members and Transfer Books of the Company will be closed from September 23, 2017 to September 29, 2017, both days inclusive.
5. Members seeking any information or for any queries to write to the Company Secretary at the Registered office at least a week advance to enable to keep the information ready at the meeting.
6. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose

- e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
7. Members holding shares in electronic form are requested to intimate any changes in their address or bank mandates to their depositories participants with whom they are maintaining their demat accounts immediately. Members holding shares in physical form are requested to advise any change of address immediately to M/s. Purva Sha registry (India) Private Limited, the Registrar & Share Transfer Agent.
 8. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and regulation 44 of SEBI (LODR), the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.
 9. The Annual Report of the Company circulated to the members of the Company, will be made available on the Company's website at www.questsoftech.co.in and on website of the respective Stock Exchange once it is approved by the shareholders of the Company in AGM.
 10. Mr. Deepak Prakash Rane, Practicing Company, Mumbai has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
 11. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
 12. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 13. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
 14. Copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
 15. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to qsil@questprofin.co.in by mentioning their Folio / DP ID and Client ID No.
 16. A duly completed Ballot Form should reach the Scrutinizer, Mr. Deepak Prakash Rane, at 82, Mittal Court, A Wing, 8th Floor, Nariman Point, Mumbai - 400 021 not later than, September 28, 2017 (5:00 p.m. IST) in a sealed envelope. Ballot Form received after this date will be treated as invalid.
- 1. The instructions for e-voting are as under:**
- A.** In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depositories Participant(s)]:
- (viii) Open email and open PDF file viz; "Quest e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>

- (iii) Click on Shareholder –Login
 - (iv) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 - (v) If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “Quest Softech (India) Limited” which is 107601. Now you are ready for e-voting as Cast Vote page opens.
 - (viii) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (ix) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (x) Once the vote on a resolution is cast, members shall not be allowed to change it subsequently.
 - (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csdeepakrane@gmail.com (scrutinizers mail id) with a copy marked to qsil@questprofin.co.in and evoting@nsdl.co.in.
 - (xii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on tollfree no.: 1800-222-990.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depositories]**
- (i) Initial password is provided at the first page of this Annual Report
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- C. Other Instructions:**
- a) The e-voting period commences on September 26, 2017 (9.00 a.m. IST) and ends on, September 28, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 22, 2017 (cutoff date), may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
 - b) The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 22, 2017 (cutoff date)
 - c) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. September 22, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com.
 - d) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in

the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

- e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.questsoftech.co.in and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE") where the shares of the Company are listed.
- f) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- g) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- h) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.questsoftech.co.in and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the resolutions at the Eighteenth AGM of the Company on September 29, 2017 and communicated to the BSE Limited, where the shares of the Company are listed.

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 of the accompanying

Item No. 3

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s Chokshi & Co. LLP Chartered Accountant (ICAI Firm Registration Number (FRN) – 131228W/W100044) has been appointed as Statutory Auditor of the Company in the Annual General Meeting held on 30th September 2016. Due to commencement of Companies Act, 2013, Company at its 17th Annual General Meeting held on September 30, 2016, appointed M/s Chokshi & Co. LLP as statutory auditor for period of five years i.e. till the conclusion of Twenty Second AGM of the Company to be held in the year 2021.

The Board has appointed M/s Chokshi & Chokshi, LLP (Firm Registration No. 101872W / W100045) to hold the office until the conclusion of the Company's next Annual General Meeting to be held in the year 2018, subject to shareholder's approval in this AGM. Accordingly, appointment of the members is being sought for the proposal contained in the Resolution set out at item no. 3 of the Notice.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

**By Order of the Board
Dhiren Kothary
Executive Director**

Date: August 26, 2017

Place: Mumbai

Registered Office:

82, Mittal Court, A Wing,
8th Floor, Nariman Point,
Mumbai- 400 021

Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting (Secretarial Standard-2)

| | |
|---|--|
| Name of the Director | Suresh Vishwasrao |
| Age | 70 |
| Nationality | Indian |
| DIN | 00837235 |
| Date of Appointment | January 02, 2008 |
| Qualifications | BA, CAIIB |
| Experience | 26 Years |
| Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid | Director Retire by Rotation without Remuneration |
| Last drawn remuneration, if applicable | Nil |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | NA |
| The number of Meetings of the Board attended during the year | 7(Six) Meeting |
| Directorship held in other Companies (excluding foreign Companies) | <ul style="list-style-type: none"> • Quest Profin Advisor Private Limited • Quest (East India) Advisor Private Limited • Yuroas Textiles Private Limited • Bombay Rayon Fashions Limited • Quest Finlease Private Limited • STI India Limited |
| Membership of Committees (includes Audit Committee/ shareholders grievance committee) | <p><u>Quest Softech(India) Limited</u></p> <ul style="list-style-type: none"> - Audit Committee - Nomination & Remuneration Committee - Stakeholder Relationship Committee - Risk Management Committee <p><u>Bombay Rayon Fashions Limited</u></p> <ul style="list-style-type: none"> - Audit Committee - Nomination & Remuneration Committee - Risk Management Committee |
| Number of shares held in Company | 100 |
| Chairmanship of committees (includes Audit Committee/ shareholders grievance committee) | |

Directors' Report

To,

The Members,

Your Directors have pleasure in presenting their Eighteenth (18th) Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

(Rs. In lakhs)

| Particulars | For the year ended March 31, 2017 | For the year ended March 31, 2016 |
|--|--------------------------------------|--------------------------------------|
| Total income | 95.06 | 9.51 |
| Expenditure | 49.09 | 46.00 |
| Profit before interest, finance charges and depreciation | 76.84 | (5.61) |
| Interest and finance charges | - | - |
| Depreciation | 30.88 | 30.88 |
| Profit before tax | 45.96 | (36.49) |
| Profit after taxation | 54.90 | (28.73) |
| Balance brought forward from previous year | (543.10) | (514.37) |
| Loss after taxation carried forward to Balance Sheet | (488.20) | (543.10) |

2. BRIEF DESCRIPTION OF THE COMPANY'S AFFAIR 'SDURING 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. The registered and corporate office of Quest is in Mumbai.

3. DIVIDEND

In view of unavailability of sufficient profits, the Board of Director of the Company regrets their inability to recommend any dividend for the Financial Year ended March 31, 2017.

4. RESERVES

Due to insufficient profit, the company has not transferred any amount to reserves during the year.

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE

FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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 of the Board.

9. AUDITORS**a. Statutory Auditor**

The Board of Directors of the Company appointed M/s Chokshi & Co, LLP (Firm Registration No. 131228W / W100044) to hold the office from the conclusion of this AGM till the conclusion of the Company's Annual General Meeting to be held in the year 2021, subject to the ratification of shareholder at each AGM.

b. 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, 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.

c. Internal Auditor

M/s Bajrang Paras & Co, Chartered Accountants, performs 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 7 (seven) times during the year under review. In addition to this, one meeting of Independent Director's was also held. 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 to the Companies Act, 2013, a meeting of Independent Directors was held without the attendance of non-independent directors and members of Management. In addition, the Company encourages regular separate meetings of its independent directors to update them on all business-related issues and new initiatives.

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, 2017, was Rs. 10 crores. There was no change in the Authorised or Paid-up Capital/Subscribed Capital during FY 2016-17.

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 Board of Directors 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 Board has, on the recommendation of the Nomination & Remuneration Committee approved a policy for selection and appointment of Directors, Senior Management and for determining their remuneration.

20. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Dharmendra Sharma & Associates, practicing Company Secretary for conducting secretarial audit of the Company for the financial year 2016-2017.

The Secretarial Audit Report is annexed herewith as Annexure II. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 149 of the Act, Ms. Aditi Nangalia was appointed as an Additional Director of the Company on Board on May 30, 2016, as Women Independent Director of the Company. She has also submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances, which may affect her status as independent director during the year.

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

Necessary resolutions for re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM and detail of the Director for re-appointment is mentioned in the Explanatory Statement to the Notice.

22. 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.

23. 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. The Company has not exceeded limit as approved by the shareholder in their Sixteenth AGM held on September 30, 2015.

24. 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 which is detrimental to the operation of the Company. Therefore, no such disclosure been annexed to this Report.

25. 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 ").

A certificate of compliance from Mr. Deepak Prakash Rane, Practicing Company Secretary and his report on Corporate Governance form part of this Annual Report.

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.

26. 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

a. 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.

b. Technology Absorption

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

c. Foreign exchange earnings and outgo

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

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Due to unavailability of sufficient profit, the Company could not contribute to the Corporate Social Responsibility activities.

28. 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 | 0.54 |

| Non-Executive Director | Ratio to median Remuneration |
|------------------------|------------------------------|
| Mr. Suresh Vishwasrao | - |
| Mr. Paresh Zaveri | - |
| Ms. Aditi Nangalia | - |

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;

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|---|--|
| Mr. Dhiren Kothary | - |
| Mr. Suresh Vishwasrao | - |
| Mr. Paresh Zaveri | - |
| Ms. Aditi Nangalia | - |
| Ms. Swati Trilokekar | - |

iii) The percentage increase in the median remuneration of employees in the financial year—Nil

iv) The number of permanent employees on the rolls of company

– 2 (Two)

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 is no increase in salary of employee during the year. 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. The statement containing particulars of employees as required Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to the Company, there are no employees drawing salary in excess of the limits prescribed under the said Act.

viii) The names of the top ten employees in terms of remuneration drawn

| Sr. No | Top Ten Employees |
|--------|----------------------|
| 1 | Ms. Swati Trilokekar |
| 2 | Mr. Dhiren Kothary |

ix) the name of every employeewas in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees or not less than eight lakh and fifty thousand rupees per month;

- None

29. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) 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 judgements 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 31,2017 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;
- e) 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;
- f) 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.

30. 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.

31. RISK MANAGEMENT

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy work towards identifying internal and external risks and implementing risk mitigation steps.

32. DISCLOSURES OF RATIO OF REMUNERATION TO EACH DIRECTOR

The disclosure on remuneration and other matters provided in Section 178(3) of the Act. The policy contains provisions relating to Directors' appointment and their remuneration, criteria for determining qualifications, positive attributes, independence of director, remuneration of Key Managerial Personnel, Senior Managerial Personnel and other employees.

33. 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 2017-18 to BSE has been paid and requisite taxes in respect of listing fees has been deposited to the statutory authority.

34. 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.

35. BOARD EVALUATION

The Board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

36. DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION,

PROHIBITION AND REDRESSAL), ACT, 2013

The disclosures required to be under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table: -

| | | |
|---|--|---|
| 1 | Number of complaints of sexual harassment received in the year | Nil |
| 2 | Number of complaints disposed off during the year | Not applicable |
| 3 | Number of cases pending for more than 90 days | Not applicable |
| 4 | Whether workshops or awareness programs against sexual harassment were carried out | Yes. Awareness program was done for all employees |
| 5 | Nature of action taken by the employer | Not applicable |

37. 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 Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

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 Kothari
Executive Director
(DIN-0009972)

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

Date: August 14, 2017
Place: Mumbai
Registered Office:
82, Mittal Court,
A Wing, Nariman Point,
Mumbai- 400 021

FORM NO.MGT-9**AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | |
|---|---|
| i. CIN | L72200MH2000PLC125359 |
| ii. Registration Date | March 27, 2000 |
| iii. Name of the Company | Quest Softech (India) Limited |
| iv. Category / Sub-Category of the Company | Company Limited By Shares /Indian Non-Government Company |
| v. Address of the Registered office and contact details | 82, Mittal Court, A Wing Nariman Point Mumbai-400 021 |
| vi. Whether listed company | Yes |
| vii. Name, Address and Contact details of Registrar and TransferAgent, if any | Registrar and Transfer Agent PurvaSharegistry (India) Pvt. Ltd. Unit no.1, Shiv Shakti Ind. Estt. J .R. ,Borichamarg, Opp. Kasturba Hospital Lane, Lower Parel (E). Mumbai 400 011, Tel : +91 22 2301 6761 / 8261 Fax : +91 22 2301 2517 Email :busicomp@vsnl.com Website:www.purvashare.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Software Development Services | 620 | 100 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| 1 | NA | NA | NA | NA | NA |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|------------------|-------------------|-------------------|---|------------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual/ HUF | 4,351,944 | - | 4,351,944 | 43.52 | 4,351,944 | - | 4,351,944 | 43.52 | - |
| (b) Central Govt. | - | - | - | - | - | - | - | - | - |
| (c) State Govt. | - | - | - | - | - | - | - | - | - |
| (d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| (e) Banks / FI | - | - | - | - | - | - | - | - | - |
| (f) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 4,351,944 | - | 4,351,944 | 43.52 | 4,351,944 | - | 4,351,944 | 43.52 | - |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| (b) Other – Individuals | - | - | - | - | - | - | - | - | - |
| (c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| (d) Banks / FI | - | - | - | - | - | - | - | - | - |
| (e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(1)+(A)(2) | 4,351,944 | - | 4,351,944 | 43.52 | - | 4,351,944 | 4,351,944 | 43.52 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| (a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| (b) Banks / FI | 13,926 | - | 13,926 | 0.14 | 13,926 | - | 13,926 | 0.14 | - |
| (c) Central Govt | - | - | - | - | - | - | - | - | - |
| (d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| (e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| (g) FIs | - | - | - | - | - | - | - | - | - |
| (h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | 13,926 | - | 13,926 | 0.14 | 13,926 | - | 13,926 | 0.14 | - |
| 2. Non- Institutions | | | | | | | | | |
| (a) Bodies Corp. | 169,571 | 29,250 | 198,821 | 1.99 | 129,152 | 29,250 | 1,58,402 | 1.58 | (0.41) |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs. | 1,926,626 | 400,357 | 2,326,983 | 23.26 | 18,62,947 | 383,457 | 22,46,404 | 22.46 | (0.8) |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakhs | 9,92,843 | 20,23,013 | 30,15,856 | 30.15 | 10,85,435 | 20,36,863 | 31,22,298 | 31.22 | 1.07 |
| c) Others (specify) | 258,591 | 32,700 | 291,291 | 2.91 | 1,03,576 | 3,450 | 1,07,026 | 1.07 | (1.84) |
| Sub-total (B)(2):- | 31,78,060 | 24,56,070 | 5,634,130 | 56.34 | 3,181,110 | 2,453,020 | 5,634,130 | 56.34 | - |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 31,91,986 | 24,56,070 | 5,648,056 | 56.48 | 31,95,036 | 2,453,020 | 5,648,056 | 56.48 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 75,43,930 | 24,56,070 | 10,000,000 | 100.00 | 75,46,980 | 2,453,020 | 10,000,000 | 100 | - |

(ii) Shareholding of Promoters

| SI No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|--------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Nita Kothary | 1,901,500 | 19.02 | - | 1,901,500 | 19.02 | - | - |
| 2 | Dhiren Kothary | 2,450,444 | 24.50 | - | 2,450,444 | 24.50 | - | - |
| | Total | 4,351,944 | 43.52 | - | 4,351,944 | 43.52 | - | - |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SI No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | Nita Kothary | | | | |
| | At the beginning of the year | 1,901,500 | - | 1,901,500 | 19.02 |
| | -Increase/Decrease during the year | - | 19.02 | 1,901,500 | - |
| | At the end of the year | 1,901,500 | 19.02 | - | 19.02 |
| 2 | Dhiren Kothary | | | | |
| | At the beginning of the year | 2,450,444 | - | 2,450,444 | 24.50 |
| | -Increase/Decrease during the year | - | 24.50 | 2,450,444 | - |
| | At the end of the year | 2,450,444 | 24.50 | - | 24.50 |
| | Total | 4,351,944 | 43.52 | 4,351,944 | 43.52 |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| SI No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | Amit Sheth | | | | |
| | At the beginning of the year | 1310169 | 13.10 | 1310169 | 13.10 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 1310169 | 13.10 | 13.10 | 13.10 |

| | | | | | |
|----|---|--------|------|--------|------|
| 2 | Nimesh N. Shah | | | | |
| | At the beginning of the year | 399488 | - | 399488 | 3.99 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 399488 | - | 399488 | 3.99 |
| 3 | Nikita N. Shah | | | | |
| | At the beginning of the year | 397125 | - | 397125 | 3.97 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 397125 | - | 397125 | 3.97 |
| 4 | Sonal K.Koradia | | | | |
| | At the beginning of the year | 170964 | - | 170964 | 1.71 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 170964 | - | 170964 | 1.71 |
| 5 | Bhavesh R. Koradia | | | | |
| | At the beginning of the year | 138200 | - | 138200 | 1.38 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 138200 | - | 138200 | 1.38 |
| 6 | Sonal K.Koradia | | | | |
| | At the beginning of the year | 138200 | - | 138200 | 1.38 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | | | | |
| 7 | Action Financial Services (India) Limited | | | | |
| | At the beginning of the year | 85000 | 0.85 | 85000 | 0.85 |
| | -Increase/Decrease during the year | - | - | 791 | |
| | At the end of the year | 85000 | 0.85 | 85791 | 0.86 |
| 8 | Sunil J.Sachade | | | | |
| | At the beginning of the year | 75000 | 0.75 | 75000 | 0.75 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 75000 | 0.75 | 75000 | 0.75 |
| 9 | M. S Srinivas | | | | |
| | At the beginning of the year | 57768 | 0.57 | 57768 | 0.57 |
| | -Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 57768 | 0.57 | 57768 | 0.57 |
| 10 | Subramaniam P | | | | |
| | At the beginning of the year | - | - | - | - |
| | -Increase/Decrease during the year | 57210 | 0.57 | 57210 | 0.57 |
| | At the end of the year | 57210 | 0.57 | 57210 | 0.57 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl No. | For Each of the Directors and Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 1 | Dhiren Kothary | 2,450,444 | 24.50 | 2,450,444 | 24.50 |
| 2 | Suresh Vishwasrao | 100 | 0.00 | 100 | 0.00 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. In lakhs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|-------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0.00 | 18.64 | 0.00 | 18.64 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (i+ii+iii) | 0.00 | 18.64 | 0.00 | 18.64 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 0.00 | 01.00 | 0.00 | 01.00 |
| • Reduction | 0.00 | 15.00 | 0.00 | 15.00 |
| Net Change | 0.00 | (14.00) | 0.00 | (14.00) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 0.00 | 04.64 | 0.00 | 04.64 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 0.00 | 04.64 | 0.00 | 04.64 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| Sl No. | Particulars of Remuneration | Name of Executive Director | Total Amount |
|--------|---|----------------------------|--------------|
| | | Dhiren Kothary | |
| 1. | Gross salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,20,000 | 1,20,000 |

| | | |
|--|-----------------|------------------|
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0.00 | 0.00 |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0.00 | 0.00 |
| 2. Stock Option | 0.00 | 0.00 |
| 3. Sweat Equity | 0.00 | 0.00 |
| 4. Commission | 0.00 | 0.00 |
| - as % of profit | | |
| - others, specify... | | |
| Total (A) | 1,20,000 | 1,20,000 |
| Ceiling as per the Act | | 30,00,000 |

B. Remuneration to other directors:

| SI No. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|--------|--|--|--------------------------------------|---------------------------------------|------------------|
| | | Suresh Vishawasrao (Non-Executive Director)- | Paresh Zaveri (Independent Director) | Aditi Nangalia (Independent Director) | |
| | | | | | --- |
| 3. | Independent Directors | | | | |
| | • Fee for attending board committee meetings | 0.00 | 0.00 | 0.00 | 0.00 |
| | • Commission | 0.00 | 0.00 | 0.00 | 0.00 |
| | • Others, please specify | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total (1) | 0.00 | 0.00 | 0.00 | 0.00 |
| 4. | Other Non-Executive Directors | | | | |
| | • Fee for attending board committee meetings | 0.00 | 0.00 | 0.00 | 0.00 |
| | • Commission | 0.00 | 0.00 | 0.00 | 0.00 |
| | • Others, please specify | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total (2) | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total (B) = (1+2) | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total Managerial Remuneration | 1,20,000 | 0.00 | 0.00 | 0.00 |
| | Overall Ceiling as per the Act | | | | 30,00,000 |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

| SI No. | Particulars of Remuneration | Key Managerial Personnel | | |
|--------|---|--------------------------|-------------------|-------------|
| | | | Company Secretary | Total |
| 1. | Grosssalary | | | |
| | (a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961 | 0.00 | 3,52,193 | 0.00 |
| | (b) Value of per quisitesu/s17(2) Income-tax Act,1961 | 0.00 | 0.00 | 0.00 |
| | (c) Profits in lieu of salary under section17(3) Income-tax Act,1961 | 0.00 | 0.00 | 0.00 |
| 2. | Stock Option | 0.00 | 0.00 | 0.00 |
| 3. | Sweat Equity | 0.00 | 0.00 | 0.00 |
| 4. | Commission | 0.00 | 0.00 | 0.00 |
| | - as % of profit | | | |
| | - others, specify... | | | |
| 5. | Others, please specify | 0.00 | 0.00 | 0.00 |
| | Total | 0.00 | 3,52,193 | 0.00 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Sd/-
Dhiren Kothari
Executive Director
(DIN-00009972)

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

Date: August 14, 2017
Place: Mumbai

Registered Office:
82, Mittal Court,
A Wing, Nariman Point,
Mumbai- 400 021

Annexure II to the Directors' Report

Secretarial Audit Report
(For the period 01/04/2016 to 31/03/2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Form MR-3

To,

THE BOARD OF DIRECTORS

QUEST SOFTECH (INDIA) LIMITED

82, MITTAL COURT, A - WING, 8TH FLOOR,

NARIMAN POINT, MUMBAI - 400021

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s QUEST SOFTECH (INDIA) LIMITED** (here in after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made here in after:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s QUEST SOFTECH (INDIA) LIMITED** for the period ended on 31st March, 2017 according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the

Regulations and Bye-laws framed there under;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - g. The Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

entered into with BSE Limited;

- h. The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc mentioned above.

2. I further report that the Company has, in my opinion, complied with the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) The 17th Annual General Meeting held on 30th September, 2016;
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors

and the government authorities, wherever required;

- j) constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) Appointment and remuneration of Auditors and Cost Auditors;
- m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) Declaration and payment of dividends- (no dividend declared during the financial year)
- o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
- p) Borrowings and registration, modification and satisfaction of charges – not applicable;
- q) Investment of the Company's funds including investments and loans to others;
- r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s) Directors' report;
- t) Contracts, registered office and publication of name of the Company; and
- Arbitration & Conciliation Act, 1996
 - Bombay Labour Welfare Fund Act, 1953

- Companies Act, 2013
- Company Secretaries Act, 1980
- Contract Act, 1872
- Foreign Exchange Management Act, 1999
- Industrial Disputes Act, 1947
- Information Technology Act, 2000
- Maternity Benefit Act, 1961
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Prevention of Money-Laundering Act, 2002
- Stamp Act, 1899
- Trade Marks Act, 1999
- Weekly Holidays Act, 1942
- Shops & establishment Act, 1952
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Negotiable Instrument Act, 1881
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013
- The Apprentices Act, 1961
- The Equal Remuneration Act, 1976
- The General Clauses Act, 1897
- Indian Easement Act, 1882
- The Maharashtra Rent Control Act, 1999
- Transfer of Property Act 1882
- Income Tax
- Service Tax
- And other applicable law.

3. I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors.. As per Section 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company or public Company having paid up share capital of Rs. 10Crore or more shall be required to appoint KMP. Accordingly, Company is required to appoint:-

1. MD or CEO and in their absence a WTD
2. Company Secretary and
3. CFO

However as per the records available on MCA Portal, the company only constitute Company Secretary during the financial year 2016-17 and has not complied with appointment of Chief Financial Officer (KMP).

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; and

There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the Securities Contracts

(Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
7. **I further report that:**
 - a. The Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited;
 - b. The Company has complied with the provisions of the Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with

Regard to disclosures and maintenance of records required under the said

Regulations;

- c. The Company has complied with the provisions of the Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For DHARMENDRA SHARMA &
ASSOCIATES
(COMPANY SECRETARIES)**

**CS DHARMENDRA SHARMA
C P NO. 12973
M. No. 29317**

Date: August 10, 2017

Place: Delhi

REPORT ON CORPORATE GOVERNANCE

Pursuant regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, the compliances of Corporate Governance are not applicable to the Company and despite of non-applicability the Company is in constant compliance with regards to corporate governance.

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 prerequisite for any corporation to effective function in the globalised market scenario.

a) **Composition of Board:**

| Name of Director | Category | Number of board meetings during the year 2016-17 | | Whether attended last AGM held on September 30, 2016 | Number of directorships 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 | 7 | 7 | Yes | - | - | - | - |
| Mr. Suresh Vishwasrao (DIN-00837235) | Non-Executive Director | 7 | 7 | Yes | 1 | 2 | - | 3 |
| Mr. Paresh Zaveri (DIN-01240552) | Non-Executive, Independent Director | 7 | 1 | No | 1 | 1 | - | 2 |
| Ms. Aditi Nangalia (DIN-07525037) | Non-Executive, Independent Director | 7 | 7 | Yes | - | - | - | - |

- i. Mr. Paresh Zaveri and Ms. Aditi Nangalia, Non-Executive Independent directors of the Company, have the appropriate professional qualifications, accounting and related financial management expertise.
- ii. Seven(7) Board Meetings were held during the financial year ended 31st

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) 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 nominating candidates for election by the Shareholders at the Annual General Meeting.

Quest Softech's Board consists of an optimal combination of Executive Directors and Non-Executive Directors. Fifty per cent 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.

- iii. The Board meetings were held on 09/05/2016, 30/05/2016, 07/07/2016, 13/08/2016, 14/11/2016, 11/02/2017
- iv. Ms. Kalpana Sah, Director resigned on May 30, 2016.

- v. 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 (LODR), 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 Company Secretary is the Secretary of all the aforementioned Committees. All the committees have been reconstituted and renamed as per the Companies Act 2013 and SEBI (LODR). 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. Four (4) Audit Committee Meetings were held during the year on FY 2016-17 on May 30, 2016, August 13, 2016, November 14, 2016, and February 11, 2017. 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:

Audit Committee Meeting and its Attendance

| Name of Director | Category | Number of meetings during the financial year 2016-17 | |
|-------------------------------|-------------------------------------|--|----------|
| | | Held | Attended |
| Ms. Aditi Nangalia (Chairman) | Independent, Non-Executive Director | 3 | 3 |
| Mr. Paresh Zaveri | Independent, Non-Executive Director | 4 | 1 |
| Mr. Suresh Vishwasrao | Non-Executive Director | 4 | 4 |
| Ms. Kalpana Sah | Independent, Non-Executive Director | 1 | 1 |

The Committee were re-constituted on August 14, 2016 due resignation of Ms. Kalpana Sah and appointment of Ms. Aditi Nangalia, the composition of the Audit Committee is in conformity with the SEBI (LODR) (erstwhile Listing Agreement).

b) Terms of Reference:

The Constitution of the audit committee also meets the requirements under section 117 of the Companies Act, 2013. The terms of reference and power of the audit committee are in line with those contained under (SEBI LODR).

The Remuneration Committee comprised of three (3) Non-Executive Directors. Two (2) meetings of Nomination and Remuneration Committee was held in the FY 2016-17 on August 14, 2016 and July 07, 2016. 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 (LODR).

(ii) Nomination and Remuneration Committee

a) Composition of Nomination and Remuneration Committee

| Name of Director | Category | Number of meetings during the financial year 2016-17 | |
|-------------------------------|-------------------------------------|--|----------|
| | | Held | Attended |
| Ms. Aditi Nangalia (Chairman) | Independent, Non-Executive Director | 2 | 2 |
| Mr. Paresh Zaveri | Independent, Non-Executive Director | 2 | 2 |
| Mr. Suresh Vishwasrao | Non-Executive Director | 2 | 2 |

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 approved by the shareholder in the AGM held on September 30, 2015, within the ceiling as per schedule V of the Companies Act, 2013 as computed under the said Act.

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

i. 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 | NIL | NIL |
| Ms. Aditi Nangalia | NIL | NIL |

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. Two (2) meeting of Nomination and Remuneration Committee was held in the FY 2016-17. The Company Secretary of the Company act as a Compliance officer of this committee .

The composition of the Stakeholders Relationship Committee is in conformity with SEBI (LODR).

| Name of Director | Category | Number of meetings during the financial year 2016-17 | |
|-------------------------------|-------------------------------------|--|----------|
| | | Held | Attended |
| Ms. Aditi Nangalia (Chairman) | Independent, Non-Executive Director | 2 | 2 |
| Mr. Paresh Zaveri | Independent, Non-Executive Director | 2 | 2 |
| Mr. Suresh Vishwasrao | Non-Executive Director | 2 | 2 |

ii. 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 Share registry (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 investor 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 Share registry (India) Private Limited

9, Shiv Shakti Industrial Estate

J.R. Boricha Marg, Lower Parel (E)

Mumbai – 400011

Email ID: busicompany@gmail.com

Website: www.purvashare.com

Tel : 91-22-2301 6761 / 8261

Fax: 91-22-2301 2517

iii. Complaints received and redressed during the year FY 2016-17:

| Nature of Complaints | No. of Complaints received | 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. WOMAN DIRECTOR

Pursuant to section 139 of the Companies Act, 2013 and SEBI (LODR), the Company has appointed Ms. Aditi Nangalia as a Woman Independent Director.

5. SUBSIDIARY COMPANY

The Company does not have any subsidiary company at present. Therefore, provisions of Clause 49(v) of the Listing Agreement and Regulation 24 of SEBI (LODR) do not apply to the Company.

6. REMUNERATION POLICY

During the year 2016-17, 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.

7. 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 2016-17.

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.

8. CEO/ CFO CERTIFICATION

In terms with schedule v (d) of SEBI (LODR), 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.

9. 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).

10. RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practising 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, press releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

(ii) **Newspapers wherein 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.questsofttech.co.in. This website contains the basic information about the Company, e.g., details of its business, code of conduct, financial information, shareholding pattern, compliance

with corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances and such other details as may be required under regulation 46 of SEBI (LODR). The Company ensures that the contents of this website are periodically updated. In addition, the Company makes use of this website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

The Company has designated the following e-mail IDs, viz., qsil@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**

The Company has appointed Ms. Swati Trilokekar, member of Institute of Company Secretaries of India (ICSI) as Company Secretary & Compliance Officer of the Company.

14. **PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE:**

As stipulated in schedule V of SEBI (LODR), A certificate regarding Compliance of conditions of corporate governance is annexed to the Directors' Report.

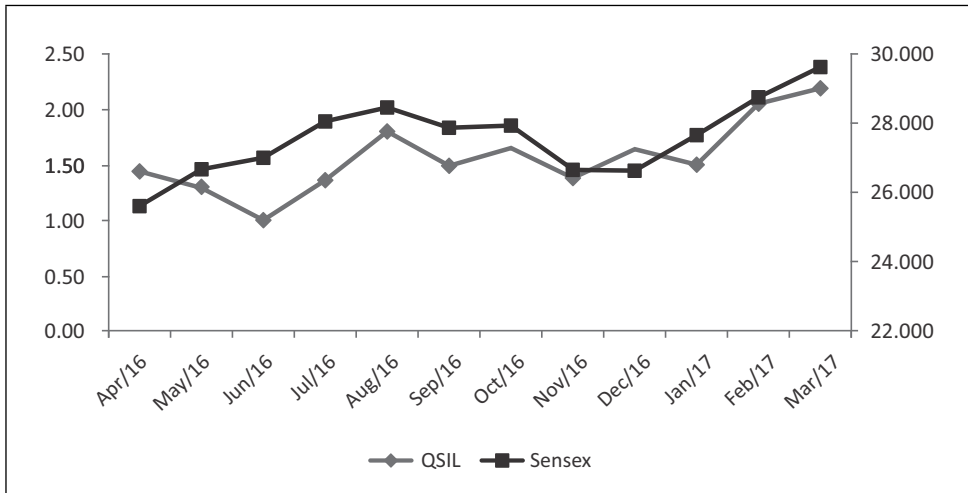
15. **MARKET PRICE DATA:**

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-16 | 1.95 | 1.95 | 1.44 | 1.44 |
| May-16 | 1.37 | 1.5 | 1.24 | 1.3 |
| Jun-16 | 1.24 | 1.24 | 0.91 | 1 |

| | | | | |
|--------|------|------|------|------|
| Jul-16 | 0.95 | 1.36 | 0.95 | 1.36 |
| Aug-16 | 1.42 | 1.81 | 1.42 | 1.8 |
| Sep-16 | 1.81 | 1.81 | 1.42 | 1.49 |
| Oct-16 | 1.56 | 1.73 | 1.5 | 1.65 |
| Nov-16 | 1.6 | 1.6 | 1.38 | 1.38 |
| Dec-16 | 1.32 | 1.64 | 1.32 | 1.64 |
| Jan-17 | 1.56 | 1.63 | 1.48 | 1.5 |
| Feb-17 | 1.57 | 2.05 | 1.49 | 2.05 |
| Mar-17 | 2.15 | 2.3 | 2.15 | 2.19 |

16. (A) PERFORMANCE IN COMPARISON TO BSE SENSEX



(B) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017:

| Range (in Rs) | Number of Shareholders | % of Shareholder | Amount in Rs. | % of Paid up Capital |
|--------------------|------------------------|------------------|---------------------|----------------------|
| 0001- 5000 | 4898 | 85.18 | 90,53,810 | 9.05 |
| 5001-10,000 | 408 | 7.10 | 33,45,520 | 3.35 |
| 10,001- 20,000 | 192 | 3.34 | 28,61,540 | 2.86 |
| 20,001- 30,000 | 103 | 1.79 | 26,14,180 | 2.61 |
| 30,001- 40,000 | 32 | 0.56 | 11,02,430 | 1.10 |
| 40,001- 50,000 | 40 | 0.70 | 18,73,980 | 1.87 |
| 50,001- 1,00,000 | 44 | 0.77 | 30,56,250 | 3.06 |
| 1,00,000-and above | 33 | 0.57 | 7,60,92,290 | 76.09 |
| Total | 5750 | 100.00 | 1,00,000,000 | 100.00 |

(C) SHAREHOLDING PATTERN AS ON 31ST MARCH 2017

| Category | No. of shares held | Percentage to shareholding (%) |
|--------------------------------------|--------------------|--------------------------------|
| Foreign Companies | - | - |
| Non-Resident | 5,571 | 0.06 |
| Foreign Financial Institution | - | - |
| Financial Institutions | - | - |
| Mutual Fund | - | - |
| Promoters | 43,51,944 | 43.52 |
| Director Relative(s) | - | - |
| Resident Individual | 53,68,702 | 53.69 |
| Nationalized Bank | 13,926 | 0.14 |
| Other Bodies corporate | 1,58,402 | 1.58 |
| HUF | 83,277 | 0.83 |
| Employee/ Subscriber to Memorandum | 200 | 0.00 |
| Clearing Members | 17,978 | 0.18 |
| Others (shares underlying under GDR) | - | - |
| Total | 1,00,00,000 | 100 |

(D) SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM

As on March 31, 2017, 75.45 percent of the Company's shares were held in dematerialized form and the remaining 24.55 percent in physical form. The break up is listed below:

| Shares in Form | No. of shares | % held |
|----------------|--------------------|------------|
| N.S.D.L | 67,52,936 | 67.52 |
| C.D.S.L | 7,93,094 | 7.93 |
| Physical | 24,53,970 | 24.53 |
| Total | 1,00,00,000 | 100 |

17. 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.

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, 2017. The Annual Report of the Company contains a Certificate by the Executive Director in terms of Schedule V of SEBI (LODR) based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

21. **GENERAL BODY MEETINGS**

1. **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 |
|----------------|--|------------------------------------|--|
| 2013-14 | 27, Maker Bhavan II, 2nd Floor, 18, New Marine Lines, Mumbai- 400020 | 30th September, 2014 11.00 a.m. | No Special Resolution passed |
| 2014-15 | Chandreshwar Hall, 71/73, Opera House, Jagannath Shankar Seth Rd, Girgaon, Mumbai, Maharashtra 400004 | September 30, 2015 10.00 am | <ul style="list-style-type: none"> ➤ To make investments, give loans, guarantees and provide securities beyond the prescribed limits ➤ To approve borrowing limits of the company ➤ Approval for related party transaction. ➤ Ratification of loans and advances given to body corporate ➤ To approve creation of charges and sale, lease or otherwise disposal of assets |
| 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 |

All the Resolutions were passed with requisite majority.

2. **Extraordinary general meeting**

No extraordinary general meeting of the members was held during the year 2016-17.

3. **Postal Ballot**

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

22. SHAREHOLDER**1. GENERAL SHAREHOLDER INFORMATION**

| | |
|--|---|
| Date, Time and Venue of AGM | 29th September, 2017 at 11.00 am 82, Mittal Court, A Wing, Nariman Point, Mumbai- 400 004 |
| Financial Year | April 1, 2016- March 31, 2017 |
| Dates of Book Closure | September 23, 2017 to September 29, 2017(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 Number (ISIN) | INE989J01017 |

2. BOOK CLOSURE DATES

September 23, 2017 to September 29, 2017 (both days inclusive)

3. ADDRESS FOR CORRESPONDANCE:

Ms. Swati Trilokekar
Company Secretary & Compliance Officer
Quest Softech (India) Limited
Regd. Office: 82, Mittal
Court, A-Wing, 8th Floor, Nariman Point,
Mumbai- 400 021
Email: qsil@questprofin.co.in
Tel: +91 022 6179 8009
Fax: +91 022 6179 8045

For and on behalf of the Board of Directors

**Sd/-
Dhiren Kothari
Executive Director
(DIN-00009972)**

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

Date: August 14, 2017

Place: Mumbai

Registered Office:
82, Mittal Court,
A Wing, Nariman Point,
Mumbai- 400 021

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Executive Director. These Codes are available on the Company's website.

In accordance with SEBI (LODR), 2015, to the best of my knowledge and belief and on the basis of declaration given to me, I hereby affirm that all the Directors and the senior Managements personal have affirmed compliance with the code of conduct as laid down by the company as applicable to them for the financial year ended on March 31, 2017.

Sd/-

Dhiren Kothary
Executive Director
(DIN-00009972)

Date: August 14, 2017

Place: Mumbai

**CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON COMPLIANCE WITH THE
CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LODR), 2015**

To
The Members,
Quest Softech (India) Limited

We have examined the compliance of conditions of Corporate Governance by **Quest Softech (India) Limited** for the year ended March 31, 2017, as stipulated in Schedule V of SEBI (LODR).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in schedule V of SEBI (LODR). It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, on the basis of our review and according to the information and explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Deepak Rane
Practicing Company Secretary
A.C.S No 24110 & C.P No: 8717

Date: August 14, 2017

Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management of Quest Softech (India) Limited presents the analysis of the performance of the Company for the year 2016-17 and its outlook for the future. This outlook is based on an assessment of the current business environment. It may vary due to future economy and other developments both in India and Abroad.

INDUSTRY OUTLOOK, STRUCTURE, DEVELOPMENTS AND OPPORTUNITIES

Global economic growth was 3.1% in 2016 and is projected to reach 3.4% and 3.6% in 2017 and 2018, respectively. This reflects a more lackluster outturn in 2016 with a gradual pickup in the next two years. The pick up in growth may be attributed to accelerating economic activity in both advanced economies and emerging markets and developing economies.

US grew at 2.6% in 2016 and is expected to grow at 2.3% and 2.5% in 2017 and 2018, respectively. Overall economic activity rebounded strongly in the United States after the weak first half of 2016 with the labor market approaching full employment. However, the forecast is lower and uncertain in light of potential changes in the policy stance of the United States under the incoming administration.

The Euro area grew at 1.7% in 2016 as compared to 2.0% in 2015. It is expected to grow at 1.6% in 2017 as well as in 2018.

China decelerated to 6.7% in 2016 from 6.9% in 2015. It is expected to further slowdown in 2017 and 2018 with the estimated growth rate of 6.5% and 6.0% respectively.

India grew at 6.6% in 2016 as compared to 7.6% in 2015. It is expected to grow at 7.2% and 7.7% in 2017 and 2018. With these numbers, India will continue to remain one of fastest growing economy compared to other developed and emerging economies.

Global technology industry saw fairly modest, yet commendable growth of about 4%, after a couple of years of remaining flat. Global sourcing market growth continues to outperform IT-BPM spend growth. In 2016, global sourcing grew 1.7 times to reach USD 173-178 billion. India continued as the world's No.1 sourcing destination with a healthy and significant share of 55%.

In FY 2017, India had IT-BPM revenue touching USD 154 billion, up from USD 143 billion in FY2016 and showing a growth of 8%. Exports reached USD 117 billion, a 7.6% growth over the previous year and an addition of USD 8.2 billion. In FY2017, India's domestic IT-BPM market grew at 8.5% Y-o-Y to reach USD 38 billion (excl. e-commerce). By 2020, India's IT-BPM sector total revenue is projected to reach USD 200-225 billion and between USD 350-400 billion by 2025. Digital technologies will continue to define the sector and revenue from these is likely to have a 23% share by 2020 and more than 38% by 2025.

Worldwide, 2016 has been an year of continuous disruption in terms of technology (IOT, AI etc.), political changes (Brexit, US Elections) along with the decline in GDPs of key markets (US, UK etc.). While implications of political changes are still not very clear, technology implications are already everywhere. India's IT-BPM industry is feeling the impact of the global slowdown and global political uncertainties as clients go slow on their decision-making and investment processes. However, India continues to be the world's top outsourcing destination due to its unique value proposition which rests on the following five strategic pillars:

- Digitally connected domestic economy
- Maturity in onshore, offshore and nearshore global delivery model
- Highest volume of diverse, employable talent
- World's fastest growing digital hub
- Digital at the core of innovation

Indian service providers face a significant opportunity as digital technologies continue to be embedded in an ever widening range of products and services. The market is well set to reach USD 200-225 billion by 2020 and USD 350-400 billion by 2025. At the same time, challenges around economic volatility, protectionism, competition and inertia will need to be addressed by the concerned stakeholders.

Source: IMF WEO Jan 17 update, NASSCOM IT-BPM Strategic Review 2016

THREATS, RISKS & CONCERNS

Uncertain Economic Environment - Economic uncertainties in leading economies like the United States (US) and Europe can impact demand for IT services.

Pricing Pressures - In a highly competitive environment, we may face margin pressures. Such pressures may be due to customers having tough expectations on pricing or due to tactical movements on the part of our competitors to gain market share.

Operations Risk - Operations risk refers to risks integral to business operations. Operations risk includes fraud, security breaches, business continuity, quality and similar risks which may impact the reputation and business performance of Quest Softech.

Terror Attacks - Government assessments indicate that the software industry could be a potential target for a terrorist attack. Given the international repute of the Indian IT industry, its key role in the national economy and its man power intensive nature, there is an ever present risk that terrorists may target IT companies.

Legal, Compliance, and Regulatory Risks - Adherence to laws, regulations and local statutes across the globe is a challenge to any IT company today. Failure to comply with legal or regulatory requirements could impact the Company's reputation and financial position.

OUTLOOK

The outlook for the company remains largely similar to Financial Year 2016-17 as we do not anticipate any large changes to our demand environment. We are focusing on refining our service offerings every year and on making the requisite investments that will enable us to continue our growth journey.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of Internal Controls. The system is designed to adequately ensure that financial and other records are reliable for preparing financial statements and for maintaining accountability of assets. The Company also carries out regular internal audits through an external agency to test the design, operations, adequacy and effectiveness of its

internal control processes and also to suggest improvement and upgrades to the management.

FINANCIAL PERFORMANCE

The financial statements of your Company are prepared in compliance with the Companies Act, 2013. Further, the Company also adopted the Schedule II of the Companies Act, 2013 pertaining to the new depreciation rates and useful life of the assets. The Board has discussed the performance of the Company in its Board's Report.

SEGMENT WISE PERFORMANCE

The Company is engaged in the business of providing Software and Hardware related consultancy services. Accordingly, there are no separate reportable segments, the performance of company in the said segment for the financial year 2016-17 is briefly mentioned in the Directors report part of this Annual report.

HUMAN RESOURCES

Your Company maintained the momentum during the year implementing Human Resource practices for effective staffing, retention, training and staff development facilitating delivery excellence for our customers.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements'; within the meaning of applicable securities laws and regulations. Actual results could defer materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, changes in Government regulations, tax laws and other factors such as litigation and labour relations.

Readers are advised to exercise their own judgment in assessing risks associated with the Company, inter-alia, in view of discussion on risk factors herein and disclosures in regulatory filings, as applicable.

For and on behalf of the Board of Directors

Sd/-
Dhiren Kothari
Executive Director
(DIN-00009972)

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

Date: August 14, 2017
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To The Members of QUEST SOFTECH (INDIA) LIMITED

1. Report on the Financial Statements:

We have audited the accompanying financial statements of **QUEST SOFTECH (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounting Standards) Amendment Rules, 2016 and Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act, to the extent notified and applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Company's management is responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the size of Company and essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

3. Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing referred under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements and whether adequate internal financial controls over financial reporting as established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts,

the disclosures in the financial statements and adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting and the financial statements.

4. Meaning of Internal Financial Controls over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

5. Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the period ended on that date.

7. Emphasis of Matter:

We draw attention to note 27 in the Notes to Accounts regarding write-back of certain amounts payable since more than 3 years. The Management explanation in this regard has been relied upon by us. Our opinion is not qualified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements:

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central

Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 of the Order, to the extent applicable.

II. As required by section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet and Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. In our opinion considering nature of business, size of operation and organisational structure of the entity the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c. There Company is not required to transfer funds to the Investor Education and Protection Fund.
- d. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these disclosures are in accordance with books of account maintained by the Company. Refer Note no. 30 to the financial statements.

**For Chokshi and Co. LLP
Chartered Accountants
FRN – 131228W/W10004**

**Kalpen Chokshi
Partner
M.No.135047**

**Place : Mumbai
Date : 30/05/2017**

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 8 (I) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management as per the program of verification followed by the Company. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The Company does not hold any immoveable properties in its name. Hence, clause 3(i)(c) of the Order is not applicable to the Company.
- (ii) As the Company does not have inventories, the clause 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, clause 3(iii)(a) to 3(iii)(c) are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees and security covered by the provisions of Section 185 and 186 of the Act.
- (v) The Company has not accepted any public deposits within the meaning of Sections 73 to 76 of the Act and rules framed there-under. We are informed that no order has been passed by the Company Law Board or Reserve Bank of India or any Court or any other Tribunal.
- (vi) According to the information and explanations given to us, the Company has not undertaken manufacturing activity during the current year. Hence, the clause 3(vi) of the Order regarding maintenance of cost records under Section 148(1) of the Act is not applicable to the Company for the current year.
- (vii) a) In our opinion and according to the information and explanations given to us, the Company has generally been regular in depositing applicable undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year.
- b) According to the records of the Company and representation made available to us by the Company, there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) In our opinion, and according to the information and explanations given to us, the Company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the provision of clause 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised any fund by way of public issue or from term loan.
- (x) During the course of our examination of the books of account, carried out in accordance with the generally accepted auditing standards in India, and according to the information and explanation given to us, we have not come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, either noticed or reported during the year, on or by the Company.
- (xi) As per the Information and explanation given to us no managerial remuneration paid hence the clause (xi) of the Order regarding managerial remuneration is not applicable.

- (xii) The Company is not in the nature of a Nidhi Company as defined under Section 406 of the Act.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Chokshi and Co. LLP
Chartered Accountants
FRN - 131228W/W100044

Kalpen Chokshi
Partner
M.No.135047

Place: Mumbai
Date: 30/05/2017

QUEST SOFTECH (INDIA) LIMITED
Corporate Identity Number : L72200MH2000PLC125359
BALANCE SHEET AS AT March 31, 2017

| Sr. No. | Particulars | NOTE NO. | As at | As at |
|------------|---|----------|-------------------|-------------------|
| | | | 31.03.2017 | 31.03.2016 |
| | | | Amount in Rs. | Amount in Rs. |
| I. | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| (a) | Share capital | 2 | 100,000,000 | 100,000,000 |
| (b) | Reserves and surplus | 3 | (48,820,162) | (54,309,999) |
| 2 | Share application money pending allotment | | - | - |
| 3 | Non current liabilities | | | |
| (a) | Long Term Borrowings | 4 | 464,060 | 1,864,060 |
| (b) | Other Long Term Liabilities | 5 | - | 5,303,368 |
| 4 | Current liabilities | | | |
| (a) | Trade payables | 6 | 172,940 | 151,441 |
| (c) | Other current liabilities | 7 | 94,848 | 3,233,719 |
| | Total | | 51,911,686 | 56,242,589 |
| II. | ASSETS | | | |
| 1 | Non current assets | | | |
| (a) | Fixed assets | | | |
| | (i) Tangible assets | | - | - |
| | (ii) Intangible Assets | 8 | - | 3,088,419 |
| (b) | Non current investments | 9 | 224,639 | 224,639 |
| (c) | Deferred tax assets(net) | 10 | 91,254 | (802,214) |
| (d) | Long Term Loans and Advances | 11 | 45,415,017 | 52,367,734 |
| 2 | Current assets | | | |
| (a) | Trade Receivables | 12 | 1,186,500 | - |
| (b) | Cash and cash equivalents | 13 | 4,989,276 | 1,111,395 |
| (c) | Other current assets | 14 | 5,000 | 252,616 |
| | Total | | 51,911,686 | 56,242,589 |
| | Notes to financial statements and Significant Accounting policies | 1 to 18 | | |

As per our report of even date

For Chokshi and Co. LLP

Chartered Accountants

Firm registration No. 131228W/W100044

Sd/-

Kalpen Chokshi

Partner

Membership No.: 135047

For Quest Softech (India) Limited

Sd/-

Dhiren Kothary
Executive Director
(DIN-00009972)

Sd/-

Suresh Vishwasrao
Non Executive Director
(DIN - 00837235)

Sd/-

Swati Trilokekar
Company Secretary

Place : Mumbai
Date : 30/05/2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR MARCH 31, 2017

| Sr. No. | Particulars | NOTE NO. | For the year ended 31.03.2017 | For the year ended 31.03.2016 |
|-------------|--|----------|-------------------------------|-------------------------------|
| | | | Amount in Rs. | Amount in Rs. |
| I. | Revenue from operations | 15 | 1,050,000 | 950,000 |
| II. | Other income | 16 | 8,455,581 | 1,196 |
| III. | Total Revenue (I +II) | | 9,505,581 | 951,196 |
| IV. | Expenses: | | | |
| | Employee benefits expense | 17 | 472,193 | 908,943 |
| | Depreciation and amortization expense | 8 | 3,088,419 | 3,088,418 |
| | Other Expenses | 18 | 1,348,600 | 602,792 |
| | Total Expenses | | 4,909,212 | 4,600,153 |
| V. | Profit/(Loss) before exceptional and extraordinary items and tax (III - IV) | | 4,596,369 | (3,648,957) |
| VI. | Exceptional items | | - | - |
| VII. | Profit/(Loss) before extraordinary items and tax (V - VI) | | 4,596,369 | (3,648,957) |
| VIII. | Extraordinary Items | | - | - |
| IX. | Profit/(Loss) before tax (VII_VIII) | | 4,596,369 | (3,648,957) |
| X. | Tax expense: | | | |
| | Current tax | | - | - |
| | Deferred tax | | 893,468 | (775,734) |
| | Earlier Year Tax | | - | - |
| XI. | Profit/(Loss) for the year | | 5,489,837 | (2,873,223) |
| | Earning per share on Equity Shares of Rs. 10/- each | | | |
| | - Basic | | 0.55 | (0.29) |
| | - Diluted | | 0.55 | (0.29) |
| | Notes to financial statements | | | |
| | Significant accounting policies | | | |

As per our report of even date

For Chokshi and Co. LLP

Chartered Accountants

Firm registration No. 131228W/W100044

Sd/-

Kalpen Chokshi

Partner

Membership No.: 135047

For Quest Softech (India) Limited

Sd/-

Dhiren Kothary

Executive Director

(DIN-00009972)

Sd/-

Suresh Vishwasrao

Non Executive Director

(DIN - 00837235)

Sd/-

Swati Trilokekar

Company Secretary

Place : Mumbai

Date : 30/05/2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

| Sr. No. | Particulars | March 31, 2017 | March 31, 2016 |
|-----------|---|------------------|--------------------|
| | | Amount in Rs. | Amount in Rs. |
| A. | Cash flow from Operating Activities : | | |
| | Net profit before tax as per statement of profit and loss account | 4,596,369 | (3,648,957) |
| | <u>Adjustments For :</u> | | |
| | Depreciation | 3,088,419 | 3,088,418 |
| | Diminution in the value of Investments | (0) | - |
| | Interest income | (670) | - |
| | Balances written back | (8,454,911) | |
| | Operating Cash flow before Working Capital Changes | (770,794) | (560,540) |
| | Changes in current assets and liabilities | | |
| | (Increase)/decrease in trade receivables | (1,186,500) | - |
| | (Increase)/decrease in Short term loans and advances | - | (19,800) |
| | (Increase)/decrease in Other Current Assets | 247,616 | - |
| | (Increase)/decrease in Other Non Current Assets | (19,000) | - |
| | (Increase)/decrease in Long term loans and advances | 6,952,717 | 3,616,861 |
| | (Increase)/decrease in trade payables | 21,499 | 673 |
| | (Increase)/decrease in Long Term Trade Payables | (5,303,368) | 1 |
| | (Increase)/decrease in Other Current Liabilities | 5,316,040 | (706,307) |
| | (Increase)/decrease in Long Term Borrowings | (1,400,002) | (4,316,861) |
| | Cash Generated from Operations | 3,858,207 | (1,985,973) |
| | Payment of taxes (net of refunds)(including Deferred Tax) | 19,000 | - |
| | Net Cash flow from Operating Activities (A) | 3,877,207 | (1,985,973) |
| B. | Cash Flow From Investing Activities : | | |
| | Interest income | 670 | - |
| | Net Cash flow from Investment Activities (B) | 670 | - |
| C. | Cash flow from Financing Activities : | | |
| | Net Cash from / (used In) Financing Activities (C) | - | - |
| | Net Increase in cash or cash equivalents (A+B+C) | 3,877,877 | (1,985,973) |
| | Cash and Cash equivalents at the beginning of the year | 1,111,398 | 3,097,368 |
| | Cash and Cash equivalents as at the end of the year | 4,989,276 | 1,111,395 |

As per our report of even date

For Chokshi and Co. LLP

Chartered Accountants

Firm registration No. 131228W/W100044

Sd/-

Kalpen Chokshi

Partner

Membership No.: 135047

For Quest Softech (India) Limited

Sd/-

Dhiren Kothary
Executive Director
(DIN-00009972)

Sd/-

Suresh Vishwasrao
Non Executive Director
(DIN - 00837235)

Sd/-

Swati Trilokekar
Company Secretary

Place : Mumbai

Date : 30/05/2017

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017.

Background:

The Company was originally incorporated on 27th March, 2000 as Quest Softech (India) Private Limited and subsequently pursuant to section 31/21 read with section 44 of Companies Act, 1956 incorporated on 18th March, 2008 as Quest Softech (India) Limited to carry on business of providing Software and Hardware consultancy and allied services.

1. Significant Accounting Policies:

a. Basis of Preparation:

The Financial Statements have been prepared and presented under the historical cost convention, on an accrual basis of accounting and in accordance with the accounting principle generally accepted in India ("Indian GAAP") and comply in all material aspects with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounting Standards) Amendment Rules, 2016 and Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act, to the extent notified and applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Companies' normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the

reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised. Any revision to the estimates is recognised prospectively in the current and future periods.

c. Revenue & Expenses Recognition:

- i. Incomes are mainly accounted on accrual basis.
- ii. In other cases, income is recognized on receipt basis when there is significant uncertainty as to determination and realization.
- iii. All expenses incurred during the year for business purposes have been accounted on accrual basis.

d. Property, Plant and Equipment and Depreciation:

Property, Plant and Equipment are carried at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment loss, if any. The cost of Property, Plant and Equipment comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Advances paid/expenditure incurred on acquisition/ construction of Property, Plant and Equipment which are not ready for their

intended use at each balance sheet date are disclosed under loans and advances on capital account or capital work-in progress respectively.

Profit or loss on disposal of Property, Plant and Equipment is recognised in the Statement of Profit and Loss. Property, Plant and Equipment retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are disclosed separately under 'Other current assets'. Any expected loss is recognized immediately in the Statement of Profit and Loss.

Depreciation-

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method based on the useful lives of the assets as estimated by the management and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Act.

The residual value useful life and method of depreciation of an asset is reviewed at each financial year end and adjusted prospectively.

The Company has charged depreciation based on the revised remaining useful life of the Assets as per the requirements of Schedule II of the Companies Act, 2013.

Residual Value of all the Assets have been considered as NIL.

e. Impairment of Assets:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit

and Loss. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life.

f. Intangible Assets and amortisation:

Intangible assets are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition, less amortization over estimated useful life. Software License is amortized on straight line basis.

g. Investments:

Investments are classified into current and long-term investments. Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which are expected to be realised within twelve months from Balance Sheet date is also presented under "Current investments" as "Current portion of long-term investments" in consonance with the current/non-current classification scheme of Schedule III of the Act.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Any reduction in the carrying amount and any reversals of such reductions are charged to the Statement of Profit and Loss.

Long-term investments (including current portion thereof) are carried at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal

proceeds is recognized in the Statement of Profit and Loss.

h. Transactions in Foreign Currency:

Transactions in Foreign Currency are generally recorded at the exchange rate prevailing on the dates of transaction. All receivables/payables are translated at year end rate and differences therein are generally accounted in exchange rate gain/loss account. All monetary items in foreign currency are translated at year end rates and difference therein is accounted in exchange rate gain/loss account.

i. Taxation :

Income-tax expense comprises of current income -tax and deferred tax charge or credit.

Current Tax -

Current income-tax is recognised in accordance with the Income-tax Act, 1961 and applicable Income Computation and Disclosure Standards (ICDS). Provision is made annually based on the tax liability computed after taking credit for tax allowances and exemptions.

Deferred Tax –

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities and the corresponding deferred tax credit or charge are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognised in the period that includes the enactment date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only

if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

Minimum alternate tax-

Minimum alternate tax ('MAT') under the provisions of Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income-tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written-down to the extent the aforesaid convincing evidence no longer exists.

j. Employee Benefits:

Short-term employee benefits

Employee benefits payable wholly within twelve months of availing employee service are classified as short-term employee benefits. This benefit includes salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange of employees services are recognised in the period in which the employee renders the related service

Post employees benefits –

Defined contribution plans –

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which employee renders the related service.

k. Earnings Per Share:

Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average

number of equity shares outstanding during the reporting year.

Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

i. Cash and cash equivalents:

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

m. Cash Flow Statements:

Cash flows are reported using the indirect

method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

n. Provisions and Contingencies:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes to the financial statements for the year ended March 31, 2017

| Particulars | As at 31.03.2017 Amount in Rs. | As at 31.03.2016 Amount in Rs. |
|--|--------------------------------------|--------------------------------------|
| NOTE 2 | | |
| SHARE CAPITAL | | |
| AUTHORISED | | |
| 10,000,000 (Previous Year 10,000,000) Equity Shares of Rs.10 each | 100,000,000 | 100,000,000 |
| Total | | |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 10,000,000 (Previous Year 10,000,000) Equity Shares of Rs.10 each fully paid up | 100,000,000 | 100,000,000 |
| Total | 100,000,000 | 100,000,000 |

Note 2 (a) : The company has only one class of equity share having a par value of Rs. 10/- per share. Each holder of equity share is entitle to one vote per share.

Note 2 (b) : The details of shareholder holding shares more than 5% Shares.

| Particulars | As at 31.03.2017 | | As at 31.03.2016 | |
|---|--------------------------|------------------------|--------------------------|------------------------|
| | Number of shares held | % holding in shares | Number of shares held | % holding in shares |
| Equity shares with voting rights | | | | |
| Dhiren Bhogilal Kothary | 2,450,444 | 24.50% | 2,450,444 | 24.50% |
| Nita Dhiren Kothary | 1,901,500 | 19.02% | 1,901,500 | 19.02% |
| Amit Seth | 1,310,169 | 13.10% | 1,310,169 | 13.10% |

Notes to the financial statements for the year ended March 31,2017

| Particulars | As at 31.03.2017 Amount in Rs. | As at 31.03.2016 Amount in Rs. |
|--|--------------------------------------|--------------------------------------|
| NOTE 3:- RESERVES AND SURPLUS | | |
| Surplus | | |
| As per last balance sheet | (54,309,999) | (51,436,776) |
| Less: Net profit for the year | 5,489,837 | (2,873,223) |
| Closing balance | (48,820,162) | (54,309,999) |
| TOTAL | (48,820,162) | (54,309,999) |
| NOTE 4:- Long Term Borrowings (Unsecured, considered good) | | |
| From Related Parties:- | | |
| Quest Profin Advisor Pvt Ltd | - | - |
| Dhiren Kothary | 300,000 | 200,000 |
| Others :- | | |
| Auroscient Outsourcing Ltd | 164,060 | 1,664,060 |
| Archana Mittal | - | - |
| Arelate Realtors Private Limited | - | - |
| Kritagya Trading Co.Pvt.Ltd. | - | - |
| TOTAL | 464,060 | 1,864,060 |
| NOTE 5:- OTHER LONG TERM LIABILITIES | | |
| <u>Long Term</u> | | |
| UBI Software | - | 5,303,368 |
| | - | 5,303,368 |
| NOTE 6:- TRADE PAYABLES | | |
| <u>Short Term</u> | | |
| Audit Fee Payable | 97,268 | 132,631 |
| Solution Infinite | 35,316 | - |
| Purva Share Registry | 40,356 | 18,810 |
| Salary Payable | - | - |
| TOTAL | 172,940 | 151,441 |
| NOTE 7:- OTHER CURRENT LIABILITIES | | |
| Refund of Share Application Money | | |
| Outstanding Listing Fees | - | - |
| Statutory Liabilities | 94,848 | 3,233,719 |
| TOTAL | 94,848 | 3,233,719 |

Notes to the financial statements for the period ended March 31, 201

NOTE 8
FIXED ASSETS

| Description | Gross block | | Depreciation/amortization | | Net block | | | |
|--------------------------------|-------------------|-----------------------------|-----------------------------|-----------------------|-------------------|-----------------------|-----------------------|-----------------------|
| | As at 1-Apr-16 | Additions During the period | Deletions During the period | As at 31st March 2017 | Up to 1-Apr-16 | Up to 31st March 2017 | As at 31st March 2016 | As at 31st March 2017 |
| Tangible | | | | | | | | |
| Electrical Installation | - | - | - | - | - | - | - | - |
| Furniture & Fixture | - | - | - | - | - | - | - | - |
| Intercom Service | - | - | - | - | - | - | - | - |
| Total Tangible assets | - | - | - | - | - | - | - | - |
| Intangible Assets | | | | | | | | |
| Softwares | 15,890,736 | - | - | 15,890,736 | 12,802,317 | 15,890,736 | - | 3,088,419 |
| Total Intangible assets | 15,890,736 | - | - | 15,890,736 | 12,802,317 | 15,890,736 | - | 3,088,419 |
| Total | 15,890,736 | - | - | 15,890,736 | 12,802,317 | 15,890,736 | - | 3,088,419 |

**As Per New Co. Act
Software**

| Opening WDV as on 1.04.16 | Remaining life | 1 year as per remaining 2 years |
|---------------------------|----------------|---------------------------------|
| 3,088,418 | 1 years | 3,088,418 |

Notes to the financial statements for the year ended March 31,2017

| Particulars | As at 31.03.2017 Amount in Rs. | As at 31.03.2016 Amount in Rs. |
|---|--------------------------------------|--------------------------------------|
| NOTE 9:- NON CURRENT INVESTMENTS | | |
| Trade Investments | | |
| (Unquoted, at cost) | | |
| 15,540 Equity shares of Quest Fincap Limited | 224,639 | 224,639 |
| TOTAL | 224,639 | 224,639 |
| NOTE 10:- Deferred Tax Assets (Net) | | |
| Opening | (802,214) | (1,577,948) |
| Addition during the year (on account of depreciation) | 893,468 | 775,734 |
| Deferred tax Liabilities (Net) | 91,254 | (802,214) |
| NOTE 11:- LONG TERM LOANS AND ADVANCES | | |
| <i>Unsecured- Considered Good</i> | | |
| Arelate Realtors Private Limited | - | 1,000,000 |
| Gayatri Trading Co. | 2,500,000 | 2,500,000 |
| Mega Management Services Pvt Ltd | 13,488,139 | 13,488,138 |
| Mekaul Construction Technologies Ltd | 68,482 | 68,480 |
| Narayani Finance Ltd | 8,148,000 | 8,148,000 |
| Zicom Electronic Security Ltd | - | 454,720 |
| IGB Infrastructure | 10,100,000 | 15,600,000 |
| Real Estate Properties Pvt. Ltd. | 11,000,000 | 11,000,000 |
| Tds Recievable A.Y. 2013-14 | 20,427 | 20,427 |
| Tds Recievable (Net of Provision) A.Y. 2015-16 | 68,969 | 68,969 |
| Tds Recievable A.Y. 2016-17 | - | 19,000 |
| Tds Recievable A.Y. 2017-18 | 21,000 | - |
| TOTAL | 45,415,017 | 52,367,734 |
| NOTE 12:- TRADE RECEIVABLES | | |
| <u>Secured considered good</u> | | |
| More than Six Months | - | - |
| Less than Six Months | 1,186,500 | - |
| TOTAL | 1,186,500 | - |
| NOTE 13:- CASH AND BANK BALANCES | | |
| Cash in hand | 50,000 | - |
| Bank Balance | | |
| (a) HDFC Bank Ltd | 4,939,001 | 1,111,120 |
| (b) State Bank of Saurashtra | 275 | 275 |
| TOTAL | 4,989,276 | 1,111,395 |
| NOTE 14:- OTHER CURRENT ASSETS | | |
| VAT Receivale | - | 251,816 |
| Service tax Receivable | - | - |
| Prepaid Expenses | 5,000 | 800 |
| TOTAL | 5,000 | 252,616 |

Notes to the financial statements for the year ended March 31,2017

| Particulars | For the year ended 31.03.2017 Amount in Rs. | For the year ended 31.03.2017 Amount in Rs. |
|--|---|---|
| NOTE 15:- REVENUE FROM OPERATIONS | | |
| Revenue From Operations | 1,050,000 | 950,000 |
| TOTAL | 1,050,000 | 950,000 |
| NOTE 16:- OTHER INCOME | | |
| Interest: | | |
| - on inter corporate deposits | | |
| - on income tax refund | 670 | - |
| Balances written back | 8,454,911 | 1,196 |
| TOTAL | 8,455,581 | 1,196 |
| NOTE 17:- EMPLOYEE BENEFIT EXPENSES | | |
| Salary, bonus and allowances | 472,193 | 908,943 |
| TOTAL | 472,193 | 908,943 |
| NOTE 18:- ADMINISTRATIVE AND OTHER EXPENSES | | |
| Advertising Expenses | 24,960 | 29,640 |
| Depository charges | 58,556 | 53,828 |
| Listing Expenses | 202,000 | 200,000 |
| Professional Fees | | |
| (i) Payment to Auditors (*) | | |
| for Statutory Audit Fees | 38,500 | 38,500 |
| (ii) Others | 32,426 | 97,554 |
| Professional tax | 2,500 | 5,000 |
| Rates & Taxes | 4,933 | 20,624 |
| ROC Fees | 10,200 | 5,400 |
| Other Office Expences | - | 7,580 |
| Computer Expenses | 125,004 | 83,338 |
| Printing & Stationery | 142,185 | 61,328 |
| Balances W/off | 706,536 | - |
| Web Hosting charges | 800 | - |
| TOTAL | 1,348,600 | 602,792 |

19. Contingent Liabilities & Capital Commitment:

Contingent Liabilities and Capital Commitments as at 31st March, 2017: Nil. (As at 31st March, 2016: Nil)

20. Related Party Disclosure:**a. Key Managerial Personnel:**

| Sr. No. | Name of the related party | Relation |
|---------|--|--------------------|
| i. | Dhiren Bhogilal Kothary | Director |
| ii. | Suresh S. Vishwasrao | Director |
| iii. | Paresh C. Zaveri | Director |
| iv. | Kalpna Shah (Resigned w.e.f. 30th May, 2016) | Woman Director |
| v. | Aditi Mahesh Nangalia (Appointed w.e.f. 30th May, 2016) | Woman Director |
| vi. | Archana Tripathy (Resigned w.e.f. 30th May, 2016) | Compliance Officer |
| vii. | Swati Pradeep Trilokekar (Appointed w.e.f. 7th July, 2016) | Compliance Officer |

b. Names of related parties where control exists i.e. persons having significant influence:

| Sr. No. | Name of the related party | Relation |
|---------|---|-------------------|
| i. | Quest (East India) Advisory Private Limited | Associate Company |
| ii. | Quest Profin Advisor Private Limited | Associate Company |
| iii. | Quest Fin-Cap Limited | Associate Company |
| iv. | Quest Finlease Private Limited | Associate Company |
| v. | Niyamak Consultancy Private Limited | Associate Company |
| vi. | Niyamak Advisor Private Limited | Associate Company |
| vii. | PNP developers Private Limited | Associate Company |
| viii. | Ricco International Private Limited | Associate Company |
| ix. | Yuroas Textiles Private Limited | N.A. |

c. Transactions with the related party:

| SN | Name of the Related Party | Transactions | For the year ended 31st March, 2017 (Amount in Rs.) | For the year ended 31st March, 2016 (Amount in Rs.) |
|------|---------------------------|--------------------|---|---|
| i. | Dhiren Kothary | Remuneration | 1,20,000 | 1,20,000 |
| | | Loan from Director | 1,00,000 | 2,00,000 |
| | | Balance receivable | Nil | Nil |
| | | Balance payable | 3,00,000 | 2,00,000 |
| ii. | Archana Tripathi | Payment of Salary | 1,27,193 | 7,74,153 |
| | | Balance receivable | Nil | Nil |
| | | Balance payable | Nil | Nil |
| iii. | Swati Trilokekar | Payment of Salary | 2,25,000 | Nil |
| | | Balance receivable | Nil | Nil |
| | | Balance payable | Nil | Nil |

The transactions entered into by the Company with the aforesaid parties are (a) in the normal course of business (b) at arm's length and (c) not in any manner prejudicial to the interest of the Company and evidence to that effect is available on record with the Company. Further, all such transactions during the period under review have been disclosed in the Notes to Accounts forming part of the Financial Statements for the period under review.

21. Earnings per share:

In accordance with Accounting Standard – 20 on Earnings per Share issued by the ICAI, the following is the calculation of the basic and diluted earnings per share:

| Particulars | For the year ended 31st March, 2017 (Amount in Rs.) | For the year ended 31st March, 2016 (Amount in Rs.) |
|---|---|---|
| a) Shareholders Earnings (as per Statement of Profit and Loss): Net Profit/ (Loss) (after tax) for the year | 54,89,837 | (28,73,223) |

| Particulars | For the year ended 31st March, 2017 (Amount in Rs.) | For the year ended 31st March, 2016 (Amount in Rs.) |
|--|---|---|
| b) Weighted average number of equity shares (par value of Rs.10/- each) | | |
| Number of equity shares at the beginning of the year | 1,00,00,000 | 1,00,00,000 |
| Shares issued during the year | Nil | Nil |
| Total number of shares outstanding at the year-end | 1,00,00,000 | 1,00,00,000 |
| Weighted Average number of Equity Shares outstanding | 1,00,00,000 | 1,00,00,000 |

c) Basic and Diluted Earnings per Share (a/b): **0.55** **(0.29)**

22. Earning & Expenditure in foreign currency:

| Particulars | For the year ended 31st March, 2017 (Amount in Rs.) | For the year ended 31st March, 2016 (Amount in Rs.) |
|-------------|---|---|
| Earnings | Nil | Nil |
| Outgo | Nil | Nil |

23. Impairment of Assets:

There has been no impairment on Fixed Assets in the current financial year ended 31st March, 2017 and accordingly no provision for impairment loss is required.

24. Micro, Small and Medium Enterprises:

On the basis of the information to the extent received from 'enterprises' regarding their status under the 'Micro, Small & Medium Enterprises Development Act, 2006' there is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended 31st March 2017 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

25. Retirement Benefits:

Gratuity & other retirement benefits are not provided, as the company does not have requisite number of employees. Provisions of the Payment of Gratuity Act, 1972 and Employees Provident Fund Act, 1952 are not applicable to the company.

26. Balance Confirmation:

In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.

The account of Trade receivables, Trade payables, Loans and Advances are subject to confirmation / reconciliation and adjustments, if any. The management does not expect any material differences affecting the current year financial statements.

- 27. Other income for the quarter ended 31st March, 2017 includes Rs.84,54,911/- being amounts payable since more than three years. In the absence of any claim from parties, the company has written back these amounts.
- 28. Sundry balances written off for the quarter ended 31st March, 2017 includes Rs.7,06,536/- on account of writing off certain old balances due to non recoverability, based on internal assessments by the Management.
- 29. The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.
- 30. Disclosure on Specified Bank Notes (SBN):

As required by notification no. G.S.R. 308 (E) dated 30th March, 2017 issued by Ministry of Corporate Affairs, following are the details of SBN cash held and transactions carried out by the Company during the period from 8th November, 2016 to 30th December, 2016.

| Particulars | SBNs | Other denomination notes | Total |
|--|------|--------------------------|--------|
| Closing cash in hand as on 08th November, 2016 | Nil | Nil | Nil |
| (+) Permitted receipts | Nil | 50,000 | 50,000 |
| (-) Permitted payments | Nil | Nil | Nil |
| (+) Non Permitted Receipts | Nil | Nil | Nil |
| (-) Amount deposited in Banks | Nil | Nil | Nil |
| Closing cash in hand as on 30th December, 2016 | Nil | 50,000 | 50,000 |

- 31. Disclosures under Schedule III of the Act, and applicable Accounting Standards have been made to the extent applicable to the Company.
- 32. The previous year figures have been reclassified / regrouped / restated to conform to current year's classification.

**For and on behalf of the Board of Directors
Quest Softech (India) Limited**

Sd/-
Dhiren Kothary
Director
DIN.-00009972

Sd/-
Suresh Vishwasrao
Director
DIN. - 00837235

Sd/-
Swati Trilokekar
Company Secretary

QUEST SOFTECH (INDIA) LIMITED

Registered Office: 82, Mittal Court, A-Wing, 8th Floor, Nariman Point, Mumbai- 400 021
Tel. (+91-22) 6179 8009, Fax (+91-22) 6179 8045 Website: www.questsoftech.co.in
Email: info@questprofin.co.in
CIN: L72200MH2000PLC125359

**EIGHTEENTH ANNUAL GENERAL MEETING
ATTENDANCE SLIP**

Folio No.

No. of Shares held

(To be filled in by the Member)

I hereby record my presence at the Eighteenth Annual General Meeting to be held in the 82, Mittal Court, A-Wing, 8th Floor, Nariman Point, Mumbai- 400 021 on Friday, September 29, 2017 at 11.00 am.

.....

Member's Signature

Note :-

- 1) A Member/Proxy attending the meeting must complete this attendance slip and hand it over at the entrance.

.....

Proxy's Signature

QUEST SOFTECH (INDIA) LIMITED

CIN: L72200MH2000PLC125359

Regd. Office: 82, Mittal Court, A Wing, Nariman Point, Mumbai- 400 021

Tel: 022- 61798009 Fax: 022-6179 8045 Email:qsil@questprofin.co.in

Website: www.questsoftech.co.in

BALLOT FORM

Name of the member(s) : E-mail id :

Registered address : Folio No./*DP id and Client id :

Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolution to be passed through ballot for the business stated in the Notice of Annual General Meeting dated September 29, 2017, issued by the Company by sending my/our assent / dissent to the said Resolution by placing the tick mark (√) in the appropriate column below:

| Sr. No | Resolutions | No. of Shares | I/We assent to the resolution (For) | I/We dissent to the resolution (Against) |
|--------|--|---------------|-------------------------------------|--|
| 1 | Adoption of Audited Financial Statement for the financial year ended March 31, 2017 with the reports of the Board of Directors and the Auditors thereon. | | | |
| 2 | To appoint a Director in place of Mr. Suresh Vishwasrao (DIN-00837235) who retires by rotation and being eligible offers himself for re-appointment | | | |
| 3 | To ratify appointment of Chokshi & Co LLP, Chartered Accountants | | | |

Place: _____

Date: _____

Name of the Shareholder

To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same

E-MAIL UPDATION FORM

Please update my details as under:

1. Folio Number : _____

2. Name : _____

3. Address : _____

4. No. of shares : _____

5. e-mail ID : _____

6. PAN : _____

In case of change in the above e-mail ID, I/We undertake to inform the new e-mail ID to you. In case I/ we do not inform the change, the consequences thereof will entirely be on me/us.

Signature of 1st holder

Signature of 2nd holder

QUEST SOFTECH (INDIA) LIMITED

CIN: L72200MH2000PLC125359

Regd. Office: 82, Mittal Court, A Wing, Nariman Point, Mumbai- 400 021

Tel: 022- 61798009 Fax: 022-6179 8045 Email:qsil@questprofin.co.in

Website: www.questsoftech.co.in

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : E-mail id :

Registered address : Folio No./*DP id and Client id :

Number of Equity Shares held :

**Applicable for investors holding shares in electronic form*

I/We, being the member (s) of shares of the above named company, hereby appoint

1 Name of the member(s) : _____ E-mail id : _____
 Address : _____ Signature : _____

or failing him

2 Name of the member(s) : _____ E-mail id : _____
 Address : _____ Signature : _____

or failing him

3 Name of the member(s) : _____ E-mail id : _____
 Address : _____ Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the company, to be held on the 29th day September, 2017 at 11.00 a.m. at 82, Mittal Court, A wing, Nariman Point, Mumbai, Maharashtra 400004 and at any adjournment thereof in respect of such resolutions as are indicated below:

| SI.No | Resolutions |
|-------|---|
| 1 | Adoption of Audited Financial Statement for the financial year ended March 31, 2017with the reports of the Board of Directors and the Auditors thereon. |
| 2 | To appoint a Director in place of Mr. Suresh Vishwasrao (DIN-00837235) who retires by rotation and being eligible offers himself for re-appointment. |
| 3 | To appointChokshi& Co LLP, Chartered Accountants |

Signature of shareholder

Signature of Proxy holder(s)

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Signed this..... day of..... 20....

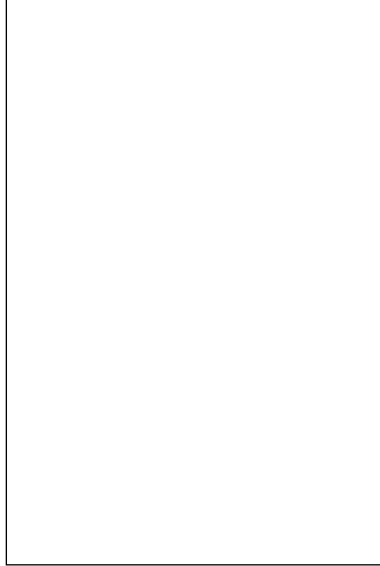
Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**ROUTE – MAP OF THE VENUE OF
EIGHTEENTH ANNUAL GENERAL MEETING**



**BOOK-POST
(Printed Matter)**

To,



If undelivered, please return to:

QUEST SOFTECH (INDIA) LIMITED

CIN: L72200MH2000PLC125359

Regd. Office: 82, Mittal Court, A Wing, Nariman Point, Mumbai - 400 021

Tel: 022- 6179 8009 Fax: 022-6179 8045 Email: qsil@questprofin.co.in

Website: www.questsofttech.co.in