

**19th Annual Report
&
Accounts
2010 - 2011**

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KWALITY CREDIT & LEASING LIMITED



KWALITY CREDIT & LEASING LIMITED

Board of Directors :

SOMNATH GUPTA
BHAGWAN DAS SONI
AMIT JAJODIA

Auditors :

SANTOSH JAIN & CO.
Chartered Accountant
2, Draper Lane,
Kolkata - 700 001

Bankers :

TAMILNAD MERCHANTILE BANK LTD.
BANK OF BARODA

Registered Office :

13A, Decres Lane,
5th Floor, Room No. 502,
Kolkata - 700 069



NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of the Company will be held on Friday, the 30th day of September, 2011 at the Registered Office of the Company at 13A, Decres Lane, 5th Floor, Room No. 502, Kolkata - 700 069 at 9.00 a.m. to transact the following business:

A. Ordinary Business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2011, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Amit Jajodia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Regd. Office :

13A, Decres Lane
5th Floor, Room No. 502
Kolkata - 700 069
Dated : 30th day of May, 2011

By order of the Board
For Kwality Credit & Leasing Ltd.

Somnath Gupta
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members holding share in dematerialised form are requested to bring their Depository Account No. and Client I.D. No. for identification.
3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares shall remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive).



4. Members are requested to notify to the Company, change of address, if any, with pin code quoting reference of their folio number/DP ID and Client ID to our Registrar & Share Transfer Agent i.e. MCS Ltd., 77/2A, Hazra Road, Kolkata 700 029, Phone Nos. 2454-1892.
5. In case, the mailing address mentioned on this Annual Report is without the PIN CODE, members are requested to kindly inform their PIN CODE immediately.
6. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the members in respect of shares held by them. Members holding shares in physical form may furnish their details in the prescribed form, which can be obtained from the Company/ Registrar and Share Transfer Agent. Members holding shares in electronic form may furnish their details in the prescribed form which can be obtained from the respective depository participant.
7. Members who are holding shares in identical order or names in more than one folio are requested to send the Company / Registrar and Share Transfer Agent the details of such folios together with the Share Certificates for consolidating their holdings in one such folio.
8. Members are requested to quote their Folio number / DP ID and Client ID in all correspondence.
9. A Member or his Proxy is requested to produce at the entrance of the Meeting Hall, attendance Slip forwarded to the member duly completed and signed by the member.
10. Members are requested to note that trading in securities of the Company are compulsorily in dematerialised form only. Hence members who are yet to dematerialise their shares are advised to do so. The Company has entered into agreements with National Securities Depositories Ltd. (NSDL) and Central Depositories Services (I) Ltd. (CDSL) for Demat facilities.

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13A, Decres Lane
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Kolkata - 700 069
Dated : 30th day of May, 2011

By order of the Board
For **Kwality Credit & Leasing Ltd.**

Sd/-
Somnath Gupta
Chairman

**DIRECTOR'S REPORT**

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS :

(₹ in lakhs)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Profit/(Loss) for the year before tax	0.14	1.25
(Less) : Provision for Taxation	0.00	0.40
(Less) : Income Tax Adjustment	0.00	0.01
Profit/(Loss) after tax	0.14	0.84
Less: Transferred to Statutory Reserve	0.03	0.30
Add : Brought forward from previous year	(14.59)	(15.13)
Balance Carried over to Balance Sheet	(14.48)	(14.59)

DIVIDEND

In view of the inadequacy of profit, your Directors do not recommend any dividend.

DIRECTORS

Mr. Amit Jajodia, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Prahlad Kumar Jhunjhunwala resigned from the office of the Directorship on 12th October, 2010 as he was unable to continue as a Director of the Company and Board hereby records its appreciation of the service and advices rendered by him during the tenure of his office.

AUDITORS

M/s. Santosh Jain & Co. , Chartered Accountants of 2, Draper Lane, Kolkata - 700 001 retire from the office of the Auditors at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS' REPORT

Auditors' Report is self explanatory and hence does not require any further explanations.

SECRETARIAL COMPLIANCE CERTIFICATE

Secretarial Compliance Certificate is self explanatory and hence do not require any further explanations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors confirm

- that in the preparation of the Company's Annual Accounts for the period ended March, 31, 2011, the applicable Accounting Standards have been followed and there are no material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- that the directors had taken proper and sufficient care for the 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 fraud and other irregularities;



iv. that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT

Your Company has been complying with all the requirements of the code of Corporate Governance, as specified by SEBI.

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Auditors regarding compliance of condition of Corporate Governance is annexed to the said Report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with the listing requirement, the Management's Discussion and Analysis forms part of this Report.

PUBLIC DEPOSIT

The Company has neither accepted during the year nor held at the end of the year any Public Deposit.

PRUDENTIAL NORMS FOR NBFC'S

Your Company has been complying with all the requisite norms prescribed by the Reserve Bank of India for income recognition, accounting standards, capital adequacy, provisioning & all other requirements.

PARTICULARS OF EMPLOYEES :

The Company has no employee of the category indicated under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company has no activity relating to conservation of energy and technology absorption in terms of Section 217 (1) (e) of the Companies Act, 1956. The Company has no Foreign exchange earnings and outgo during the year.

LISTING FEES

The Company's shares are listed in the followings Stock Exchanges and listing fee has been paid up-to-date.

1. Calcutta Stock Exchange Association Ltd.
2. The Stock Exchange, Mumbai.
3. Jaipur Stock exchange Ltd.

The Company has been suspended from trading in BSE on 21.12.2004 due to non compliance of listing Agreement clauses.

CASH FLOW STATEMENT

The Cash Flow statement for the year ended 31st March, 2011, pursuant to Clause 32 of the Listing Agreement with the Stock Exchange is annexed herewith.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep sense of gratitude to the banks, customers and business associates for their continued co-operation and support. Your directors express their deep sense of appreciation for the total commitment, dedication and hard work put in by the employees of the Company. Lastly, your directors are deeply grateful for the confidence and faith shown by the members of the Company.

Regd. Office :

13A, Decres Lane
5th Floor, Room No. 502
Kolkata - 700 069
Dated : 30th May, 2011

By order of the Board
For Kwality Credit & Leasing Ltd.

Somnath Gupta
Chairman



INFORMATION ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING
(PURSUANT TO CLAUSE 49(VI)(A) OF THE LISTING AGREEMENT)

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorship in other Companies	Membership of Committees in other Companies	Nature of Directorship	Remarks
Mr. Amit Jajodia	27.09.1987	01.12.2009	4 Years of Working Experience in the field of Finance	B.Com. (Hons.)	–	–	Non-Executive independent Director	Retiring by rotation at the forthcoming Annual General Meeting & offer himself for re-appointment



SECRETARIAL COMPLIANCE CERTIFICATE KWALITY CREDIT & LEASING LIMITED

To
The Members of
M/s. Kwality Credit & Leasing Limited
13A, Decres Lane, 5th Floor,
Room No.502, Kolkata - 700 069

We have examined the registers, records, books and papers of M/s. Kwality Credit & Leasing Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the office of the Registrar of Companies, within the time prescribed under the Act and Rules made thereunder. There were no forms and returns to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company has the minimum prescribed capital and as the Company is a public limited company, comments regarding maximum number of members etc. are not required.
4. The Board of Directors of the Company duly met 7 (seven) times respectively on 01.04.2010, 29.05.2010, 30.07.2010, 30.09.2010, 12.10.2010, 08.11.2010 and 04.02.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions were passed.
5. The Company closed its Register of Members from 23.09.2010 to 30.09.2010 during the financial year
6. The Annual General Meeting of the Company for the financial year ended on 31st March, 2010 was held on 30.09.2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held during the financial year after giving due notice to the members of the Company and resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred in the Section 295 of the Act.
9. The Company has not entered into any contracts specified in section 297 of the Act during the financial year.
10. The Company has made necessary entries in the Register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (i) not delivered certificates as there were no allotment of securities or there were no shares lodged for transfer/transmission or any other purpose with the Company;
 - (ii) not deposited any amount in a separate bank account, as no dividend was declared during the financial year;
 - (iii) not paid/posted warrants for dividends to any member of the Company as no dividend was declared during the financial year;
 - (iv) not transferred any amount to Investor Education and Protection Fund, during the financial year, since it was not required to do so;
 - (v) duly complied with the requirements of section 217 of the Act.



14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year. Mr. P.K.jhunhunwala resigned from the Board w.e.f. 12.10.2010.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agent(s) during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares/debentures/other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company does not have any preference shares and debentures, so the question of their redemption does not arise.
22. There were no cases or transactions necessitating the Company to keep in abeyance rights to dividend, right to shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposit including unsecured loans falling within the purview of section 58A of the Act during the financial year.
24. The Company has not borrowed any amount from directors, members, public, financial institutions, banks and others during financial year ending 31st March, 2011 is within the borrowing limits of the Company.
25. The Company has made investments in other bodies corporate and not made any loans, nor given guarantees nor provided securities to other bodies corporate during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. We have been informed by the Management that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company, for offences under the Act.
32. The Company has not received any money as security from its employees.
33. The Company has not constituted Provident Fund for its employees and as such provisions of Section 418 of the Act are not applicable.

**For MR & Associates
Company Secretaries**

Sd/-

Mohan Ram Goenka

Partner

C.P. No. 2551

Date : 30th day of May, 2011

Place : Kolkata

**Annexure 'A'****Registers and Records as maintained by the Company**

1. Register of Members under Section 150.
2. Index of Members.
3. Register of Transfers.
4. Minutes Book of Board Meetings under Section 193.
5. Minutes Book of General Meetings under Section 193.
6. Registers and Returns under Section 163.
7. Books of Accounts under Section 209.
8. Register of directors, managing director, manager and secretary under Section 303.
9. Register of director's shareholding under Section 307.
10. Register of director's attendance.
11. Register of Fixed Assets.
12. Register of Investments under Section 372A.

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended on 31st March 2011.

Sl. No.	Form No./ Return	Filed under Section	For	Date of filing & SRN/ Challan No.	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	66	Proviso to Section 383A(1)	For the financial year ended 31.03.2010	27.04.2011 P67161117	No	Yes
2.	20B	159	For the Annual General Meeting held on 30.09. 2010	18.01.2011 P65403578	No	Yes
3.	23AC & 23ACA	220	For the financial year ended on 31.03.2010	02.05.2011 P67240507	No	Yes
4.	32	303	For resignation of Mr. P. K Jhunhunwala w.e.f. 12.10.2010	30.10.2010 A97085047	Yes	N.A.