

22nd Annual Report

&

Accounts

2013 - 2014

KWALITY CREDIT & LEASING LIMITED

KWALITY CREDIT & LEASING LIMITED

Corporate Identity No.: L65921WB1992PLC056686

Board of Directors :

Mr. Bhagwan Das Soni	Managing Director
Mr. Amu Thapa	Independent Director
Mr. Suresh Kumar Jain	Independent Director

Audit Committee :

Mr. Suresh Kumar Jain	Chairman
Mr. Amu Thapa	Independent Director
Mr. Bhagwan Das Soni	Managing Director

Nomination And Remuneration Committee:

Mr. Amu Thapa	Chairman
Mr. Suresh Kumar Jain	Independent Director
Mr. Bhagwan Das Soni	Managing Director

Stakeholder's Relationship Committee :

Mr. Amu Thapa	Chairman
Mr. Suresh Kumar Jain	Independent Director

Chief Financial Officer :

Ms. Namrata Chakraborty

Registered Office :

27, Weston Street,
5th floor, Room No. 526,
Kolkata – 700 012
Ph. : 033 3262 4539
Email ID : kqualitycredit50@yahoo.com
Website : www.kqualitycredit.com

Registrar and Transfer Agent :

C B Management Services (P) Ltd.
P-22, Bondel Road,
Kolkata – 700 019

Bankers :

Corporation Bank

Auditors :

M/s. Pachisia & Associates
Chartered Accountants
454, Dum – Dum Park, Kolkata – 700 055

KWALITY CREDIT & LEASING LIMITED

CIN :- L65921WB1992PLC056686

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

Ph. : 033-3262 4539, E-mail : kqualitycredit50@yahoo.com, Website : www.kqualitycredit.com

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting (AGM) of the Members of the Company will be held on Monday, the 29th day of September, 2014 at the Registered Office of the Company at 27, Weston Street, 5th Floor, Room No. 526, Kolkata - 700 012, at 11.00 a.m., to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2014, 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. Bhagwan Das Soni (holding DIN 02308414) who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of the 22nd AGM till the conclusion of the 27th AGM and to authorize the Board to fix their remuneration.

“RESOLVED that pursuant to the provision of Section 139 of the Companies Act, 2013 and Rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and pursuant to the recommendations of Audit Committee of the Board of Directors, M/s. Pachisia & Associates, Chartered Accountants (Firm Registration No. 327542E) of 454, Dum Dum Park, Kolkata – 700 055, be and are hereby appointed as Statutory Auditors of the Company, to hold the office of Statutory Auditors from the conclusion of the 22nd AGM till the conclusion of the 27th AGM (subject to ratification of appointment by the members at every AGM held after the 22nd AGM) and that the Board of Directors of the Company be and are hereby authorized to fix the remuneration as may be recommended by the Audit Committee.”

Special Business :

4. Appointment of Mr. Amu Thapa (holding DIN 00674928) as an Independent Director

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule IV to the Companies Act, 2013, Mr. Amu Thapa (holding DIN 00674928), an Independent Director of the Company and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of the 22nd AGM till the conclusion of 27th AGM or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines and who shall not be liable to retire by rotation.”

5. Appointment of Mr. Suresh Kumar Jain (holding DIN No. 00705828) as an Independent Director

To consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

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“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule IV to the Companies Act, 2013, Mr. Suresh Kumar Jain (holding DIN No. 00705828), an Independent Director of the Company and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of the 22nd AGM till the conclusion of 27th AGM or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines and who shall not be liable to retire by rotation.”

6. Variation in terms of appointment of Mr. Bhagwan Das Soni (holding DIN 02308414) Managing Director

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 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Mr. Bhagwan Das Soni (holding DIN 02308414), Managing Director, by making his office liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary the terms and condition of his appointment including remuneration as they may deem fit.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Mr. Bhagwan Das Soni, the remuneration by way of salary, perquisites, commission or any other allowances in accordance with the limits specified under Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration.”

Place : Kolkata
Date : 29.05.2014

**By Order of the Board
For Kwaliti Credit & Leasing Ltd.**

**Sd/-
Amu Thapa
Director
DIN-00674928**

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business, set out in the Notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Proxies in order to

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be effective must be received by the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2014 to 27th September, 2014. (Both days inclusive).
 - Additional details pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, are annexed hereto. The Directors seeking appointment/re-appointment have furnished the requisite consent and/or declaration for their appointment/re-appointment.
5. Members holding share in dematerialized form are requested to bring their Depository Account No. and Client I. D. No. for identification.
6. Members are requested to notify any change of address/residential status/email-id, bank details etc.:
 - a. To their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - b. To Registrar & Share Transfer Agent of the Company - CB Managements Services Pvt. Ltd., P-22, Bondel Road, Kolkata-700 019, Phone No.033-2280/6692/93/94/2486, 4011-6700/6711/6717/6723, E-Mail ID: rta@cbmsl.com, Fax-033-40116739, in respect of shares in physical form, under their signatures and quoting respective folio number.
7. 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.
8. 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.
9. 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.
10. Members are requested to quote their Folio number/DP I.D. and Client I.D. in all correspondence.
11. 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.
12. 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.
13. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
14. Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report 2014 will also be available on the Company's website www.kwalitycredit.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Kolkata for

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inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id: kwalitycredit50@yahoo.com

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
17. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
18. Voting through electronic means:

The instructions for voting electronically are as follows:

Instructions for Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means. Voting rights shall be reckoned on the number of shares registered in the names of the shareholders as on 15th August, 2014. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facilities. The e-voting procedures are given hereunder:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Electronic Voting Sequence Number ' 140820071 ' along with "KWALITY CREDIT & LEASING LTD." from the drop down menu and click on "SUBMIT"
- (iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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- (vi) If you are a first time user fill up the following details in the appropriate boxes and follow the steps given below :

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company Records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant can enter in the PAN field the 10 characters as First 2 Alphabets of the First Holder Name followed by:

- a) For shareholders holding in physical form - 8 characters consisting of Folio Number prefix by "00" No special characters will be taken from the name and folio number. Example: **Mr. AJAY SRIVASTAVA and folio number is A00640, the PAN to be entered will be AJ00A00640.**
 - b) For shareholders holding shares in dematerialized form: 8 characters from right of CLIENT ID Number. No special characters will be taken from the name and Client Id. Example: Mr. AJAY SRIVASTAVA and Client id is 45436217 the PAN to be entered will be AJ45436217.
- # Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or Company, please enter the member id/folio number in the Dividend Bank details field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (ix) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
 - (x) Click on the EVSN for the relevant 'KWALITY CREDIT & LEASING LTD.' on which you choose to vote.
 - (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the "Resolutions File Link" if you wish to view the Resolutions.
 - (xiii) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xiv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If demat account holder has forgotten the changed password then enter the User ID and image

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Captcha Code on Forgot Password & enter the details as prompted by the system.

- (xvii) The e-voting shall commence at **10.00 a.m. on 23rd Day of September, 2014 and shall close at 6.00 p.m. on 25th Day of September, 2014**. You can log in any number of times till you have voted on the resolution(s) or till the end of the voting period (i.e. 25th Day of September, 2014) whichever is later.
- (xviii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a 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's email at csniazahmed@gmail.com** copy marked to helpdesk.evoting@cdslindia.com **before 25th September, 2014** without which the voting shall not be treated as valid.
- (xix) **Mr. Niaz Ahmed, Practicing Company Secretary (Membership No. ACS 15555 CP No. 5965) of 1/2A, Noor Ali Lane, Kolkata – 700 014** has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner whose email id is csniazahmed@gmail.com. In case you have any queries or issues regarding E-voting, please contact at helpdesk.evoting@cdslindia.com.
- (xx) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kwalitycredit.com and on the website of CDSL within two days of the passing of the resolutions at the 22nd Annual General Meeting of the Company on 29th September, 2014 and shall be communicated to the BSE Limited, Calcutta Stock Exchange Limited and Jaipur Stock Exchange Ltd. where the shares of the Company are listed.
- (xxi) The Scrutinizer shall within a period not exceeding (3) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report on the votes cast in favour or against, if any forthwith to the Chairman of the Company.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Members who have already voted through e-voting mechanism shall not be debarred from participation in the AGM. Such members shall however not be able to vote again and his earlier vote (cast through e-means) shall be treated as final.

Relevant documents referred to in the accompanying notice or the statutory registers, as applicable to the Company, are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday) between 10.00 a.m. to 6.00 p.m. prior to the date of the AGM.

Place: Kolkata
Date : 29.05.2014

By Order of the Board
For Kwaliti Credit & Leasing Ltd.

Sd/-
Amu Thapa
Director
DIN-00674928

KWALITY CREDIT & LEASING LIMITED

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 4 & 5

Mr. Amu Thapa & Mr. Suresh Kumar Jain were appointed as Directors of the Company on July 9, 2012. Mr. Amu Thapa & Mr. Suresh Kumar Jain, were holding office as Independent Directors of the Company and they were liable to retire by rotation as per the provisions of the Companies Act, 1956.

As per the Companies Act, 2013, the Company is required to appoint Independent Directors, including existing independent directors, for a fixed term and their office shall not be liable to be determined by retirement of directors by rotation. Accordingly, in compliance of Section 149, 150, 152 read with Schedule IV of the Companies Act, 2013, Mr. Amu Thapa & Mr. Suresh Kumar Jain, Directors, are proposed to be appointed as Independent Directors of the Company to hold the office till the conclusion of 27th AGM. Separate notices have been received from members proposing candidatures of Mr. Amu Thapa & Mr. Suresh Kumar Jain for the office of Independent Directors of the Company.

Accordingly, it is proposed to appoint Mr. Amu Thapa & Mr. Suresh Kumar Jain as Independent Directors of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office till the conclusion of 27th AGM or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.

The Company has received from Mr. Amu Thapa & Mr. Suresh Kumar Jain, individually, (i) consent in writing to act as Director in prescribed Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Amu Thapa & Mr. Suresh Kumar Jain fulfill the criteria of independence for their respective appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement. Mr. Amu Thapa & Mr. Suresh Kumar Jain are independent of the management.

Copy of the draft letters of appointment setting out the terms and conditions of appointment of Mr. Amu Thapa & Mr. Suresh Kumar Jain are available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

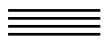
Mr. Amu Thapa & Mr. Suresh Kumar Jain are interested in the resolutions set out respectively at Item Nos. 4 & 5 of the Notice with regard to their respective appointments.

Save and except as mentioned above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set out respectively at Item Nos. 4 & 5 of the Notice.

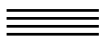
The Board recommends the resolutions set forth in the Item Nos. 4 & 5 of the Notice for approval of the members.

Item No. 6

Mr. Bhagwan Das Soni, was appointed as a Managing Director of the Company at the Board Meeting



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of the Company held on January 1, 2013, with effect from 1st January, 2013 for a period of 5 (five) years ending on 31st December, 2017 and as per the terms of his appointment, he is not liable to retire by rotation. His appointment was approved by the members at their Annual General Meeting held on 30th September, 2013.

As per the provisions of the Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors, other than Independent Directors, of the Company shall liable to be determined by retirement of directors by rotation. However, Managing Directors who were earlier not liable to retire by rotation as per the provisions of the Companies Act, 1956, are now liable to retire by rotation as per the provisions of Section 152(6) of the Companies Act, 2013. Accordingly, it is proposed that the terms of appointment of Mr. Bhagwan Das Soni be amended to provide that he shall be liable to retire by rotation as per the provisions of Section 152(6) of the Companies Act, 2013. The other terms and conditions of his appointment including remuneration approved by the members of the Company at their meeting held on 30th September, 2013 shall remain unchanged. Further, it is proposed that the Board of Directors of the Company be authorized to vary the terms and conditions, including remuneration, of his appointment as per the provisions of the Companies Act, 2013 and the Rules made thereunder from time to time as they may deem fit.

Mr. Bhagwan Das Soni is interested in the resolution set out at Item No. 6 of the Notice with regard to variation in the terms of his appointment.

Save and except as mentioned above, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolution set forth in the Item No. 6 of the Notice for approval of the members.

Regd. Office:

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

Dated : 29th May, 2014

By Order of the Board

For Kwaliti Credit & Leasing Ltd.

Sd/-
Amu Thapa
Director
DIN-00674928