

21ST ANNUAL REPORT

OF

KWALITY CREDIT & LEASING LIMITED



Kwality Credit & Leasing Limited

27, Weston Street, 5th Floor, Room No. 526, Kolkata - 700 012

Phone : 033-3262 4539

E-mail : kwalitycredit50@yahoo.com, Website : www.kwalitycredit.com

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on 30th day of September, 2013 at the Registered Office of the Company at 27, Weston Street, 5th Floor, Room No- 526, Kolkata – 700 012 at 10.00 a.m. to transact the following business :

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2013, 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. Amu Thapa who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

M/s Pachisia & Associates, (FRN 327542E), Chartered Accountants of 454, Dum Dum Park, Kolkata-700 055 retire from the office of the Auditors and being eligible offer themselves for re-appointment.

Special Business:

4. To appoint Mr. Bhagwan Das Soni as Managing Director of the Company

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (as amended from time to time) to the said Act and as per Article 81 of the Article of Association of the Company and in terms of the recommendation of Remuneration Committee and as approved by the Board, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Bhagwan Das Soni as Managing Director of the Company w.e.f. 01.01.2013 for the period of 5 years on the following terms and conditions :

1. Period of Appointment: 5 years with effect from 1st January, 2013 to 31st December, 2017.
2. Mr. Bhagwan Das Soni shall carry out such duties and exercise such powers as may be entrusted to him from time to time by the Board.
3. Remuneration:

A. SALARY

Rs. 12,500/- (Rupees Twelve Thousand Five Hundred Only) per month.

Annual increase will be effective 1st April every year and quantum will be decided by the Board of Directors.

B. PERQUISITES & ALLOWANCES: As detailed below:

Allowances, perquisites, benefits and amenities as may be provided by the Company subject however that total remuneration including perquisites shall be within the ceiling laid down in sections 198, 309 and all other applicable provisions of the Companies Act, 1956 as may be amended from time to time.

Perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

The said terms of appointment are within the guidelines in Schedule XIII of the Companies Act, 1956 and require your approval."

Bhagwan Das Soni Managing Director shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred in connection with the company's business and such other benefits/amenities, perquisites and other privileges, as may from time to time, be available to other Senior Executives of the Company.

Regd. Office:
27, Weston Street,
Ltd.
5th Floor, Room No - 526,
Kolkata- 700 012

BY ORDER OF THE BOARD
For Kwality Credit & Leasing

Singh

Dated : 30th Day of May, 2013

Director

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 dematerialized 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 23rd day of September, 2013 to 30th day of September, 2013. (Both days inclusive).
4. Electronic Clearing Services (ECS) Facility :-
 - a. To avoid loss of dividend warrants in transit and undue delay in respect of receipt thereof, the Company provides ECS facility to the members. The ECS facility is available at locations identified by the Reserve Bank of India, from time to time and covers most of the cities and towns.
 - b. Members holding shares in the physical form may furnish their details in the prescribed form, which can be obtained from the Registrars & Share Transfer Agents of the Company.
 - c. Members holding shares in the electronic form may furnish their details in the prescribed form, which can be obtained from their respective Depository Participants.

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. C.B. Management Services (P) Limited., P - 22, Bondel Road, Kolkata 700 019, Phone Nos. 2280-6692/93/94/2486, 40116700, 2287 0263.

5. In case, the mailing address mentioned in this Annual Report is without the PIN CODE, members are requested to kindly inform their PIN CODE immediately.
6. Non- Resident Indian Shareholders are requested to inform the Company immediately:
 - a. the change in residential status on return to India for permanent settlement.
 - b. the particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
7. 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.
8. 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.
9. Members are requested to quote their Folio number/DP I.D. and Client I.D. in all correspondence.
10. 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.
11. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956

ITEM NO. 5

Subject to necessary approval by the Members in the General Meeting, the Board of Directors of the Company in its Meeting held on January 1, 2013, appointed Mr. Bhagwan Das Soni as Managing Director of the Company for a period of five years with effect from January 1, 2013 to December 31, 2017.

Mr. Bhagwan Das Soni is a commerce graduate and he has more than 15 years of experience in the field of pharma as well as finance industry.

Taking into account the present effective capital of the Company as per Schedule XIII of the Companies Act, 1956, the company can pay remuneration of Rs. 12,500/- per month to the executive directors, subject to the approval of the members in the ensuing Annual General Meeting. As such the proposed remuneration shall be within the limit provided under the above schedule. The company solicits the consent of share holders by way of special resolution within limit provided under schedule XIII of the Companies Act, 1956

The Board of Directors of the Company has subject to provisions of Sections 198, 269, 309, and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII of the said Act and as per Article 81 of the Article of Association of the Company, appointed Mr. Bhagwan Das Soni as Managing Director for a period of five years with effect from January 1, 2013, on the terms and conditions detailed hereunder.

1. Period of Appointment: 5 years with effect from 1st January, 2013 to December 31, 2017.
2. Mr. Bhagwan Das Soni shall carry out such duties and exercise such powers as may be entrusted to him from time to time by the Board.
3. Remuneration

A. SALARY

Rs. 12,500/- (Rupees Twelve Thousand Five Hundred Only) per month.

Annual increase will be effective 1st April every year and quantum will be decided by the Board of Directors.

B. PERQUISITES & ALLOWANCES: As detailed below:

Allowances, perquisites, benefits and amenities as may be provided by the Company subject however that total remuneration including perquisites shall be within the ceiling laid down in sections 198, 309 and all other applicable provisions of the Companies Act, 1956 as may be amended from time to time.

Perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisite shall be evaluated at actual cost.

None of the Directors of the Company except Mr. Bhagwan Das Soni are, in any way, concerned or interested in the resolution.

The Directors recommend the resolution for approval of members.

Regd. Office:
27, Weston Street,
5th Floor, Room No – 526,
Kolkata- 700 012

BY ORDER OF THE BOARD
For Kwaliti Credit & Leasing Ltd.



Director

Dated : 30th Day of May, 2013



Kwality Credit & Leasing Limited

27, Weston Street, 5th Floor, Room No. 526, Kolkata - 700 012

Phone : 033-3262 4539

E-mail : kwalitycredit50@yahoo.com, Website : www.kwalitycredit.com

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

Particulars	2012-2013 ₹	2011-2012 ₹
Gross Profit before depreciation	301651.00	246193.00
(Less) : Depreciation	(61799.00)	(63110.00)
Gross Profit before Tax	239852.00	183083.00
(Less) : Provision for Current Tax	(117021.00)	(137186.00)
Net Profit after tax	122831.00	45897.00
(Less) : Transferred to Statutory Reserve	(25000.00)	(22000.00)
Add : Brought forward from previous year	(1429445.00)	(1453342.00)
Balance carried to Balance Sheet	(1331614.00)	(1429445.00)

OPERATIONS

The Company has made a net profit of ₹ 1,22,831/- against ₹45,897/- registered in the previous year. Such increase is by & large attributable to increase in gross income from financing operation.

DIVIDEND

Keeping in view the low profit, the Directors are unable to recommend any dividend in respect of the financial year under review.

DIRECTORS

In the Board Meeting of the Company held on January 1, 2013, the Board of Directors approved appointment of Mr. Bhagwan Das Soni as the Managing Director of the Company for a period of five years with effect from January 1, 2013 to December 31, 2017, subject to the approval of the members of the Company.

Mr. Amu Thapa, Director of the Company retire by rotation at the forthcoming Annual General Meeting and offer himself for re-appointment.

AUDITORS

M/s Pachisia & Associates, Chartered Accountants of 454, Dum – Dum Park, Kolkata-700 055 retire from the office of the Auditors and being eligible offer themselves for re-appointment.

INDEPENDENT AUDITORS' REPORT

Independent Auditor's Report is self explanatory and hence does not require any further explanations.

CHANGE IN THE REGISTERED OFFICE ADDRESS OF THE COMPANY

During the year the registered office address of the Company has been shifted to 27, Weston Street, Room No – 526, Kolkata – 700 012 within local limit in the State of West Bengal with effect from 12th November, 2012.

ISSUE OF 7,22,703 EQUITY SHARES ON PREFERENTIAL BASIS TO NON-PROMOTERS

The Company has issued 7,22,703 equity shares on preferential basis to non-promoters during the financial year.

SECRETARIAL COMPLIANCE CERTIFICATE

Your Company has obtained Compliance Certificate from Mr. Niaz Ahmed, Company Secretary in whole time practice, in view of the proviso of section 383A(1) of the Companies Act, 1956 read with Rule 3 of the Companies (Compliance Certificate) Rules 2001. Compliance certificate is self explanatory and hence does not require any further explanation.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. that in the preparation of the Company's Annual Accounts for the period ended March, 31, 2013, the applicable Accounting Standards have been followed and there are no material departures;
- ii. 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;
- iii. 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 Company Secretary in whole time practice 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, credit rating, provisioning & all other requirements.

PARTICULARS OF EMPLOYEES

The Company does not have any 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

Your Company has no activity relating to conservation of energy and technical absorption. The Company has no foreign exchange earnings and outgo during the year.

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.

Place : Kolkata
Dated : 30.05.2013

ON BEHALF OF THE BOARD OF DIRECTORS
For Kwality Credit & Leasing Ltd.



Amu Thapa
Chairman

Compliance Certificate

CIN :- L65921WB1992PLC056686
Nominal Capital: Rs. 4,70,00,000/-

To,
The Members of
M/s. Kwaliti Credit and Leasing Ltd.
27, Weston Street, 5th Floor,
Room No - 526,
Kolkata - 700 012

I have examined the registers, records, books and papers of **M/s. Kwaliti Credit and Leasing Ltd.** (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, 2013** (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I 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 **except serial nos. 1, 7, 8, 9 & 10** of the said Annexure. 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 **12 (twelve)** times respectively on **09.04.2012, 14.05.2012, 02.07.2012, 09.07.2012, 25.07.2012, 14.08.2012, 03.09.2012, 25.10.2012, 12.11.2012, 01.01.2013, 17.01.2013 and 08.08.2013** 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 **20.09.2012 to 28.09.2012** and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting of the Company for the financial year ended on **31st March, 2012** was held on **28.09.2012** 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 Meetings was held during the financial year 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.
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.



- Continuation Sheet....
10. The Company has made the necessary entries under the provision of section 301(3) of the Companies Act, 1956.
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. delivered all the certificates on allotment of securities in accordance with the provision of the Act and no shares has been lodged for transfer / transmission or any other purpose during the financial year;
 - 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. Mr. Asish Ray has resigned on 02.07.2012. Mr. Bhagwan Das Soni, Mr. Amu Thapa and Mr. Suresh Kumar Jain have been appointed as Additional Director on 09.07.2012. Mr. Rohit Modi and Mr. Devang Vyas have resigned w.e.f. 25.10.2012. Mr. Bhagwan Das Soni was appointed as Managing Director of the Company w.e.f. 01.01.2013. There was no appointment of alternate directors and directors to fill casual vacancy during the financial year.
15. The appointment of Mr. Bhagwan Das Soni as Managing Director of the Company on 01.01.2013 has been made in compliance with the provisions of section 269 read with schedule XIII to the Act.
16. The Company has not appointed any sole-selling agent(s) during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or other authorities as 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 issued 7,22,703 equity shares on preferential basis to non-promoters during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares and debentures during the financial year.
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 made any borrowings during the financial year.
25. The Company has made investments to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.

