

19th Annual Report

&

Accounts

2010 - 2011



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.

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

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

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.

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 **Kwaliti 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. Kwaliti 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. Kwaliti 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 Jhunjhunwala w.e.f. 12.10.2010	30.10.2010 A97085047	Yes	N.A.



CEO & CFO CERTIFICATION

The Board of Directors
Kwality Credit & Leasing Limited
13A, Decres Lane
5th Floor, Room No. 502
Kolkata - 700 069

Re-Financial Statements for the year ended on 31st March, 2011 Certification

We, Somnath Gupta, Chairman & Mr. Dilip Dey, CFO, on the basis of the review of the financial statements and the cash flow statements for the Financial year ending on 31st March, 2011 and to the best of our knowledge and belief, thereby certify that :-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended on 31st March, 2011 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that :
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Date : 30th day of May, 2011
Place : Kolkata

Somnath Gupta
Chairman

Dilip Dey
CFO

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I, Somnath Gupta, Chairman of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended on 31st March, 2011.

Date : 30th day of May, 2011
Place : Kolkata

Somnath Gupta
Chairman

Dilip Dey
CFO



**REPORT ON CORPORATE GOVERNANCE
(AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE)**

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company pursues its long term corporate goals on the bedrock of financial discipline, high ethical standards, transparency and trust. The Company strongly believes in and is continuously following good Corporate Governance in order to improve corporate image in the Finance industry and to enhance shareholders' value and as well as to promote national interest. Every effort is made to follow the best practices in all the functional areas and in discipline the Company's responsibilities towards all stakeholders and the community at large.

A) Board of Directors

The composition of the Board of Directors of the company is in conformity with the Code of Corporate Governance under the listing Agreement with the Indian Stock Exchanges. The Board of Directors consists of optimum combination of Executive and Non-Executive Directors. The Details of the Board of Directors and their Directorships/Memberships in Committees of other Companies are as under

Name of the Directors	Category	FY 2010-11 Attendance at		No. of Directorship in other public Companies		No. of Committee positions held in other public Companies*
		BM	Last AGM	Chairman	Member	Chairman
Mr. Somnath Gupta (Chairman)	Independent Non-Executive	7	Yes	–	–	–
Mr. P. K. Jhunjhunwala** Resigned w.e.f. 12.10.2010	Non-Independent Non-Executive Promoter	4	Yes	–	–	–
Mr. Bhagwan Das Soni	Independent Non-Executive	7	Yes	–	–	–
Mr. Amit Jajodia	Independent Non-Executive	7	Yes	–	–	–

* Represents Membership/Chairmanship of Audit Committee, Investor Grievance Committee and Remuneration Committee.

** was for part of the year.

Mr. Amit Jajodia is liable to retire by rotation and being eligible, offer himself for re-appointment. Information as required under clause 49(VI) of the Listing Agreement is annexed to the Notice of the Annual General Meeting.



Number of Board Meeting held and the dates on which held

Seven Meetings of the Board were held during the financial year 2010-2011 i.e. on 01.04.2010, 29.05.2010, 30.07.2010, 30.09.2010, 12.10.2010, 08.11.2010 and 04.02.2011.

The company has adopted the Code of Conduct for the Executive Directors, Senior Management Personnel and other executives of the Company. The Company has received confirmation from the Executive Directors and the Seniors Persons in regard the compliance of the Code of Conduct.

The Company has put in place prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and select employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

B) Audit Committee

The Audit Committee was reconstituted on 30.07.2010 and it comprises as its member Mr. Somnath Gupta (Chairman), Mr. Amit Jajodia, and Mr. Bhagwan Das Soni and the scope the Committee includes:-

- a) Review internal control systems, nature and scope of audit as well as post audit discussions.
- b) Review quarterly, half-yearly and annual statements.
- c) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- d) Reviewing the adequacy of internal audit function.
- e) Discuss with internal auditor any significant findings and follow-up thereon.
- f) Recommend to Board on any matter relating to Financial Management including audit report.
- g) Overseas Company's financial reporting process and disclosure of financial information.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below :

Name of Members	Category	No. of Meetings attended during the year 2010 - 2011
Mr. Somnath Gupta (Chairman)	Non-Executive Independent	4
Mr. P.K.Jhunjunwala * Resigned w.e.f. 12.10.2010	Promoter Non-Executive Non Independent	2
Mr. Amit Jajodia * w.e.f. 30.07.2010	Non-Executive Independent	2
Mr Bhagwan das Soni	Non-Executive Independent	4

* were for part of the year.

The Committee met four times on 29.05.2010, 30.07.2010, 08.11.2010 and 04.02.2011 during the year 2010-11. The Statutory Auditor and Executive Directors/ other persons are invited to the meeting as and when required. The Chairman of the Audit Committee was also present at the last Annual General Meeting of the Company.



C) Shareholders' Committee

a) Shareholders' / Investors' Grievance Committee

Shareholders Grievance Committee has been constituted for redressal of Investors complaints like transfer of Shares, Non-Receipts of Annual Report, Non-Receipts of declared Dividend, Issue of Duplicate Certificates, Transfer & Transmission (with or without legal representation) of shares & allied transactions.

Shareholders' complaints/ grievance are redressed by Registrar and Transfer Agent M/s. MCS Ltd. The Board also re-constituted the shareholders' / Investors' Grievance Committee and the members of the same are Mr. Somnath Gupta (Chairman), Mr. Amit Jajodia and Mr. Bhagwan Das Soni.

The Details of the meeting attended are as follows :

Sl. No.	Name	Status	No of Meeting held attended during the year 2010-2011
1	Mr. Somnath Gupta (Chairman)	Non Executive Independent Director	2
2	Mr. Bhagwan Das Soni	Executive Independent Director	2
3	Mr. Amit Jajodia* Appointed on 30.07.2010	Non Executive Independent Director	1
4	Mr. Prahlad Kumar Jhunjhunwala* Resigned on 12.10.2010	Promoter Non Executive Non Independent Director	1

* were for part of the year

Two meeting were held during the year on 30.07.2010 and 31.01.2011 and was attended by all the three members of the Committee and reviewed the grievance / complaints received from shareholders and the proper action were taken on.

Shri B D Soni, Director, acts as the Compliance Officer.

E-mail ID : bhagwandas_sonil@yahoo.com

Address : 13A, Dacres Lane, Kolkata - 700 069

No. of Complaints Pending as on 1st April, 2010 Nil

No. of Complaints received during the year ended 31.03.2011 Nil

No. of Complaints disposed of during the year ended 31.03.2011 Nil

No. of Complaints Pending as on 31.03.2011 Nil

No. of Pending Share Transfer as on 31.03.2011 (Lodged in last 2 weeks) Nil

b) Share Transfer Committee

To expedite the process of share transfer, the Board has delegated the powers of share transfers to a Committee Comprising of Chairman cum Director and two Director. The Share Transfer Committee attends to the share transfer formalities at least once in a fortnight. The business transacted at the Share Transfer Committee meetings is placed before the Board & Shareholders' Grievance Committee.

All valid share transfers during the year ended 31.3.2011 have been acted upon and the number of pending share transfers as on 31.3.2011 was NIL.

**General Body Meeting**

- a) The Details of the Last three Annual General Meeting were held as below :

Financial Year	Date of AGM/EGM	Venue	Time
2009-2010	30-09-2010 AGM	13A, Decres Lane, 5th Floor, Room No. 502, Kolkata-700 069	10.00 A.M.
2008-2009	30-09-2009 AGM	8/1, Lal Bazar Street, 2nd Floor, Suite No. 2D, Kolkata-700 001	3.00 P.M.
2007-2008	26-09-2008 AGM	8/1, Lal Bazar Street, 2nd Floor, Suite No. 2D, Kolkata-700 001	3.00 P.M.
2009-2010	03-05-2010 EGM	13A, Decres Lane, 5th Floor, Room No. 502, Kolkata-700 069	10.00 A.M.

No Special resolutions has been passed in last three years. The resolutions at the above Annual General Meetings were passed by the requisite majority/ unanimously.

No Special Resolutions were required to be put through postal Ballot at the previous AGM's. No Special resolution in regard to has been proposed to be passed through postal Ballot in the ensuing Annual General Meeting.

D) Disclosures

- a. Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large :
There were no such transactions during the year.
- b. Details of non-compliance by the company, penalties and strictures imposed on the company by stock exchanges or SEBI or any statutory authorities on any matter related to Capital markets during the last three years. : None

CEO/CFO Certification

The Chief Executive Officer and Chief Financial Officer of the Company have given a certificate to the Board of Directors as prescribed under clause 49 of the Listing Agreement for the year ended 31st March, 2011.

Secretarial Audit

A qualified Company Secretary carried out Secretarial Audit under Clause 55 and Shares Transfer Audit under Clause 47 of the Listing Agreement and that the same are being filed to the Stock Exchanges quarterly and bi-annually, respectively, after being duly audited and certified

E) Means of Communication

- a. Half-yearly report sent to each household of shareholders : No
- b. Quarterly results:-
News Paper Published in : The Financial Express,
Times of India & Dainik Lipi
- c. Whether the website also displays official news released and presentations to the media, analysts, institutional investors etc. : www.kwalitiycredit.com
- d. Audited financial results : The Financial Express,
Times of India & Dainik Lipi.
- e. Whether MD&A (Management Discussion & Analysis) is a part of Annual Report ? : Yes



F) SHAREHOLDERS' INFORMATION

a. Annual General Meeting

- Date and time : 30th September 2011 9.30 a.m.
- Venue : 13A, Dacres Lane, 5th Floor,
Room No.502, Kolkata - 700 069

b. Financial Year Calender

- (2011-2012) (Tentative)
- Results for Quarter ending June 30, 2011 : Second week of August, 2011.
 - Results for Quarter ending September 30, 2011 : Second week of November, 2011.
 - Results for Quarter ending December 31, 2011 : Second week of February, 2012.
 - Results for Quarter ending March 31, 2012 : Second of May, 2012.
 - Result for Year Ended (Audited) March, 31, 2012 : Fourth Week of May, 2012.

c. Book Closure Date

- : 26th September, 2011 to
30th September, 2011.

d. Dividend payment

- : Not applicable

e. Listing of Equity Shares on

(i) Stock Exchanges

- 1) The Calcutta Stock Exchange Association Limited.
7, Lyons Range, Kolkata - 700 001.
- 2) The Stock Exchange, Mumbai
Phiroza Jeejeebhoy Towers
25th Floor, Dalal Street, Mumbai 400 001.
- 3) Jaipur Stock Exchange Limited
Indra Place, J.L.N. Marg.
Malviya Nagar, Jaipur-302 017.

Listing Fees of all the Stock Exchanges have been paid for 2011-2012.

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

(ii) Depositories

- 1) National Securities Depository Ltd.
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013
- 2) Central Depository Service (India) Limited
Phiroza Jeejeebhoy Towers
28th Floor, Dalal Street, Mumbai - 400 023.

G) Stock Code

- : The Stock Exchange, Mumbai
Stock Code 31206
Equity ISIN INE 577C01015
The Calcutta Stock Exchange Association Ltd.
Stock Code 10021082

H) Market Price, Date

: Stock Market Price of The Bombay Stock Exchange Ltd. are not provided as the trading is suspended and there was no platform for trading in The Jaipur Stock Exchange Ltd.

The Equity Shares of the Company are not frequently traded in the Calcutta Stock Markets, therefore the Market Price Quotation for the financial year are not available. However, Stock Market Price for the Financial Year 2010-2011 of The Calcutta Stock Exchange Association Ltd. are as follows :



Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2010	Not Traded	Not Traded	Not Traded
May, 2010	Not Traded	Not Traded	Not Traded
June, 2010	Not Traded	Not Traded	Not Traded
July, 2010	Not Traded	Not Traded	Not Traded
August, 2010	Not Traded	Not Traded	Not Traded
September, 2010	170.75	170.75	6950
October, 2010	Not Traded	Not Traded	Not Traded
November, 2010	Not Traded	Not Traded	Not Traded
December, 2010	Not Traded	Not Traded	Not Traded
January, 2011	Not Traded	Not Traded	Not Traded
February, 2011	Not Traded	Not Traded	Not Traded
March, 2011	Not Traded	Not Traded	Not Traded

- I) **Registrar and Transfer Agent** : MCS Ltd.
77/2A, Hazra Road, Kolkata – 700 029
Phone No. 033-2476 7350/1/2
- J) **Share Transfer System** : The shares of the company being in the compulsory demat list, are transferable through the depository system. Shares in physical form are processed by MCS Ltd., Kolkata, Registrar & Transfer Agent of the company and approved by the Share Transfer committee. All transfers received are processed and approved by the transfer committee which normally meets twice in a month. Shares under objection are returned within two weeks.
- **Dedicated email ID for Investors.** For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. kwalitiycredit50@yahoo.com.
- K) **Distribution of Shareholding as on 31st March, 2011**

Ordinary Shares held	Number of Shareholders	% of Shareholders	Number of Share held	% of Shareholders
Upto 500	130	52.85	24359	0.70
501-1000	10	4.07	7870	0.22
1001-2000	11	4.47	19909	0.57
2001-3000	9	3.66	22700	0.65
3001 -4000	9	3.66	30745	0.88
4001-5000	14	5.69	67950	1.94
5001-10000	13	5.28	96521	2.76
10001-50000	28	11.38	493858	14.11
50001-100000	7	2.84	595900	17.03
100001 and above	15	6.10	2140188	61.14
Total	246	100.00	3500000	100.00



L) Shareholding pattern as on 31st March, 2011

Name of the Shareholder	No. of Shares Held	% Holding
Promoters	129350	3.70
Individuals	1477736	42.22
Bodies Corporate	1892914	54.08
Total	3500000	100.00

- M) Dematerialisation of shares and Liquidity** : 94.63 % of the paid-up Share Capital of the Company consisting of 3312174 shares in NSDL and 1.57 % of paid-up share capital consisting of 55003 shares in CDSL are in dematerialized form as on 31st March, 2011.
- N) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity** : Not Applicable.
- O) Plant location** : Not Applicable.
- P) Address of the correspondence Investors correspondence for transfer/ Dematerialization of shares, payment of dividend on shares, and any other query relating to the shares of the Co., Any query on Annual Report** : MCS Limited
77/2A, Hazra Road,
Kolkata- 700 029.

To the Members of
Kwality Credit & Leasing Limited

1. We have examined the compliance of conditions of Corporate Governance by **Kwality Credit & Leasing Limited**, for the year ended 31.03.2011, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange(s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination has been limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. 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.

For **MR & Associates**
Company Secretaries

Sd/-
Mohan Ram Goenka
Partner
CP No. : 2551

Date : 30th day of May, 2011
Place : Kolkata



MANAGEMENT DISCUSSION AND ANALYSIS

TREND & DEVELOPMENT

The Past few years have witnessed a rapid change in the segments of Indian Securities Market. Your Company will adopt appropriate strategies to meet the evolving market developments.

REGULATORY

Reserve Bank of India issued several new guidelines namely Guidelines on Fair Practice Code for NBFCs, KYC Norms. Your Company has initiated necessary steps to adhere to the aforesaid guidelines.

OPERATING & FINANCIAL PERFORMANCE

During the year under review, your Company has made significant improvement in performance in terms of earning.

Company's performance during the year under review are :

- Net owned Fund of the Company increased to ₹ 350.80 lacs as against ₹ 350.77 lacs, last year, a growth of about 0.01%.
- Profit Before Taxes decreased to ₹ 0.14 lac as against profit of ₹ 1.25 lacs in the last financial year.
- The net profit after taxation decreased to ₹ 0.14 lac as against profit of ₹ 1.25 lacs in the last year.
- The Company has made contingent provision against Standard Assets amounting to ₹ 0.28 lac.

DEBT STRUCTURE

During the year, your Company has not raised any amount.

OUTLOOK

Your Company continues to remain focused on its chosen market segment of trading in shares and securities. However your Company's focus will be to trade in good company shares & securities so that the delinquencies can be kept at the minimum level.

OPPORTUNITIES & THREATS, RISK & CONCERN

RISK MANAGEMENT

Your Company's business is mainly exposed to Credit risk, interest rate risk, liquidity risk and operational risk. These are vigilantly monitored and managed to ensure that risk parameters remain within the limits.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control and Audit is an important procedure and the Audit Committee of your Company on an ongoing basis reviews its effectiveness. The system of internal control and Audit of your Company is adequate considering the size of its business. These have been designed to ensure effective and efficient operation and compliance of applicable laws and regulations and to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported correctly.

HUMAN RESOURCE DEVELOPMENT

Employees' relations continued to be harmonious throughout the year with the management.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis describing company's expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that would make a difference to the Company's operation include demand supply conditions, change in government regulations, tax regimes, economic development within the country and abroad and such other factors.



AUDITOR'S REPORT TO THE SHAREHOLDERS

- 1 We have audited the attached Balance Sheet of M/S. KWALITY CREDIT & LEASING LIMITED as at 31st March, 2011 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. In our opinion proper books of accounts, as required by law, have been kept by the Company as far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors, as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31.03.2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting policies and other notes thereon give the information required by the companies Act, 1956, in the manner so required, and give a true and fair view, in conformity with the accounting principles generally accepted in India :
 - a) In so far as it relates to Balance Sheet, of the state of affair of the Company as at 31st March, 2011.
 - b) In so far as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date. And
 - c) In so far as it relates to Cash Flow Statement, of the cash flows for the year ended on that date.

Date : 30th day of May, 2011
Place : Kolkata

S.P. Pachisia
Partner
M. No. : 055040

For **Santosh Jain & Co.**
Chartered Accountants
FRN - 308017E



ANNEXURE TO AUDITOR'S REPORT

Referred to in Paragraph 3 of our report of even date

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. As explained to us, the fixed assets has been physically verified by the management during the year and no material discrepancies has been noticed on such verification. During the year, the Company has disposed off part of Fixed Assets. According to the information and explanations given to us, we are of the opinion that the sale of the said assets has not affected the going concern status of the Company.
2. In respect of its inventories:
 - a) As explained to us, the management has conducted physical verification of stock at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of stock and as reported and explained to us by the management, no material discrepancies were noticed on physical verification of stocks.
3. The Company has neither granted nor taken any loan, Secured or unsecured, granted or taken by the Company to / from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 :
 - a. The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, clause 3(b) to 3 (d) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
 - b. The Company has not taken any unsecured loans from the parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, and for the sale of goods and services. During the course of audit, we have not observed any major weakness in internal control system.
5. In respect on transactions covered under Section 301 of the Companies Act 1956:

In our opinion and according to the information and explanations given to us, there are no particulars of contracts or agreements that to be entered into in the register in pursuance of Section 301 of the Companies Act, 1956. Therefore, clause 5(b) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
6. The Company has not accepted any deposit from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.



8. In our opinion the company is not a manufacturing Company. Therefore clause 4 (viii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
9. In respect of statutory dues:
According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable.
10. The Company has accumulated losses to the extent 14,53,342/- at the end of the financial year. The Company has not incurred any cash loss in the current year and in the immediately previous year.
11. The Company had no dues to any financial institutions, banks.
12. In our opinion and according to the information and explanation given to us, the Company has not granted any loans or advance on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual fund / society. Therefore, clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and others investment and timely entries have been made therein. All shares, debenture and other investment have been held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we are of the opinion that no funds raised on short term basis have been used for long-term investments.
18. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money by way of debentures issued.
20. The company has not raised any money by way of public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Santosh Jain & Co.**
Chartered Accountant
FRN - 308017E

Date : 30th day of May, 2011
Place : Kolkata

S. P. Pachisia
Partner
M. No. : 055040



Balance Sheet as at 31st March, 2011

SCHEDULE	As at 31.03.2011 ₹	As at 31.03.2010 ₹	
SOURCES OF FUNDS :			
Shareholders' Funds			
a) Share Capital	A	35,000,000.00	35,000,000.00
b) Reserves and surplus	B	79,900.00	76,900.00
TOTAL		35,079,900.00	35,076,900.00
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		1,503,143.60	1,503,143.60
Less : Depreciation		(1,208,046.60)	(1,083,510.60)
Net Block		295,097.00	419,633.00
Investments	D	9,854,000.00	20,200,000.00
Current Assets, Loans and Advances			
a) Inventories	E	13,641,715.24	13,646,605.24
b) Sundry Debtors	F	622,232.03	0.00
c) Cash & bank balance	G	175,846.36	32,146.34
d) Loans and advances	H	11,516,207.00	1,994,258.00
		25,956,000.63	15,673,009.58
Less: Current Liabilities & Provision			
a) Current liabilities		2,445,081.85	2,571,730.85
b) Provision		33,458.00	103,038.00
		2,478,539.85	2,674,768.85
Net Current Assets		23,477,460.78	12,998,240.73
Profit & Loss Account		1,453,342.22	1,459,026.27
(Balance As per Annexed Account)			
TOTAL		35,079,900.00	35,076,900.00
Notes on Accounts	M		
Balance Sheet Abstract & Companies	N		
General Business Profile			

Date : 30th day of May, 2011
Place : Kolkata

As per our report of even date
For **Santosh Jain & Co.**
Chartered Accountants
FRN - 308017E

S.P. Pachisia
Partner
M. No. : 055040

B. D. Soni
Director
Amit Jajodia
Director



Profit & Loss Account for the year ended 31st March, 2011

SCHEDULE	As at 31.03.2011 ₹	As at 31.03.2010 ₹
INCOME		
Sales	4,890.00	2,703,550.00
Closing Stock	13,641,715.24	13,646,605.24
Other Income	J 617,174.95	888,823.00
	14,263,780.19	17,238,978.24
EXPENDITURE		
Opening Stock	13,646,605.24	1,769,869.95
Purchase	0.00	14,638,656.16
Operating, Administrative & Other expenses	K 495,603.50	603,583.26
Financial Expenses	L 7,966.15	4,936.85
Depreciation	71,463.25	96,522.00
Contingent Provision against Standard Asset	28,458.00	
	14,250,096.14	17,113,568.22
Profit before Tax	13,684.05	125,410.02
Provision for Income Tax		
Current	(5,000.00)	(40,000.00)
Income Tax Adjustment	0.00	(1,224.00)
PROFIT AFTER TAX	8,684.05	84,186.02
Transferred to Reserve	(3,000.00)	(30,000.00)
Balance brought forward	(1,459,026.27)	(1,513,212.29)
	(1,453,342.22)	(1,459,026.27)
Notes on Accounts	M	
Balance Sheet Abstract & Companies		
General Business Profile	N	

Date : 30th day of May, 2011
Place : Kolkata

As per our report of even date
For **Santosh Jain & Co.**
Chartered Accountants
FRN - 308017E

S.P. Pachisia
Partner
M. No. : 055040

B. D. Soni
Director
Amit Jajodia
Director



Schedules Annexed to and Forming Part of the Accounts :

	As on 31.03.2011 ₹	As on 31.03.2010 ₹
SCHEDULE – A		
SHARE CAPITAL		
AUTHORISED		
40,00,000 Equity share of Rs. 10/- each	40,000,000.00	40,000,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
35,00,000 Equity share of Rs. 10/-each fully paid-up in cash	35,000,000.00	35,000,000.00
	<u>35,000,000.00</u>	<u>35,000,000.00</u>
SCHEDULE – B		
Reserves and Surplus		
General Reserve	76,900.00	46,900.00
Add : During the Year	3,000.00	30,000.00
Special Reserve Account	0.00	0.00
	<u>79,900.00</u>	<u>76,900.00</u>

SCHEDULE – C

Particulars	Gross Block			Depreciation			Disposed during the year	Net Block	
	As at 31.03.10	Addition During the Year	Total 31.03.11	Upto 31.03.10	For the Year	Total 31.03.11		As at 31.03.10	As at the Year
	₹	₹	₹	₹	₹	₹		₹	₹
Computer	227454.00	0.00	227454.00	211210.00	5245.00	216455.00	0.00	10999.00	16244.00
Motor Car	502675.00	0.00	502675.00	231705.00	47754.00	279459.00	0.00	223216.00	270970.00
Air Conditioner	154000.00	0.00	154000.00	110226.00	7316.00	117542.00	0.00	36458.00	43774.00
Furniture & Fixture	430685.10	0.00	430685.10	409973.10	6815.50	416788.60	13896.50	0.00	20712.00
Electrical Installation	73807.00	0.00	73807.00	52742.00	876.50	53618.50	20188.50	0.00	21065.00
Television	20150.00	0.00	20150.00	11269.00	239.25	11508.25	8641.75	0.00	8881.00
Mobile Phones	58840.00	0.00	58840.00	31621.00	2795.00	34416.00	0.00	24424.00	27219.00
EPABX	35532.50	0.00	35532.50	24764.50	422.00	25186.50	10346.00	0.00	10768.00
Total	1503143.60	0.00	1503143.60	1083510.60	71463.25	1154973.85	53072.75	295097.00	419633.00
Previous Year	1503143.60	0.00	1503143.60	986988.60	96522.00	1083510.60	0.00	419633.00	516155.00



	As on 31.03.2011 ₹	As on 31.03.2010 ₹
SCHEDULE – D		
INVESTMENTS (At Cost)		
Name of the Company		
Unquoted-Equity Shares		
Anumati Distributors Pvt. Ltd.	0.00	1,000,000.00
Ashirwad Suppliers Pvt. Ltd.	1,500,000.00	1,500,000.00
Castle Distributors Pvt. Ltd.	0.00	2,000,000.00
Giriraj Agencies Pvt. Ltd.	354,000.00	700,000.00
Indo Steel Pvt. Ltd.	0.00	500,000.00
Ishwar Distributors Pvt. Ltd.	0.00	1,500,000.00
Ispat Damodar Ltd.	0.00	2,500,000.00
Kajol Dresses Pvt. Ltd.	0.00	500,000.00
Monika Builders Pvt. Ltd.	0.00	2,500,000.00
Navyug Tradelink Pvt. Ltd.	3,000,000.00	3,000,000.00
Prakash Builders Pvt. Ltd.	0.00	2,500,000.00
Risewell Credit Pvt. Ltd.	5,000,000.00	0.00
S Dresses Pvt. Ltd.	0.00	1,000,000.00
T D Enterprises Pvt. Ltd.	0.00	1,000,000.00
	<u>9,854,000.00</u>	<u>20,200,000.00</u>
SCHEDULE – E		
Inventories		
Stock-in-Trade (As inventories taken, valued & certified by the Management)		
Trading Goods (at cost)	13,641,715.24	13,646,605.24
	<u>13,641,715.24</u>	<u>13,646,605.24</u>
SCHEDULE – F		
Sundry Debtors Sundry debtors : (Unsecured Considered Good) Debts outstanding for a period exceeding six months Other Debts		
	622,232.03	0.00
	<u>622,232.03</u>	<u>0.00</u>
SCHEDULE – G		
Cash and Bank Balances		
Cash in hand	165,040.40	5,305.40
Cash at Bank	10,805.96	26,840.94
With scheduled banks in current account	<u>175,846.36</u>	<u>32,146.34</u>



	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE – H		
Loans and Advances (Unsecured, Considered Goods) Advances Recoverable in cash or in kind or value to be received	11,382,992.00	1,382,992.00
Fringe Benefit Tax	21,263.00	21,263.00
Tax Deducted at Source	87,913.00	565,964.00
Income Tax Payment	17,171.00	17,171.00
Prepaid Expenses	868.00	868.00
Security Deposit	6,000.00	6,000.00
	<u>11,516,207.00</u>	<u>1,994,258.00</u>
SCHEDULE – I		
Current Liabilities Sundry Creditors including advances	2,445,081.85	2,571,730.85
	<u>2,445,081.85</u>	<u>2,571,730.85</u>
Provisions		
For Income Tax	5,000.00	82,769.00
Fringe Benefit Tax	0.00	20,269.00
Contingent of Standard Assets	28,458.00	0.00
	<u>33,458.00</u>	<u>103,038.00</u>
SCHEDULE – J		
Other Income Interest Received		
On Loan (TDS- Pr. Yr.87,913/-)	0.00	847,910.00
On Income Tax Refund	0.00	<u>40,913.00</u>
Deriavative/Share Profit	616,447.70	0.00
Profit/Loss on sale of Fixed Assets	727.25	0.00
	<u>617,174.95</u>	<u>888,823.00</u>



	As at 31.03.2011 ₹		As at 31.03.2010 ₹
SCHEDULE – K			
Operating, Administrative & Other expenses			
Advertisement & Business promotion	7,721.00		6,737.00
Accounting Expenses	21,000.00		48,000.00
Auditor's remuneration			
For Statutory Audit	21,963.00	21,963.00	
For Tax Audit	0.00	4,067.00	26,030.00
Electricity Charges	0.00		38,420.00
Filing Fees	5,500.00		4,000.00
General Expenses	17,370.00		0.00
Insurance Charges	0.00		6,446.00
Legal and Professional Charge	111,000.00		19,500.00
Listing Fees	29,982.50		30,295.50
Motor Car Expenses	5,401.00		11,163.00
Postage & Telegram	373.00		66.00
Printing & Stationery	1,240.00		650.00
Rent & Hiring Charges	1,760.00		13,240.00
RTA Charges	20,263.00		33,611.00
Salary & Bonus	108,000.00		216,000.00
Staff Refereshment expenses	21,710.00		50,280.00
Telephone Charges	0.00		12,826.75
Travelling and Conveyance	15,085.00		53,204.01
Miscellaneous Expenses	107,235.00		33,114.00
	495,603.50		603,583.26
SCHEDULE – L			
Financial Expenses			
Bank Charges	7,966.15		4,936.85
	7,966.15		4,936.85

SCHEDULE – M**Notes on Accounts**

(Annexed to and forming part of the Balance Sheet as at 31st March 2011 and the annexed Profit & Loss account for the year ended on that date)

1. Significant Accounting Policies :**a) Principles & Practice :**

The Financial Statements have been prepared under the historic cost convention, in accordance with generally accepted accounting principles, following Accounting Standards and other provisions of the Companies Act, 1956 and on going concern concept.



- b) System of Accounting :**
Generally Mercantile System of Accounting is followed except unascertained items which have been taken on cash basis.
- c) Recognition of Income & Expenses :**
Items of income and expenditure are recognized on accrual basis save as above.
- d) Fixed assets & Depreciation :**
The Company has provided depreciation on straight line method as per Schedule XIV of the Companies Act, 1956.
- e) Investment :**
Securities acquired for long term holding are shown as investment. Investment in shares is stated at cost. Temporary diminution in the value of investments is not recognized.
- f) Retirement Benefit :**
Provision for gratuity has not been made in the Accounts as there is no such liability for the year.
- g) Taxation :**
Provision for taxation has been made in the accounts. The Rates & Taxes are accounted on cash basis.
- h) Deferred Tax :**
Deferred Tax Assets are not recognized for the year to the extent there is not sufficient assurance with respect to the reversal of the same in foreseeable future years.
- i) Inventories :**
Stock of Shares/Securities are valued at cost.

2. Related Party Disclosure

Disclosures as required by the Accounting Standard 18 "Related party Disclosures" issued by the Institute of Chartered accountants of India.

A. Relationship are given below :-

- Directors (existing) : - 1) Mr. Bhagwan Das Soni
2) Mr. Somnath Gupta
3) Mr. Amit Jajodia

B. Transaction with related parties Nil

C. Amount outstanding (receivable) as on 31.03.2011 Nil

D. Amount outstanding (payable) as on 31.03.2011 Nil

3. Quantative Details of Items Dealt in

Shares	2010 - 11		2009 - 10	
	Nos.	₹	Nos.	₹
Opening Stock	79860	13646605.24	38700	1769869.95
Purchases	0	0.00	55060	14638656.16
Sales	500	4890.00	13900	2703550.00
Closing Stock	79360	13641715.24	79860	13646605.24

**4. Earning per Share**

	2010 - 11	2009 - 10
Calculation of weighted average no. of shares of Rs. 10/-each		
No. of shares at the beginning of the period	35,00,000	35,00,000
Shares issued during the year	Nil	Nil
No. of shares at the close of the period	35,00,000	35,00,000
Weighted average no. of equity shares during the period	35,00,000	35,00,000
Net Profit for the period attributable to equity Shares (in ₹)	13,684.05	84,186.02
Basic & Diluted earning (in rupees) per share	0.004	0.02

5. Deferred Tax Assets/ Liabilities

In accordance with AS 22 – “ accounting for taxes on income “ as issued by the Institute of Chartered Accountants of India, the Directors of the Company are of the opinion that there is no deferred and no deferred tax assets/liabilities for the year ended 31st March, 2011.

6. Current Assets / Liabilities

In the opinion of the Board, the Current Assets and Loans & Advances are approximately of the value stated in the accounts, if realized in the ordinary course of business, unless otherwise stated. The provision of all known liabilities are adequate and is not in excess of the amount considered reasonably necessary by the management.

7. Additional Information pursuant to the provision of Paragraph 3 of Part II of schedule VI to the Companies Act, 1956 :-

- Earning / outgo in foreign currency on export / import of goods on F.O.B basis Nil
 - Quantitative information in respect of goods traded during the year Nil
- As informed by the Management the payment of Gratuity Act, 1972 is not applicable to the Company as the number of staffs is less than the minimum number specified under the Act.
 - The Company is mainly in the business of Non-Banking Financial Activities, hence no segment reporting is required.
 - As required by the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions. 1998 a schedule to the Balance Sheet containing additional particulars as per format prescribed by the Bank has been attached herewith.
 - Information relating to Micro and Small Enterprises (MSEs) :

(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year	
Principal	—
Interest	—
(ii) The amount of interest accrued and remaining unpaid at the end of accounting year	—
(iii) The amount of interest paid by the buyer in terms of Section 16 to the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	—
Principal	
Interest	



The above particulars, as applicable, have been given in respect of MSEs. No party could be identified on the basis of information available with the Company and pursuant to amendment of Schedule VI to the Act vide Notification dated 16th November, 2007 issued by the Central Government

12. In terms of our report of even date attached herewith

SCHEDULE – N

Balance Sheet Abstract and Company's General Business Profile pursuant to Part IV of Schedule - VI of the Companies Act, 1956

I. Registration Details :	
Registration No.	33060
Balance Sheet Date	31.03.2011
State Code	21
II. Capital raised during the year (Amount in Rs. Thousands)	
Public Issue	NIL
Bonus Issue	NIL
Rights Issue	NIL
Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
Total Liabilities	35,080
Total Assets	35,080
<u>Sources of Funds</u>	
Paid up Capital	35,000
Reserves & Surplus	80
Secured Loans	NIL
Unsecured Loans	NIL
<u>Application of Funds</u>	
Net Fixed Assets	295
Investments	9,854
Net Current Assets	23,483
Miscellaneous Expenditure	NIL
Profit & Loss A/c	1,448
IV. Performance of Company (Amount in Rs. Thousands)	
Total Income	14,264
Profit/Loss before tax	14
Earnings per share (in Rs.)	0.001
Total Expenditure	14,250
Profit/Loss after tax	14
Dividend Rate %	NIL
V. Generic names of three Principal Products / Services of the Company (As per monetary terms)	

Item Code No.	Not Applicable	Product Description	Dealing in Shares & Securities Investment & Finance
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KWALITY CREDIT & LEASING LIMITED

Disclosure of details as required by Para 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 1998

(Amount in ₹)

Particulars		Amount Outstanding	Amount Overdue
Liabilities Side :			
1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
	a) Debentures : Secured	-	-
	Unsecured (other than falling within the meaning of public deposits *)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter- corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (Specify Nature)	-	-
Particulars		Amount Outstanding	
Assets Side :			
2)	Break up of Loans and Advances including bills receivables [other than those included in (4) below]		
	(a) Secured		-
	(b) Unsecured		-
3)	Break up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease		-
	(b) Operating Lease		-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire		-
	(b) Repossessed Assets		-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed		-
	(b) Loans other than (a) above		-
4)	Break up of Investments		
	Current Investments		
	1 Quoted :		
	(i) Shares : (a) Equity		-
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		0
	(iv) Government Securities		-
	(v) Others (Please Specify)		-
	2 Unquoted :		
	(i) Shares : (a) Equity	9854000	
	(b) Preference		-
	(ii) Debentures and Bonds		-
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others (Please Specify)		-



**Cash Flow Statement for the year ended 31st March, 2011
[Pursuant to clause 32 of the listing agreement]**

	2010 - 2011 ₹	2009 - 2010 ₹
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Tax and Extra ordinary items	13,684.05	125,410.02
Adjustment for :		
Depreciation :	124,536.00	96,522.00
	138,220.05	221,932.02
Less : – Interest Income	(617,174.95)	(888,823.00)
Operating Profit, before working Capital Change	(478,954.90)	(666,890.98)
Adjustment for :		
Inventories	4,890.00	(11,876,735.29)
Loans & Advances	(9,521,949.00)	28,978,785.00
Current Assets	(622,232.03)	–
Current Liabilities	(201,229.00)	2,424,677.00
Cash generated from operation	(10,819,474.93)	18,859,835.73
Less : Income Tax Paid - Net	–	(1,224.00)
Net Cash Flow from Investing Activities	(10,819,474.93)	18,858,611.73
B. Cash Flow from Investing Activities		
Decrease / (Increase) in Investment	10,346,000.00	(20,200,000.00)
Net Cash flow from Investing Activities	10,346,000.00	(20,200,000.00)
C. Cash Flow from Financing Activities		
Interest Income	617,174.95	888,823.00
Net Cash Flow from / (used in) Financing	617,174.95	888,823.00
Net Increase / (Decrease in Cash and Cash equivalent	143,700.02	(452,565.27)
Add : Opening Balance of Cash & Cash Equivalent	32,146.34	484711.61
Closing Balance of Cash & Cash Equivalent	175,846.36	32146.34

Notes :-

1. Cash and Cash Equivalents includes: -Cash and Bank Balances
2. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statement issued by the ICAI.
3. Figures in bracket below cash outflow.
The Previous year's figures have been re-grouped and re-classified , wherever necessary

Date : 30th day of May, 2011
Place : Kolkata

In terms of our Report of even date
For **Santosh Jain & Co.**
Chartered Accountants
FRN - 308017E

S.P. Pachisia
Partner
M. No. : 055040

B. D. Soni
Director
Amit Jajodia
Director



AUDITOR'S CERTIFICATE

To
The Board of Directors
Kwaliti Credit & Leasing Ltd.
13A, Decres Lane, 5th Floor,
Room No. 502,
Kolkata-700 069

We have examined the attached Cash Flow Statement of **Kwaliti Credit & Leasing Ltd.** for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirement of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and is in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our report dated 30th May, 2011 to the members of the Company.

For **Santosh Jain & Co.**
Chartered Accountants
FRN – 308017E

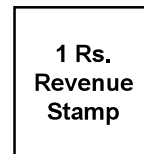
Date : 30th day of May, 2011
Place : Kolkata

S. P. Pachisia
Partner
Membership No. :055040

PROXY
KWALITY CREDIT & LEASING LIMITED
13A, Decress Lane, 5th Floor, Room No. 502,
Kolkata - 700 069

I/We _____
_____ of _____ being
member / Members of **Kwality Credit & Leasing Limited** hereby appoint Shri _____
_____ or failing him Shri _____
or failing him Shri _____ as my / our proxy to vote
for me / us and on my / our behalf at the 19th Annual General Meeting of the Company to be held on Friday, the
30th September, 2011 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011
Folio No. _____ / DP ID No. * _____
& Client ID No. _____



* Applicable for members holding shares in electronic form

Note : The Proxy form must be submitted so as to reach the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.

KWALITY CREDIT & LEASING LIMITED
13A, Decress Lane, 5th Floor, Room No. 502,
Kolkata - 700 069

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company at 13A, Decress Lane, 5th Floor, Room No. 502, Kolkata - 700 069, at 11.00 a.m. on Friday the 30th September, 2011

Full name of the Shareholder
(in block capitals) _____
(Signature)

Folio No. _____ / DP ID No. * _____ & Client ID No. * _____

* Applicable for members holding shares in electronic form.

Full name of the Shareholder
(in block capitals) _____
(Signature)

Note : The Proxy form must be submitted so as to reach the Registered Office of the Company, not less than 48 hours before the time for holding the of aforesaid meeting. The Proxy need not be a member of the company.