

27th Annual Report

&

Accounts

2018 - 2019

KWALITY CREDIT & LEASING LIMITED

KWALITY CREDIT & LEASING LIMITED

Corporate Identity No.: L65921WB1992PLC056686

Board of Directors:

Mr. Bhagwan Das Soni	Managing Director
Mr. Amu Thapa	Non-Executive Independent Director
Mr. Suresh Kumar Jain	Non-Executive Independent Director
Ms. Babita Shah	Non-Executive Independent Director

Audit Committee:

Mr. Suresh Kumar Jain	Chairperson-Non Executive Independent Director
Mr. Amu Thapa	Non-Executive Independent Director
Mr. Bhagwan Das Soni	Executive Non- Independent - Managing Director

Nomination And Remuneration Committee:

Mr. Suresh Kumar Jain	Chairperson-Non Executive Independent Director
Mr. Amu Thapa	Non Executive Independent Director
Ms. Babita Shah	Non Executive Independent Director

Stakeholder's Relationship Committee:

Mr. Amu Thapa	Chairperson-Non Executive Independent Director
Mr. Suresh Kumar Jain	Non Executive Independent Director
Mr. Bhagwan Das Soni	Executive Non- Independent - Managing Director

Risk Management Committee

Mr. Amu Thapa	Chairperson-Non Executive Independent Director
Mr. Suresh Kumar Jain	Non Executive Independent Director
Mr. Bhagwan Das Soni	Executive Non- Independent - Managing Director

Chief Financial Officer:

Mr. Subrata Dutta

Registered Office:

7, Lyons Range,
3rd Floor, Room No. 9 & 10,
Kolkata – 700 001
Ph. No. 9681634539
Email – kwalitycredit50@yahoo.com
Website – www.kwalitycredit.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
Urbana Flat No. 1302, Tower No. 7,
783, Anandpur,
Kolkata – 700 107

KWALITY CREDIT & LEASING LTD.

Regd. Office:- 7, Lyons Range, 3rd Floor, Room No.9 & 10, Kolkata-700 001
Phone- 9681634539, E-Mail Id - kqualitycredit50@yahoo.com, Website www.kqualitycredit.com
CIN-L65921WB1992PLC056686

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 27th Annual Report of the Company together with Audited Accounts for the year ended March 31, 2019.

1. Financial Summary or Highlights

Particulars	Standalone	
	2018-19	2017-18
Total Revenue	61,79,444	67,81,919
(Less): Total Expenditure	60,54,035	61,28,368
Profit before Exceptional & Extraordinary Items	1,25,409	6,53,551
Add/(Less): Exceptional Items	-	-
Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets)	-	-
Profit Before Tax	1,25,409	6,53,551
(Less): Provision for Tax	(32,293)	(1,68,290)
Add/(Less): Contingent provision for Standard Assets	(8,685)	-
Net Profit/(Loss) after Tax	84,431	4,85,261
Income Tax Adjustments of Earlier Years	-	-
Surplus balance carried to Balance Sheet	84,431	4,85,261
(Less): Transfer to Statutory Reserve	(16,886)	(97,052)
Add/(Less): Brought forward from previous year	(31,55,694)	(35,43,903)
Balance carried to Balance Sheet	(30,88,150)	(31,55,694)

2. Performance

(a) Annual Financial Results

The total income of the Company during the Financial Year 2018-19 on a standalone basis is ` 61,79,444 as compared to ` 67,81,919 in the previous financial year. The total expense for the year under review is ` 60,54,035/- as compared to ` 61,28,368/- in previous year.

(b) Annual Consolidated Financial Results

During the Year under review, the Company does not have any subsidiaries, joint ventures and associate Companies, therefore Consolidated Financial Statement is not required to be presented in the Annual Report 2018-19.

(c) Names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year

As on March 31, 2019, the Company does not have any subsidiaries, joint ventures and associate Companies.

Further, In terms of Rule 8(5)(iv) of the Companies (Accounts) Rules 2014, the disclosure on subsidiaries companies is made hereunder:

- **The names of companies which have become its subsidiaries during the period under review**

None of the Companies have become Subsidiaries during the period under review.

- **The names of companies which have ceased to be its subsidiaries during the period under review:**

Sl. No.	Name of the Company
1.	Curlew Agriculture Ltd.
2.	Curlew Floriculture Ltd.
3.	Curlew Riverview Ltd.
4.	Curlew Sunshine Ltd.
5.	Curlew Highrise Ltd.
6.	Curlew Projects Ltd.
7.	Curlew Seaview Ltd.
8.	Curlew Horticulture Ltd.
9.	Curlew Moonview Ltd.
10.	Curlew Builders Ltd.
11.	Selvan Highrise Ltd.
12.	Selvan Riverview Ltd.
13.	Selvan Seaview Ltd.
14.	Selvan Skyrise Ltd.
15.	Selvan Sunshines Ltd.
16.	Mdue Fashion Ltd.
17.	Mdue infracon Ltd.
18.	Mdue Industries Ltd.
19.	Mdue Retail India Ltd.
20.	Mdue Enterprises Ltd.

3. Dividend

During the year under review, the Company has not recommended any dividend to the shareholders.

4. The amount proposed to be carried to reserves

The Company proposes to transfer ` 16,886 to the Statutory Reserve maintained under section 45 IA of the Reserve Bank of India Act, 1934.

5. Change in Share Capital

During the year under review, there has been no change in the Authorised or Paid-up Share Capital.

The Authorised Share Capital of the Company stands at ` 4,70,00,000/- divided into 47,00,000 Equity Shares of ` 10 each. The Paid-up Share Capital of the Company is ` 4,22,27,030/- divided into 42,22,703 Equity Shares of ` 10/- each.

6. Listing

The equity shares of the Company listed on The Calcutta Stock Exchange Ltd. and BSE Ltd.

7. Corporate Governance Report

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

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

8. Extract of the Annual Return

The Extract of the Annual Return as on the financial year ended on March 31, 2019, in Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 (hereinafter referred to as "the act") and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to the Directors' Report in **Annexure-I**.

Further, the Annual Return in Form MGT-7 for the F.Y. ended 31st March, 2019 will be uploaded on the website of the Company i.e. <http://www.kwalitycredit.com> after the same is filed with the Registrar of Companies.

9. Number of Meetings of the Board

The Board of Directors of the Company met six (6) times during the Financial Year under review, i.e. on: 23/04/2018, 29/05/2018, 15/06/2018, 13/08/2018, 14/11/2018 and 11/02/2019.

Further, one exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and sub-regulation 3 of Regulation 25 of the of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") was held on 18/02/2019.

The Meetings were held in accordance with the provisions of the Act, the Listing Regulations and Secretarial Standards issued by the ICSI.

The details of the Meetings of the Board of Directors during the Financial Year 2018-19 is encompassed in the Corporate Governance Report which is annexed to the said Report.

10. Disclosure pursuant to Section 177(8) of the Companies Act, 2013-Composition of the Audit Committee

The Audit Committee of the Company comprises of two Non-Executive Independent Director and one Executive Non Independent Director as on March 31, 2019. The Committee is chaired by a Non-Executive Independent Director, Mr. Suresh Kumar Jain (DIN- 00705828).

The details of the same are morefully provided in the Corporate Governance Report.

During the Financial Year under review, the Committee met four (4) times i.e. 29/05/2018, 13/08/2018, 14/11/2018 and 11/02/2019 and all such meetings were held in accordance with the provisions of the Act and the Listing Regulations and Secretarial Standards issued by the ICSI.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2018-19.

11. Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Independent Directors as on March 31, 2019.

The details of the Committee are provided in the Corporate Governance Report.

12. Composition of the Stakeholders Relationship Committee

The Share Transfer and Investors Grievance Committee consist of two Non-Executive Independent Director and one Executive Non-Independent Director.

The detail of the Committee is provided in the Corporate Governance Report.

13. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) read with section 134 (5) of the Act, the Directors hereby confirm and state that:

- (a) In the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures, if any.
- (b) The Directors have selected such accounting policies and have 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 as on the Financial Year ended on March 31, 2019 and of the profit of the company for the year under review.

- (c) The Directors have 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.
- (d) The Directors have prepared the annual accounts on a going concern basis.
- (e) The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. Declaration by the Independent Directors

Section 149(7) of the Act requires that every Independent Director to give a declaration that he/she meets the criteria of Independence, at the first Board Meeting of every financial year.

Accordingly, the Company has taken on record, the Statement of Declaration of Independence, as submitted by all the Independent Directors.

15. Policy on Directors' Appointment & Remuneration

Pursuant to the provisions of Section 178(4) of the Act read with the Rules made thereunder and Listing Regulation 2015, the Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director and has further formulated a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees, which has been duly approved by the Board of Directors.

While formulating the Policy, the Nomination and Remuneration Committee has assured that:

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) The relationship of remuneration to performance is clear and meets appropriate benchmarks; and
- (c) The remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Policy is available on the website of the Company at <http://www.kwalitycredit.com/nomination-&-remuneration-Policy.html>.

16. Auditors & Auditors' report

(a) Statutory Auditors

Members of the Company at the 22nd Annual General Meeting (AGM) held on 29th September, 2014, approved the appointment of M/s Pachisia & Associates (Firm Registration No. 327542E), Chartered Accountant of 783, Anandpur, Kolkata-700107, as the Statutory Auditor of the Company for a term of five years from the conclusion of the 22nd Annual General Meeting till the Conclusion of the 27th Annual General Meeting to be held in the Calendar year 2019.

Further, the term of five years of M/s Pachisia & Associates (Firm Registration No. 327542E), shall be completed at the ensuing 27th Annual General Meeting. Therefore it is necessary to re-appoint them as Statutory Auditor of the Company for further period of two years, from the conclusion of 27th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held in the Calendar year 2021.

Further M/s Pachisia & Associates., shown their willingness to act as statutory Auditor of the Company for further two years, subject to the approval of members in the ensuing Annual General Meeting.

The Company has received confirmation from M/s Pachisia & Associates in terms of section 139 of the Act, to the effect that it continues to satisfy the criteria provided in section 141 of the Companies Act, 2013 and that its appointment is within the limits prescribed in the said section.

(b) Independent Auditors' Report

The Self Explanatory Independent Auditors' Report does not contain any adverse remarks or qualification.

(c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Amit Jajodia, Company Secretary in Practice (Certificate of Practice Number 14303, Membership No. 37613), Company Secretary in Whole-time Practice, to undertake the Secretarial Audit of the Company for Financial Year 2018-19.

(d) Secretarial Audit Report

The Secretarial Audit Report is appended to the Directors' Report in **Annexure-II**. The Report of the Secretarial Audit Report does not contain any adverse remark except the following:-

1. *Company has not appointed Company Secretary as per the provision of section 203 of the Companies Act, 2013*
2. *In terms of Rule 25A of The Companies (Incorporation) Rules, 2014, every company is required to file e-form INC- 22A Active (Active Company Tagging Identities and Verification). Hence, the Company has not filed said form.*
3. *BSE has imposed penalty for non compliance of Regulation 6(1) of the SEBI(LODR) Regulations, 2015 pertaining to appointment of Company Secretary.*

Board of Directors' Comment:-

1. The Company had advertised in the newspaper to appoint a Company Secretary but have not received any positive response for the same.
2. After the appointment of Company Secretary, e-form INC- 22A Active (Active Company Tagging Identities and Verification) will be filed.
3. The Company will request the BSE Ltd. for waiving of the penalty.

17. Particulars of Loans, guarantees or investments under section 186

The provisions of section 186 of the Act are not applicable upon a Non-Banking Financial Company. Therefore, the Company is not required to provide any disclosure pursuant to Section 134(3)(g) of the Act.

18. Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the prescribed form

All related party transactions, contracts or arrangements that were entered into, during the financial year under review, were on an arms-length basis and in the ordinary course of business.

The Company has adhered to its "Policy on Related Party Transactions and Materiality of Related Party Transactions" while pursuing all Related Party transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Further, during the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

19. State of Company Affairs & Future Outlook

The total income of the Company during the Financial Year 2018-19 on a standalone basis is ` 61,79,444 as compared to ` 67,81,919 in the previous financial year. The total expense for the year under review is ` 60,54,035/- as compared to ` 61,28,368/- in previous year.

20. Material Changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company, have occurred between the end of the financial year of the company to which the financial statements relate and the date of this Directors' Report.

21. Disclosure in terms of Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

In terms of Section 134(3)(m) of the Act read with the Rules made there under, the Company has no activity relating to Conservation of Energy, Technology Absorption.

Further, during the year there was no Foreign Exchange Earnings and Outgo.

Therefore, the Company is not required to make any disclosure as specified in Section 134 (3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

22. Risk Management Policy

In terms of compliance with Section 134(3)(n) of the Act, the Company has a Risk Management Policy which provides for the identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company.

Pursuant to Schedule IV(II)(4) of the Act, the Independent Directors, inter-alia amongst others, review the system from time to time to ensure that Risk Management is robust and satisfactory.

Further, in terms of Regulation 17(9)(b) of Listing Regulations, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and has have delegated the power of monitoring and reviewing of the risk management plan to the Risk Management Committee.

The Risk Management Committee is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. This is described morefully in the Corporate Governance Report.

23. Policy on Corporate Social Responsibility (CSR) Initiatives

Pursuant to provisions of Section 135 of the Act, the Company is not required to constitute a Corporate Social Responsibility Committee or to undertake any CSR activities.

Therefore, the Company is not required to make any disclosure as specified in Section 134(3) (o) of the Act

24. Manner of formal annual evaluation by the Board of its own performance and that of its committees and individual directors

Pursuant to Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, other applicable provisions of the Act, and various applicable clauses of the Listing Regulations, the disclosure regarding the manner of formal annual evaluation by the Board of its own performance and that of its various committees and individual directors is provided hereto:

(a) Evaluation Criteria

Pursuant to Part D of Schedule II of the Listing Regulations, the Nomination and Remuneration Committee has formulated the criteria for evaluation of the performance of the Independent Directors and the Board. The Nomination and Remuneration Committee also identifies persons qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommends to the Board their appointment and removal and carries out the

evaluation of every director's performance in accordance with Section 178(2) of the Act read with the Rules framed there under and Part D of Schedule II of the Listing Regulations.

The Board shall monitor & review the Board Evaluation Framework and evaluate the performance of all the Board Committees.

Further, the Nomination and Remuneration Committee has formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The details of the same are more fully described in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity in accordance with Regulation 19(4) of the Listing Regulations.

(b) Performance Evaluation of the individual directors

Pursuant to section 178(2) of the Act, the Nomination and Remuneration Committee of the Company carries out the performance evaluation of the individual directors.

(c) Board of Directors

A separate meeting of the Independent Directors of the Company was held on 18/02/2019, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter "Listing Regulation(s)"), for transacting the following businesses as set forth in the Agenda:

1. Review the performance of the non-independent directors and the Board as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors.
3. Assessment of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The same was perused in accordance with the Evaluation criteria determined by the Nomination and Remuneration Committee.

The Independent Directors of the Company in fulfilling their role and functions as specified in Clause II of Schedule IV to the Act, help in bringing an objective view in the evaluation of the performance of the Board and management.

The Independent Directors expressed satisfaction over the performance of all the non-independent Directors and the Chairman.

(d) Performance Evaluation of the Independent Directors

Pursuant to Clause VIII of Schedule IV to the Act and Regulation 19 of the Listing Regulations, read with Part D of Schedule II thereto the performance evaluation of the Independent Directors is perused by the entire Board of Directors, excluding the director being evaluated.

On the basis of the report of performance evaluation, the extension of the term of appointment or its continuance in respect of the independent directors is being considered.

(e) Performance Evaluation of the Committee

The Board of Directors evaluates the performance of all the Board Committees, based on the Company's Performance Evaluation Policy.

25. Nomination and Remuneration Policy

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have adopted a Nomination and Remuneration Policy in terms of Section 178 of the Act, read with Rules made thereunder and read with Part D of Schedule II of the Listing Obligations, as amended from time to time.

The Nomination and Remuneration Policy is available on the website of the Company at <http://www.kwalitycredit.com/nomination-&-remuneration-Policy.html>.

26. Board Diversity policy

The Company acknowledges and embraces the benefits of having a diverse board for effective decision making, and views diversity at the board level as an important element in strong corporate governance. Diversity encompasses diversity of perspective, experience, background, gender, age, ethnicity and geographic background, psychological type and personal attributes. Appointments to the Board are made in the context of complementing and expanding the skills, knowledge and experience of the Board as a whole.

The Board has adopted the Board Diversity Policy which sets out the approach to diversity of Board of Directors.

The Board Diversity Policy is available on the website of the Company at <http://www.kwalitycredit.com/board-diversity-policy.html>.

27. Change in the nature of business

There has been no change in the nature of business of the Company in the Financial Year under review.

28. Directors & Key Managerial Personnel

(a) Non-Executive & Executive Directors - Non-Independent

Mr. Bhagwan Das Soni (DIN- 02308414), being Executive Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as the Managing Director without any variation in the terms of his appointment.

(b) Independent Directors

The Independent Directors of the Company, viz: Mr. Amu Thapa (DIN- 00674928) and Mr. Suresh Kumar Jain (DIN- 00705828) were appointed for a term of five consecutive years commencing from the conclusion of 22nd Annual General Meeting (AGM) till the conclusion of 27th AGM to be held in the calendar year 2019. In terms of the provisions of Section 149(10) of the Act, it is proposed to appoint them for a further period of five years. The Board is of the view that, the continued association of Mr. Amu Thapa (DIN- 00674928) and Mr. Suresh Kumar Jain (DIN- 00705828) will benefit the Company, given their knowledge, experience and contribution to Board processes.

Further, Ms. Babita Shah, was appointed as a non-retiring Independent Director of the Company to hold office for a period of five consecutive years from the conclusion of the 25th AGM till the conclusion of 30th Annual General Meeting 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.

(c) Chief Financial Officer

Mr. Subrata Dutta is the Chief Financial Officer of the Company.

(d) Compliance Officer

Mr. Bhagwan Das Soni is the Compliance Officer of the Company.

29. Details relating to deposits covered under Chapter V of the Act

The Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on March 31, 2019.

30. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations.

Further, the Registered office of the Company has been shifted from 27, Weston Street, 5th Floor, Room No 526, Kolkata – 700 012 to 7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata – 700 001 with effect from 18th June, 2018

31. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Audit Committee of the Company ensures that there is a direct relationship between the Company's objectives and the internal financial controls it implements to provide reasonable assurance about their achievement.

In this connection, the Audit Committee in coordination with the Internal Audit Department periodically reviews the following:

- (a) Transactions are executed in accordance with the management's general or specific authorization;
- (b) All transactions are promptly recorded in the correct amount in the appropriate accounts and in the accounting period in which they are executed so as to permit preparation of financial information within a framework of recognized accounting policies and practices and relevant statutory requirements, if any;
- (c) Accountability of assets is adequately maintained and assets are safeguarded from unauthorized access, use or disposition.

There is a proper allocation of functional responsibilities within the Company and it is ensured that the quality of personnel commensurate with their responsibilities and duties. Further, proper accounting and operating procedures are followed to confirm the accuracy and reliability of accounting data, efficiency in operation and safety of the assets. The regular review of work of one individual by another minimizes the possibility of fraud or error in the absence of collusion.

32. Disclosure pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company has no employee whose remuneration exceeds the limit prescribed under Section 197 of the Act read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The disclosure pursuant to Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided herein below:

In computing the various parameters, Gross Salary has been considered. Gross Salary of the employees primarily encompasses Salary, allowances and perquisites.

I. Ratio of Remuneration of each director to the median remuneration of the employees of the company for the financial year.

Directors	Ratio of Remuneration to Median Remuneration
Mr. Bhagwan Das Soni - Executive Non-Independent Managing Director.	2.78
Mr. Amu Thapa - Non-Executive Independent Director.	No remuneration or sitting fees was paid
Mr. Suresh Kumar Jain - Non executive Independent Director.	No remuneration or sitting fees was paid
Ms. Babita Shah - Non-Executive Independent Director.	No remuneration or sitting fees was paid.

II. The percentage increase in the remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial Year
Mr. Bhagwan Das Soni - Executive Non-Independent Managing Director.	No increase in remuneration
Mr. Amu Thapa - Non-Executive Independent Director.	No remuneration or sitting fees was paid

Mr. Suresh Kumar Jain - Non executive Independent Director.	No remuneration or sitting fees was paid
Ms. Babita Shah - Non-Executive Independent Director.	No remuneration or sitting fees was paid
Mr. Subrata Dutta – Chief Financial Officer	No increase in remuneration

III. The percentage increase in the median remuneration of the employees in the financial year.

There was no increase in the median remuneration of the employees in the reporting financial year.

IV. The number of permanent employees on the rolls of the company.

As on March 31, 2019, there are 9 Employees on the rolls of the Company.

A. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.

There was no such increase in the salaries of the employees in the last financial year

B. Whether there are any exceptional circumstances for increase in the managerial remuneration.

There were no exceptional circumstances or increase for managerial personnel in the last financial year. The percentile increase process and policy was same for the managerial personnel and all the other employees.

C. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.

Comparative Parameter	Bhagwan Das Soni -Executive Non-Independent Managing Director	Subrata Dutta - Chief Financial Officer
Remuneration of the Key Managerial Personnel (KMP) in the Financial Year 2017-18.	3,00,000	78,000
Total Revenue	61,79,444	61,79,444
Remuneration of KMP's as a percentage of Total Revenue	4.85%	1.26%
Profit before tax	1,25,409	1,25,409
Remuneration of KMP's as a percentage of Profit before Tax	239.22%	62.20%
Profit after tax	84,431	84,431
Remuneration of KMP's as a percentage of Profit after Tax	355.32	92.38%

D. The key parameters for any variable component of remuneration availed by the directors.

The Variable Components of Remuneration broadly comprises of - Performance based promotion and bonus.

The same shall also depend upon various factors including: their grade, industry bench mark, overall business performance.

Further, in determining the director's remuneration, their performance evaluation as duly carried out by the Board and/or Independent Directors, shall also be given due weightage.

Any annual increase in the remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel shall be at the sole discretion of the Board, based on the

recommendation of the Nomination and Remuneration Committee and subject to such statutory approvals, if any.

E. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

None of the employees' remuneration is more than that of the highest paid director for the Financial Year under review.

F. Affirmation that the remuneration is as per the remuneration policy of the company.

The Board of Directors hereby affirms that the remuneration paid to all directors, Key Managerial Personnel is in accordance with the Nomination and Remuneration Policy of the Company.

G. The disclosure pursuant to Rule 5(2) & 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided herein below

Details of the top employee in terms of remuneration drawn:

Name of the Employees	Designation	Remuneration per month	Nature of Employment	Qualification	Age of the employee	% of equity shares held by the employees in the Company within the meaning of Rule 5 (2)(iii) of the Companies (Appointment and Remuneration Of Managerial Personnel) Rules, 2014
Bhagwan Das Soni	Managing Director	25,000	Accounts	Graduate	54	-
Subrata Dutta	CFO	6,500	Accounts	Graduate	27	-

33. Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism/Whistle Blower Policy of the Company is aimed to provide a vigilance mechanism for the directors and employees of the Company to raise concern of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The purpose of this Policy is to encourage the Company's directors and employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

No personnel have been denied access to the Audit Committee. There were no instances of reporting under the Whistle Blower Policy.

The details of the Vigil Mechanism/Whistle Blower Policy is explained in the Corporate Governance Report and also disclosed on the website of the Company.

34. Insider Trading

The Company has put in place following Codes pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015:

(a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

(b) Code of Conduct to Regulate, Monitor and Report Trading.

The aforesaid Codes have been disclosed on the website of the Company.

35. Transfer of amount to Investor Education and Protection Fund (IEPF)

The Company has not declared any dividend in any of the previous years.

Further, question of transferring the unclaimed dividend amounts to the Investor Education and Protection Fund (IEPF) does not arise.

There is no amount pending for transfer to the Investor Education and Protection Fund, in accordance to the provisions of Section 125 of the Companies Act, 2013 and 205A(5) and 205C of the erstwhile Companies Act, 1956.

36. Prudential Norms for NBFC'S

The Company has been complying with all the requisite norms prescribed by the Reserve Bank of India for income recognition, accounting standards, capital adequacy, credit rating, provisioning and all other requirements applicable for Non-Deposit Taking Non-Systematically Important NBFCs.

37. Frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government

Pursuant to the provisions of the Act, no fraud was reported by auditors of the Company during the financial year ended 31st March, 2019.

38. Green Initiative

To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with M/s. CB Management Services (P) Ltd., if shares are held in physical mode or with their DP, if the holding is in electronic mode.

Electronic Copies of the Annual Report and Notice of the Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies of the Annual Report and Notice of the Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send their request to Mr. Bhagwan Das Soni, Executive Non-independent Managing Director (DIN: 02308414).

The Company is providing remote e-voting facility to all the members to enable them to cast their votes electronically on all the resolutions set forth in the Notice pursuant to Section 108 of the Act read with Rule 20 of the Company's (Management and Administration) Rules 2014 and the applicable provision(s) of the Listing Regulations.

39. Compliance to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013

The Company is committed to the protection of women against sexual harassment. The right to work with dignity is universally recognized human rights by international conventions and instruments such as Convention on the Elimination of all Forms of Discrimination against Women.

In adherence to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 read with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013, the Company has constituted an Internal Complaints Committee to look into the matters relating to sexual harassment at workplace.

Ms. Babita Shah (DIN- 07771685), Non-Executive Independent Woman Director, is the Presiding Officer of the Committee.

In the event of any sexual harassment at workplace, any woman employee of the Company may lodge complaint to Ms. Babita Shah (DIN- 07771685) in writing or electronically through e-mail at: kwalitycredit50@yahoo.com.

During the period under review, no complaints pertaining to sexual harassment of women at workplace were received by the Company. Accordingly, in terms of section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, a summary thereof is as under:

Particulars	No. of Complaints
Number of complaints pending at the beginning of the year	Nil
Number of complaints received during the year	Nil
Number of complaints disposed off during the year	Nil
Number of cases pending at end of the year	Nil

40. Mandatory update of PAN and Bank details against shareholding and transfer of shares compulsorily in Demat mode with effect from 1st April, 2019.

SEBI has amended relevant provisions of the Listing Regulations to debar listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs. All shareholders holding shares in physical form have been duly notified of the same by Postal mode of communication and have been provided with the requisite form for furnishing PAN and Bank details. Further, two subsequent reminders thereof, have also been sent to the shareholders.

41. Management's Discussion and Analysis Report

In accordance with the provision of Regulation 34 of Listing Regulations, the Management's Discussion and Analysis Report forms part of this Annual Report.

42. Maintenance of Cost Records

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the in terms of Section 134 of the Act read with the Rules made thereunder .

43. Acknowledgement

The Directors wish to place on record their gratitude for the valuable guidance and support rendered by the Government of India, various State Government departments, Financial Institutions, Banks and stakeholders, including, but not limited to, shareholders, customers and suppliers, among others. We place on record, our appreciation of the contribution made by our employees at all levels.

The Directors look forward to the continued support of all the stakeholders in the future and appreciate and value the contribution made by every member of the Company.

Place : Kolkata
Dated : 23.08.2019

On Behalf of the Board of Directors
For Kwality Credit & Leasing Ltd.

Amu Thapa
Chairman
DIN: 00674928

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L65921WB1992PLC056686
ii.	Registration Date	25/09/1992
iii.	Name of the Company	Kwality Credit & Leasing Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares/Non-Govt. Company
v.	Address of the Registered office and contact details	7, Lyons Range, 3 rd Floor, Room No. 9 & 10, Kolkata – 700 001, Contact No.: 9681634539
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	C B Management Services (P) Ltd. P-22, Bondel Road, Kolkata – 700 019, Contact No.: (033)40116700,2280 6692/93/94/2486

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Interest Received on Loan	64990	100.00 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :- NIL

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group [A=(A)(1)+ (A)(2)]	0	0	0	0.00	0	0	0	0.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FII's	0	0	0	0.00	0	0	0	0.00	0.00

h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	1113221	36150	1149371	27.22	706236	36150	742386	17.58	(9.64)
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1653609	25723	1679332	39.77	1615851	25724	1641575	38.88	(0.89)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1393645	0	1393645	33.00	1835887	0	1835887	43.47	10.47
c) Qualified Foreign Investor									
d) Others(Specify)									
(i) Trust & Foundation	0	0	0	0.00	0	0	0	0.00	0.00
(ii) NRI	355	0	355	0.01	355	0	355	0.01	0.00
(iii)Govt.Holding)	0	0	0	0.00	2500	0	2500	0.06	0.06
Sub-total(B)(2)	4160830	61873	4222703	100.00	4160829	61874	4222703	100.00	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4160830	61873	4222703	100.00	4160829	61874	4222703	100.00	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4160830	61873	4222703	100.00	4160829	61874	4222703	100.00	0.00

ii. Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Sl. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	NIL	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	NIL	Nil	NIL
	At the End of the year	-	-	Nil	NIL

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

Sl. no	Name	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Fasterner Machinery Dealers Pvt Ltd	At the beginning of the year	195803	4.64	195803	4.64
		Decrease in Share holding	195000	4.62	803	0.02

		on 02/11/2018 (Open Market purchase)				
		At the End of the year (or on the date of separation, if separated during the year)			803	0.02
2	Sunita Kothari	At the beginning of the year	159103	3.77	159103	3.77
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	-	-	159103	3.77
3	Wellman Commerce Pvt Ltd	At the beginning of the year	70362	1.67	70362	1.67
		Decrease in Share holding on 06/07/2018-Transfer (Open Market purchase)	39153	0.93	31209	0.74
		Decrease in Share holding on 17/08/2018 (Open Market purchase)	25185	0.60	6024	0.14
		Increase in Share holding on 31/08/2018 (Open Market purchase)	39153	0.93	45177	1.07
		Decrease in Share holding on 09/11/2018 (Open Market purchase)	39153	0.93	6024	0.14
		Increase in Share holding on 31/12/2018 (Open Market purchase)	39153	0.93	45177	1.07
		Decrease in Share holding on 04/01/2019 (Open Market purchase)	39153	0.93	6024	0.14
		Increase in Share holding on 25/01/2019 (Open Market purchase)	39153	0.93	45177	1.07
		At the End of the year (or on the date of separation, if separated during the year)	-	-	45177	1.07

4	Rekha D Shah	At the beginning of the year	75000	1.78	75000	1.78
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	-	-	75000	1.78
5	Dharmendra Kothari	At the beginning of the year	73376	1.74	73376	1.74
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	-	-	73376	1.74
6	Anurodh Infrastructure Pvt Ltd	At the beginning of the year	77998	1.85	77998	1.85
		Decrease in Share holding on 02/11/2018 (Open Market purchase)	77000	1.82	998	0.02
		At the End of the year (or on the date of separation, if separated during the year)	-	-	998	0.02
7	Varsha Dhuderia	At the beginning of the year	63400	1.50	63400	1.50
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	-	-	63400	1.50
8	Ichraj Devi Kothari	At the beginning of the year	42900	1.02	42900	1.02
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /	-	-	-	-

		bonus/ sweat equity etc):				
		At the End of the year (or on the date of separation, if separated during the year)	-	-	42900	1.02
9	Rudramukhi Infrastructure Pvt.Ltd.	At the beginning of the year	42086	1.00	42086	1.00
		Decrease in Share holding on 02/11/2018 (Open Market sale)	42000	0.99	86	0
		At the End of the year (or on the date of separation, if separated during the year)	-	-	86	0
10	Hadia Ijlal Shamsi	At the beginning of the year	40000	0.95	40000	0.95
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	-	-	40000	0.95
11	Rupal Tank	At the beginning of the year	-	-	-	-
		Increase in Share holding on 01/02/2019	18251	0.43	18251	0.43
		Increase in Share holding on 08/02/2019	39954	0.95	58205	1.38
		Decrease in Share holding on 01/03/2019	5	0	58200	1.38
		Increase in Share holding on 08/03/2019	5	0	58205	1.38
		At the End of the year (or on the date of separation, if separated during the year)	-	-	58205	1.38
12	Popcorn Traders Pvt Ltd	At the beginning of the year	76194	1.80	76194	1.80
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /	-	-	-	-

		bonus/ sweat equity etc):				
		At the End of the year (or on the date of separation, if separated during the year)			76194	1.80
13	Primary Iron Traders Pvt Ltd	At the beginning of the year	60772	1.44	60772	1.44
		Increase in Share holding on 11/05/2018	6500	0.15	67272	1.59
		Decrease in Share holding on 02/11/2018	67000	1.59	272	0.01
		At the End of the year (or on the date of separation, if separated during the year)	-	-	272	0.01
14	Jayaben Manglani	At the beginning of the year	-	-	-	-
		Increase in Share holding on 09/11/2018	19990	0.47	19990	0.47
		Increase in Share holding on 16/11/2018	120	0	20110	0.48
		Increase in Share holding on 21/12/2018	1500	0.04	21610	0.51
		Increase in Share holding on 22/02/2019	25000	0.59	46610	1.10
		At the End of the year (or on the date of separation, if separated during the year)	-	-	46610	1.10
15	Mohammad Arbab Shamsi	At the beginning of the year	40000	0.95	40000	0.95
		At the End of the year (or on the date of separation, if separated during the year)	-	-	40000	0.95
16	Anumati Stock Broking Pvt. Ltd.	At the beginning of the year	38797	0.92	38797	0.92
		At the End of the year (or on the date of separation, if separated during the year)	-	-	38797	0.92

v. Shareholding of Directors and Key Managerial Personnel

Sl. no		For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Bhagwan Das Soni (Managing Director)	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
		At the End of the year	-	-	-	-
2.	Mr. Amu Thapa (Director)	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-
3.	Mr. Suresh Kumar Jain (Director)	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-

4.	Ms. Babita Shah (Director)	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-
5.	Mr. Subrata Dutta (Chief Financial officer)	At the beginning of the year	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
		At the End of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In `

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

In `

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Bhagwan Das Soni (Managing Director)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 3,00,000 Nil Nil	 3,00,000 Nil Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
6.	Total (A)	3,00,000	3,00,000
	Ceiling as per the Act		84 Lakhs

B. Remuneration to other directors:

In `

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Amu Thapa	Suresh Kumar Jain	Babita Shah	
	<u>Independent Directors</u>				
	- Fee for attending board Committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total(1)	-	-	-	-
	<u>Other Non-Executive Directors</u>				
	- Fee for attending board committee meetings	-	-	-	-
	- Commission	-	-	-	-
	- Others, please specify	-	-	-	-
	Total(2)	-	-	-	-
	Total(B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Over all Ceiling as per the Act	-	-	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

In `

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	78,000	78,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit -others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total	Nil	Nil	78,000	78,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Director					
Penalty					
Punishment					
Compounding					
C. Other Officer in default					
Penalty					
Punishment					
Compounding					

NONE

Place : Kolkata
Dated : 23.08.2019

On Behalf of the Board of Directors
For Kwaliti Credit & Leasing Ltd.

Amu Thapa
Chairman
DIN: 00674928

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Kwality Credit & Leasing Ltd.
7, Lyons Range, 3rd Floor,
Room No. 9 & 10
Kolkata-700 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kwality Credit & Leasing Ltd.** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019, according to the provisions of:

- (i) The Companies Act, 2013, and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Reserve Bank of India Act, 1934;
- (v) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 - **Not applicable to the Company during the Audit Period;**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period.**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015- **Applicable from December 1, 2015**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except to the extent as mentioned herein below:*

Company has not appointed Company Secretary as per the provision of section 203 of the Companies Act, 2013

The Company has not complied with Rule 25A of the Companies (Incorporation) Rules, 2014 regarding Active Company Tagging Identities and Verification.

BSE has imposed penalty for non compliance of Regulation 6(1) of the SEBI(LODR) Regulations, 2015 pertaining to appointment of Company Secretary.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Place : Kolkata
Date : August 23, 2019

CS Amit Jajodia
Company Secretary in Practice
Membership No. 37613
C.P.No.14303

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘ANNEXURE A’

To,
The Members
Kwality Credit & Leasing Ltd.
7, Lyons Range, 3rd Floor,
Room No. 9 & 10
Kolkata-700001

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Kolkata
Date : August 23, 2019

CS Amit Jajodia
Company Secretary in Practice
Membership No. 37613
C.P.No.14303

KWALITY CREDIT & LEASING LTD.

Regd. Office:- 7, Lyons Range, 3rd Floor, Room No.9 & 10, Kolkata-700 001
Phone- 9681634539, E-Mail Id - kwalitycredit50@yahoo.com, Website www.kwalitycredit.com
CIN-L65921WB1992PLC056686

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis Report contains forward-looking statements which are based on certain assumptions, risks, uncertainties and expectations of future events. All statements that address expectations or projections about the future are forward-looking statements. The actual results, performance or achievements can thus differ materially from those projected in any such statements depending on various factors including: the demand supply conditions, change in government regulations, tax regimes, economic development within the country and abroad and such other incidental factors over which, the Company does not have any direct control.

This Report is framed in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

a) INDUSTRY STRUCTURE AND DEVELOPMENTS

Sustained high economic growth has become a national imperative in India. The Honorable Prime Minister has laid down the vision of India becoming a \$5 trillion economy by 2025 - this requires a sustained real GDP growth rate of 8%. In this direction, steps such as:- reorienting policies for MSME growth, stress on “Sundar Bharat” and “Swasth Bharat”, effective use of Technology for Welfare Schemes, plans of redesigning a Minimum Wage System in India for Inclusive Growth and providing affordable, reliable and sustainable Energy – are being stressed upon.

The global economy has witnessed challenging times on account of various reasons such as: Introduction of new and retaliatory tariff measures, heightened US-China trade tensions, weaker global economic growth. The World Economic Outlook (WEO) Report (April, 2019), has envisaged a stabilization of growth of the global economy in the first half of the year and a gradual recovery thereafter. It has further projected that, India’s growth is likely to pick up in 2019 and 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

During the financial year under review, India has been the fastest growing major economy in the world. In the year 2018- 19, India recorded a moderated GDP growth rate of 6.8%. This moderation in growth momentum is mainly on account of lower growth in Agriculture & allied, Trade, hotel, transport, storage, communication and services related to broadcasting and ‘Public administration & defence’ sectors. On the positive side, Banking system improved as Non-Performing Asset (NPA) ratios declined and credit growth accelerated. Insolvency and Bankruptcy Code led to the recovery and resolution of significant amount of distressed assets and improved business culture. Service sector has remained the key driver of economic growth.

Non-Banking Financial Companies (NBFCs) bring in diversity and efficiency to the financial sector and makes it more responsive to the needs of the customers. In the recent past, NBFCs have played increasingly important role in resource mobilisation and credit intermediation, thereby helping commercial sector to make up for low bank credit growth. The crisis faced by a large prominent institution of the country in 2018-19, led to drying-up bank lending, resulting in severe liquidity crunch faced by NBFCs. The government took immediate steps to ring curb the severity. As a result, the flow of resources from the banking sector to NBFCs did improve to certain extent. However, financial markets remained cautious on NBFCs and the squeeze in of inflow of resources to NBFCs has impacted the lending capability of the sector. The gradual improvement in liquidity situation indicates stabilisation for the NBFC sector and is an indication that, the Industry will be able to tide over the short term liquidity punch. Regardless of the recent panic, NBFCs are here to stay and will play a significant role in economic growth and financial inclusion. Further, the Micro finance institution model has proved itself to be a viable and sustainable means of providing access to finance and meet the financial requirements of the bottom of the pyramid population. As a dedicated credit delivery channel for vast un-banked/under-banked segments, these institutions have been playing a significant role in taking forward the Financial Inclusion agenda of the Government of India. In 2018-19, microfinance in India showed rapid, regionally-balanced and resilient growth.

b) BUSINESS OVERVIEW

The core financial activities of the Company comprises of providing of business loan to corporate and individuals and investment in bodies corporate. The Company has been constantly focused on improving its revenue and maintaining a sustainable growth.

c) OPPORTUNITIES, THREATS RISKS & CONCERNS

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same. Non-Banking Finance Companies (NBFCs) continue to play a critical role in making financial Services accessible to a wider set of India's population and are emerging as strong intermediaries in the retail finance space.

The intense competition in the NBFC Sector, high cost of funds, coupled with regulatory restrictions - are some of the challenges for the NBFC sector. However, the opportunity of being a well regulated participant in the financial system is likely to outweigh the costs associated with greater regulations in the long run. Moreover, opportunities arising from large untapped rural and urban markets and increasing digitization are expected to benefit the NBFC sector.

Company has constituted a Risk Management Committee to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. The committee has formulated a Risk Management policy to achieve their objective.

d) OUTLOOK

The sound financial System is essential for country's overall economic growth. The focus for the forthcoming financial year for the Company will be delivery in progressing mode and inculcate a high performance. NBFCs have proven their mettle in many other specialized financial services such as factoring, lease finance, venture capital finance, financing road transport and also in the business of securities-based lending such as Loan against Shares, Margin Funding, IPO Financing, Promoter Funding etc.

The Company will strengthen its position in current business and will try to grab new opportunities beneficial for the Company as well as try to overcome all the hindrances and challenges blocking the performance of the Company.

e) RISK MANAGEMENT

The Company has adopted a Risk Management Policy in accordance with the provisions of the Companies Act, 2013 and Regulation 17 (9) of the Listing Regulations. It establishes various levels of risks with its varying levels of probability, the likely impact on the business and its mitigation measures. Further, the Company has voluntarily constituted Risk Management Committee which oversees the Risk Management and reports to the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status from time to time.

f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In order to ensure that the policies and procedures adopted by the Company for conducting its business orderly and efficiently. Given the nature of business and size of operations, The Company's Internal Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

Internal Control and Audit is an important procedure and the Audit Committee of your Company reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal control is exercised through documented policies, guidelines and procedures. The system also

meticulously records all transaction details and ensures regulatory compliance. The reports are reviewed by the Audit Committee of the Board.

g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements of Kwalty Credit & Leasing Limited is prepared in compliance with the Companies Act, 2013 and generally accepted accounting principles in India (GAAP). The discussions herein below relate to Standalone statement of profit and loss for the year ended March 31, 2019. Significant accounting policies used for the preparation of the financial statements are disclosed in the notes to the financial statements

• **STANDALONE FINANCIAL RESULT**

During the year under review, the Company's revenue on standalone was ` 61,79,444/- as against revenue of ` 67,81,919/- in the preceding financial year. The profit Before Tax on a standalone basis amounted to ` 1,25,409/- as against Profit of ` 6,53,551/- in the previous year.

h) HUMAN RESOURCE DEVELOPMENT

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. Human resources play a key role in helping the Company to deal with the fast-changing competitive environment.

HR is the core of the Company, influencing change, building culture and capabilities. The HR processes are continuously evolving and aligning with the changing business requirements. HR is structured into the specialised business units to enable them respond better to the needs of their customers and get more strategic advantage. Number of employees on roll at the end of the financial year is 9 (Nine).

i) DISCLOSURE OF ACCOUNTING TREATMENT:

They were no change in the treatment of accounting. The company follows the same method of Accounting for preparation of financial statements of the company for the financial year 2018-19.

j) CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis Report describing company's objectives, 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 over which Company does not have any direct control.

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Kwality Credit & Leasing Limited

I have examined the compliance of conditions of Corporate Governance by **Kwality Credit & Leasing Limited** for the year ended on **March 31, 2019** as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") of the Stock Exchanges with relevant records and documents maintained by the company and furnished to me.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

I further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata
Dated : 23.08.2019

CS Amit Jajodia
Company Secretary in Practice
M. No.37613, C.P.No.14303

KWALITY CREDIT & LEASING LTD.

Regd. Office:- 7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata-700 001
Phone- 9681634539, E-Mail ld - kqualitycredit50@yahoo.com, Website www.kqualitycredit.com
CIN-L65921WB1992PLC056686

CORPORATE GOVERNANCE REPORT

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

In terms of Proviso to Regulation 15(2) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Regulation), the provisions specified from Regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable for Company. Nevertheless, the Company has voluntarily complied with the Corporate Governance provisions as specified in the Regulations.

The Company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

At Kwaliti Credit & Leasing Ltd., Corporate Governance practices are based on the principles of adoption of transparent procedures and practices and complete and timely disclosures of corporate, financial and operational information to its stakeholders.

2. Board of Directors

- The Company's Board of Directors as on **March 31, 2019** comprises of one Executive Director and three Non-Executive Directors including the Chairman.
- The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of Board and Committees of other companies as well as his holding in the Company, as on March 31, 2019 are given below :-

Name of Director	Category of Directors	No. of Board Meetings attended	No. of Directorship in other Companies		No. of Committee(s) Membership/Chairpersonship held in other Companies		No. of Equity Shares held as on March 31, 2019
			Public	Private	Membership	Chairpersonship	
Mr. Bhagwan Das Soni	Executive Non-Independent- Managing Director	6	4	4	-	-	-
Mr. Amu Thapa	Non-Executive Independent Director	6	1	-	-	-	-
Mr. Suresh Kumar Jain	Non-Executive Independent Director	6	1	1	2	-	-
Ms. Babita Shah	Non-Executive Independent Director	6	-	-	-	-	-

- The Companies Act, 2013 (hereinafter 'Act') read with relevant Rules made there under, facilitates the participation of the Director in the Board/ Committee meetings through video conferencing or other audio mode. However none of the Directors have availed such a facility.
- Six (6) Meetings of the Board of Directors of the Company were held at the Registered Office of the Company during the financial year 2018-19 i.e. on 23/04/2018, 29/05/2018, 15/06/2018, 13/08/2018, 14/11/2018, and 11/02/2019. As is evident, the maximum time gap between any two Board Meetings was not more than four months.

- e) None of the Directors of the Company are inter-se related.
- f) Mr. Amu Thapa (DIN - 00674928), Non-Executive Independent Director is the Chairman of the Board.
- g) All the Directors of the Company attended the last Annual General Meeting held on September 28, 2018.
- h) Each Director informs the Company on an annual basis about the Board and Board Committee positions he/she occupies in other companies including Chairpersonships and notifies changes periodically and regularly during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. It be noted that, for the purpose of determination of limit, Chairpersonship of the Audit Committee and the Stakeholders' Relation Committee alone, have been considered.
- i) The Company has an ongoing familiarization programme for its Independent Directors, with the objective of familiarizing them with the Company, its operations and business model, nature of the industry and environment in which it operates, the regulatory environment applicable to it and also the roles, rights and responsibilities of Independent Directors.

The web link where details of familiarisation programmes imparted to Independent directors as disclosed in the website of the Company is: <http://www.kwalitycredit.com/familiarisation-programme-for-Independent-directors.html>

- j) Independent Directors' Meeting:

One exclusive meeting of the Independent Directors, pursuant to Schedule IV of the Companies Act, 2013 and sub-regulation 3 of Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") was held on 18/02/2019, inter alia to discuss the following:

- i. review the performance of non-independent directors and the Board as a whole;
 - ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - iii. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- k) **The names of the listed entities in which Mr. Suresh Kumar Jain is a Director as on the date of his resignation alongwith his category of Directorship, is as under:**

Sl. No.	Name of the Listed Company	Category of Directorship
1	Narottam Investments & Trading Co. Limited	Non-Executive- Independent Director

None of the Independent Directors held directorship in more than 10 public limited Companies.

- l) **Skills and expertise of directors**

As stipulated under Schedule V to the Listing Regulations, the Board has identified the following skills/expertise/competencies of the Board of Directors in the context of the Company's business and sector(s) for it to function effectively and possessed by the Board. Details are given herein below:-

1. Capital Market
2. Management and Strategy
3. Information Technology
4. Investment Management
5. Financial Services

- m) The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated in the Listing Regulations and Section 149(6) of the Companies Act, 2013.

3. Audit Committee

a) Composition

The Company has set up an Audit Committee in accordance with Section 177 of Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The Audit Committee of the Company comprises of two Non-Executive Independent Directors and one Executive Non Independent Director as on March 31, 2019. The Committee is chaired by a Non-Executive Independent Director, Mr. Suresh Kumar Jain.

The Committee met 4 (Four) times during the year i.e. on 29/05/2018, 13/08/2018, 14/11/2018 and 11/02/2019. The attendances of the members were as follows:-

Sl. No.	Name	Status	No. of Meetings held	No. of Meetings attended
1.	Mr. Suresh Kumar Jain	Non-Executive Independent Director - Chairperson of the Committee	4	4
2.	Mr. Amu Thapa	Non-Executive Independent Director	4	4
3.	Mr. Bhagwan Das Soni	Executive Non-Independent - Managing Director	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

b) Terms of Reference

The Audit Committee has been constituted in compliance with (i) Section 177 of the Act (ii) Regulation 18 of the Listing Regulations as mandated by the Stock Exchanges and (iii) the Reserve Bank of India Non-Banking Financial Companies Guidelines.

4. Nomination And Remuneration Committee (NRC)

a) Composition

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Independent Directors as on March 31, 2019. The Committee is chaired by a Non-Executive Independent Director, Mr. Suresh Kumar Jain.

The attendances of the members were as follows:-

Sl. No.	Name	Status
1.	Mr. Suresh Kumar Jain	Non-Executive Independent Director - Chairperson of the Committee
2.	Mr. Amu Thapa	Non-Executive Independent Director
3.	Ms. Babita Shah	Non-Executive Independent Director

During the year, no meeting of the Nomination and Remuneration Committee was held.

b) Terms of Reference

The terms of reference and the scope of Nomination and Remuneration Committee of the Board of Director are in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder and the Listing Regulations.

c) Remuneration Policy & and Criteria of Making Payments to Directors, Senior Management and Key Managerial Personnel

Remuneration to Non-Executive / Independent Directors

Remuneration / Commission: The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Sitting Fees: The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof only by the approval of Board for the same, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 and rules made thereunder, per meeting of the Board or Committee.

At present the Directors are not receiving any Sitting Fees for attending the Board Meeting or any Committee Meeting.

Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

Remuneration to Managing/Whole-time / Executive / KMP, Senior Management Personnel and Other Employees:

The Remuneration/ Compensation/ Commission etc. to be paid to Managing Directors and KMP shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The Remuneration shall be broadly divided into the following components:

- The Fixed Components: Salary, allowances, perquisites, etc.
- The Variable Components: Performance based promotion and bonus.

Further, in determining remuneration of other Executive Directors, Senior Management and Other Employees will comprise of above two components and other factors as deemed fit by the Board, based on the recommendation of the Committee and subject to statutory approvals, if any. In determining the Director's remuneration their performance evaluation as duly carried out by the Board and/or Independent Directors, shall also be given due weightage.

Further, The Nomination and Remuneration Policy is available on the website of the Company at <http://www.kwalitycredit.com/nomination-&-remuneration-Policy.html>.

d) Details of Remuneration paid to the Directors and Key Managerial Personnel

During the reported financial year, the Non-Executive Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

Further, the details of remuneration paid to the Key Managerial Personnel of the Company during the F.Y. 2018-18 are given below:

Name	Designation	Salary Rs.	Perquisite & Allowances Rs.	Sitting Fees Rs.	Total Rs.
Mr. Bhagwan Das Soni	Managing Director	3,00,000/-	0.00	0.00	3,00,000/-
Mr. Subrata Dutta	CFO	96,000/-	0.00	0.00	96,000/-

e) Performance evaluation criteria for the Independent Directors:

The evaluation of performance of the Independent Directors (IDs) shall be carried out by the entire Board of Directors excluding the Director being evaluated in the same way as it is for the Executive Directors of the Company except the Director getting evaluated. Evaluation performance should be carried out at least once in a year.

While evaluating the performance of the Independent Directors, the following parameters shall be considered:

- (a) Attendance at meetings of the Board and Committees thereof,
- (b) Participation in Board Meetings or Committee thereof,
- (c) Raising of concerns to the Board
- (d) Safeguard of confidential information,
- (d) Rendering Independent, unbiased opinion and resolution of issues at meeting,
- (e) Safeguarding interest of whistle blowers under vigil mechanism
- (f) Timely inputs on the minutes of the meetings of the Board and Committee's if any.

5. Stakeholders' Relationship Committee

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders' Relationship Committee has been constituted.

The Stakeholders' Relationship Committee of the Company comprises of two Non-Executive Independent Director and one Executive Non-Independent Director.

The Committee under the Chairpersonship of Mr. Amu Thapa, approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Share Registrars, oversee overall improvement of the quality of Investor services, performance of Registrar and Share Transfer Agent, oversee compliance relating to dividend payment, transfer of unclaimed amount to IEPF, implementation of the Code of Conduct for prevention of Insider Trading.

Mr. Bhagwan Das Soni, Managing Director is the Compliance Officer.

The composition of the committee members is as under:-

Sl. No.	Name	Status
1	Mr. Amu Thapa	Chairperson - Non-Executive Independent Director
2	Mr. Suresh Kumar Jain	Non-Executive Independent Director
3	Mr. Bhagwan Das Soni	Executive Non- Independent Director - Managing Director

During the year, no meeting of the Stakeholders' Relationship Committee was held.

During the year, Company has not received any requests/complaints from the shareholders.

6. Risk Management Committee

The Risk Management Committee of the Company monitors and reviews the risk management plan of the Company. It is responsible for laying down procedures to inform Board members about the risk assessment and minimization procedures. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.

All the members of the Committee are Board members.

The details are as follows:

Sl. No.	Name	Status
1	Mr. Amu Thapa	Chairperson-Non-Executive Independent Director
2	Mr. Suresh Kumar Jain	Non-Executive Independent Director
3	Mr. Bhagwan Das Soni	Executive Non-Independent – Managing Director

7. Board Evaluation

Pursuant to the requirement of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Board Evaluation was done to improve the effectiveness of the Board and its Committees, as well as that of each individual director. The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board. Areas on which the Committees of the Board were assessed included mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

Directors were evaluated on aspects such as professional qualifications, prior experience, knowledge and competency, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity. The Chairman was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors. Further, the Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate.

8. Code of Conduct

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company and separate Code of Conduct has also been incorporated for assigning the duties of Independent Directors.

The Company's Code of Conduct has been complied with by all the members of the Board and select employees of the Company.

The "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", made effective from 15th May, 2015 pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code has been disclosed on the website of the Company via the link: www.kwalitycredit.com/code-of-conduct.html

9. General Body Meetings:

A. Location and time for last three Annual General Meetings were:

Financial Year	Date of AGM	Venue	Time
2017-18	28.09.2018	Alam Mahel, N-163/A, Rameshwarpur Road, Ballam Talab More, Garden Reach, Near 01 No. Burial Ground, Kolkata-700 024	10.00 A.M.
2016-17	25.09.2017	Milan Deep Hall, Sher Khan Complex, J-142, Paharpur Road, Garden Reach, Near S.K. Foundation School, Kolkata-700 024	10.00 A.M.
2015-16	30.09.2016	Milan Deep Hall, Sher Khan Complex, J-142, Paharpur Road, Garden Reach, Near S.K. Foundation School, Kolkata-700 024	10.30 A.M.

B. SPECIAL RESOLUTIONS AT THE LAST THREE ANNUAL GENERAL MEETINGS:

- At the 26th Annual General Meeting held on 28/09/2018** : One (Charging fees from members for delivery of documents)
- At the 25th Annual General Meeting held on 25/09/2017** : Nil
- At the 24th Annual General Meeting held on 30/09/2016** : One (Revision in the remuneration of

C. SPECIAL RESOLUTIONS BY POSTAL BALLOT LAST YEAR:

No Special resolution has been put through by postal ballot so far by the Company.

D. WHETHER ANY SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT:

No resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

10. Means of Communications

Quarterly unaudited financial results and annual financial result of the Company were published in accordance with the Listing Regulations with stock exchanges in the Financial Express (English Daily), Sukhabar (Bengali Daily) and the aforesaid results are also available on the Company's website i.e. www.kwalitycredit.com.com/financial-results.html

The quarterly and the annual results of the Company are submitted to the Calcutta Stock Exchange Limited and BSE Limited. The Annual Reports are e-mailed to every shareholders having their e-mail id registered with DPs and are posted to every shareholder of the Company at their registered address whose e-mail id is not registered.

Section on Management Discussion and Analysis form part of this Annual Report.

11. General Shareholders Information

a) Annual General Meeting:

- i) **Date :** 28th day of September, 2019
- ii) **Time :** 3.00 p.m.
- iii) **Venue :** 7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata - 700 001

b) Financial Calendar : (Tentative)

Financial Year – April 1, 2019 to March 31, 2020	Relevant Dates
Board Meeting for consideration of accounts	29 th May, 2019
Dividend payment date	The Board of Directors has not recommended any Dividend for the financial year under review.
Book closure dates	19 th September, 2019 to 26 th September, 2019
Unaudited results for the quarter ended on June 30, 2019	On or before 14 th September, 2019
Unaudited results for the quarter ended on September 30, 2019	On or before 14 th November, 2019
Unaudited results for the quarter ended on December 31, 2019	On or before 14 th February, 2020
Unaudited results for the quarter ended on March, 31, 2020	On or before 30 th May, 2020

c) Listing on Stock Exchanges at:

- 1) BSE Limited (Stock code: 531206)
1st Floor, New Trade Ring,
P. J. Towers, Dalal Street,
Fort, Mumbai - 400 001
- 2) Calcutta Stock Exchange Limited (Stock code: 10021082)
7, Lyons Range,
Kolkata - 700 001

d) **Stock Market Price for the Financial Year 2018-19:**

Month	Quotation of BSE Ltd.			Quotation of Calcutta Stock Exchange Ltd.		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2018	8.53	8.53	32	Not Traded	Not Traded	Not Traded
May, 2017	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded	Not Traded
June, 2017	8.85	8.70	85	Not Traded	Not Traded	Not Traded
July, 2017	8.68	8.60	12	Not Traded	Not Traded	Not Traded
August, 2017	8.60	8.43	490	Not Traded	Not Traded	Not Traded
September, 2017	8.59	8.42	386	Not Traded	Not Traded	Not Traded
October, 2017	8.50	8.40	71117	Not Traded	Not Traded	Not Traded
November, 2017	10.34	8.39	194015	Not Traded	Not Traded	Not Traded
December, 2017	10.79	9.95	95062	Not Traded	Not Traded	Not Traded
January, 2018	11.19	10.29	82797	Not Traded	Not Traded	Not Traded
February, 2018	12.2	11.15	130393	Not Traded	Not Traded	Not Traded
March, 2019	12.69	11.99	18129	Not Traded	Not Traded	Not Traded

e) **Listing Fees:-**

The Company has not paid the listing fee to the Stock Exchanges for the year 2018-2019.

f) **Share Transfer System:-**

The Company's shares are in compulsory demat mode. No physical shares were transferred during the year ended March 31, 2019.

g) **Dedicated email ID for Investors.** For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. **kwalitycredit50@yahoo.com**

h) **Registrar & Share Transfer Agent:-**

M/s. C. B. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata 700 019,
Phone Nos. (033) 2280 6692/93/94/2486, 40116700, (033) 2287 0263
E- mail: rta@cbmsl.com

i) **Dematerialisation of Shares and Liquidity:-**

The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The International Securities Identification Number (ISIN) of the Company as allotted by NSDL and CDSL is INE577C01015. 98.53% (Approx.) of total equity shares are in dematerialized form as on March 31, 2019.

j) **Distribution of shareholding & shareholding pattern :**

Distribution of shareholding as on March 31, 2019

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	811	55.28	1,03,794	2.46
501-1000	165	11.25	1,47,230	3.49
1001-2000	134	9.13	2,26,693	5.37
2001-3000	49	3.34	1,27,984	3.03
3001-4000	44	3.00	1,64,784	3.90
4001-5000	65	4.43	3,15,695	7.47
5001-10000	111	7.57	8,20,085	19.42

10001-50000	79	5.38	15,06,243	35.67
50001-100000	7	0.48	4,99,537	11.83
And above	2	0.14	3,10,658	7.36
Total	1,467	100.00	42,22,703	100.00

Shareholding Pattern as on March 31, 2019

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & Promoter Group	-	-
2	Public - Bodies Corporate	6,68,024	15.82
3	Public – Resident Individual	34,77,462	82.35
4.	Public – NRI	355	0.01
	Central Government/State Government(s)/ President of India	2,500	0.06
	Clearing Member	74,362	1.76
	TOTAL	42,22,703	100.00

k) **Outstanding ADRs/GDRs** : Not Applicable

l) **Address for matters related to shares, any correspondence:**

M/s. CB. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata 700 019,
Phone Nos. (033)2280 6692 / 93 / 94 / 2486, 40116700, (33)-2287 0263
E- mail: rta@cbmsl.com

m) **Address for any kind of assistance/clarification :**

Mr. Bhagwan Das Soni, Compliance Officer
C/o. Kwalitiy Credit & Leasing Limited
7, Lyons Range, 3rd Floor, Room No – 9& 10,
Kolkata-700 001
Email: kwalitiycredit50@yahoo.com

n) **Anti-Sexual harassment Policy:**

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 readwith the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Rules, 2013. An Internal Complaints Committee has been set up to redress Complaints received on sexual harassment. No complaint on sexual harassment was received during the Financial Year 2018-19. The details are given below:-

Particulars	No. of Complaints
Number of complaints filed during the financial year.	Nil
Number of complaints disposed off during the financial year	Nil
Number of cases pending as on end of the financial year	Nil

o) **Fees paid to the Statutory Auditor for the FY 2018-19:-**

During the financial year under review, the company has paid a total fees of `35,398/- to the Statutory Auditor in respect of various services rendered:

Particulars	Amount (in `)
For Statutory Audit	18,880
For Tax Audit	7,668
For Other Services	8,850
Total	35,398

12. Disclosure of Materially Significant Related Party Transactions

All related party transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The policy on Related Party Transactions is available on the Company's website at <http://www.kwalitycredit.com/subsidiary&related-party-transaction-policy.html>.

13. Subsidiary Companies

The Company does not have any subsidiary companies. Further, no new subsidiary has been incorporated. Further, 20 companies ceased to be subsidiary company during the year under review.

The Company monitors the performance of its subsidiary companies using, inter alia, the following means:

- [
- a) Financial Statement, in particular the investment made by the unlisted subsidiary companies are reviewed by the Audit Committee of the Company.
- b) Minutes of the Board Meeting of all subsidiary companies are placed before the Board of Directors of the Company at their Meetings.
- c) A statement containing all the significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Board of Directors of the Company at their meetings.

Further, the Company does not have any material subsidiary at the end of the Financial year.

Pursuant to the Listing Regulations, the Audit Committee recommended a Policy for Determining Material Subsidiaries to the Board of Directors. The same was subsequently approved and disclosed in the Company's website and the link is as follows: <http://www.kwalitycredit.com/subsidiary&related-party-transaction-policy.html>

14. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company provided the annual certification on financial reporting and internal controls to the Board in terms of Part B of Schedule II of Listing Regulations. The annual compliance certificate given by the Managing Director and the Chief Financial Officer is part of the Annual Report.

15. Compliance Report on Non-mandatory requirements under Listing Regulation 27(1)

a) The Board- Non-Executive Chairman's Office:

As per para A of Part E of Schedule II of the Listing Regulations, the Board of Directors is chaired by Mr. Amu Thapa (DIN- 00674928), a Non-Executive Independent Director.

b) Shareholders rights:

The Company display quarterly and half yearly results on its web site www.kwalitycredit.com and also publishes the results in widely circulated newspapers. The Company also publishes the voting results of shareholders meetings and makes it available on its website www.kwalitycredit.com and reports the same to Stock Exchanges in terms of Regulation 44 of the Listing Regulations.

c) Modified opinion(s) in audit report:

The Auditors have issued an un-qualified opinion on the financial statements of the Company.

d) Separate posts of Chairperson and Chief Executive Officer:

The Board of Directors is chaired by Mr. Amu Thapa (DIN- 00674928), a Non-executive Independent Director, Mr. Bhagwan Das Soni (DIN- 02308414) is Managing Director of the Company and Mr. Subrata Dutta (PAN- CILPD5332B) is Chief Executive Officer.

e) Reporting of Internal Auditor:

Reporting of Head of Internal Audit is to the Chairman of the Audit Committee and administratively to the Managing Director of the Company.

16. Other Disclosures

- a) There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large were held during the reported year.
- b) The Company has complied with all the requirements of the listing regulations with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange or any statutory authority on any matters related to Capital Market so far.
- c) The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. Company has established Vigil Mechanism and formulated a policy for the same under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Vigilance Officer who operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee. There were no instances of reporting under the Whistle Blower Policy.

Further, during the year under review, no employee was denied access to the Audit Committee. No personnel have been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, the Company confirms compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

17. Practising Company Secretary's Compliance Certificate on Corporate Governance.

The Practising Company Secretary's Certificate on Compliance of Conditions of Corporate Governance as provided in Chapter IV of the Listing Regulations, forms part of the Directors' Report.

18. Certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

In terms of Schedule V of the Listing Regulations, the Practicing Company Secretary's Certificate stating the Directors on the Board of the Company have not been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, forms part of the Annual Report.

19. Declaration

All Directors and senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2019.

Place : Kolkata
Dated : 23.08.2019

**For and on behalf of the Board of Directors
Kwality Credit & Leasing Ltd.
Mr. Amu Thapa**

Chairman
DIN-0067492

KWALITY CREDIT & LEASING LTD.

Regd. Office:- 7, Lyons Range, 3rd Floor, Room No.9 & 10, Kolkata-700 001
Phone- 9681634539, E-Mail ld - kqualitycredit50@yahoo.com, Website www.kqualitycredit.com
CIN-L65921WB1992PLC056686

CEO & CFO COMPLIANCE CERTIFICATE

To
The Board of Directors,
Kwality Credit & Leasing Ltd.
7, Lyons Range,
3rd Floor, Room No. 9 & 10,
Kolkata – 700 001

Re: CEO and CFO Compliance Certificate on Financial Statements for the year ended on March 31, 2019

We, Mr. Bhagwan Das Soni, Managing Director & Mr. Subrata Dutta, CFO, certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending on March 31, 2019 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken to rectify these deficiencies.
- D. We further certify that:
1. There have been no significant changes in the internal control over financial reporting during this year;
 2. There have been no significant changes in accounting policies during this year and requiring disclosures in the notes to the financial statements; and
 3. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Mr. Bhagwan Das Soni
Managing Director
DIN: 002308414

Mr. Subrata Dutta
CFO

Place : Kolkata
Date : 23.08.2019

KWALITY CREDIT & LEASING LTD.

Regd. Office:- 7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata-700 001
Phone- 9681634539, E-Mail kd - kqualitycredit50@yahoo.com, Website www.kqualitycredit.com
CIN-L65921WB1992PLC056686

Declaration Regarding Compliance by Members of the Board of Directors and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted Code of Conduct for its Members of the Board of Directors and Senior Management Employees including the Managing Director. The Company has also adopted the Code of Conduct for Non-Executive Directors. Both these Codes are posted on the Company's website.

I confirm that the Company has for the financial year ended March 31, 2019, received from its Members of the Board of Directors and Senior Management Employees a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Employees means the Members of the Management one level below the Managing Director as on March 31, 2019.

Place : Kolkata
Date : 23.08.2019

Bhagwan Das Soni
Managing Director
DIN-002308414

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members

Kwality Credit & Leasing Ltd.

7, Lyons Range, 3rd Floor,

Room No. 9 & 10

Kolkata-700 001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kwality Credit & Leasing Ltd.** having CIN-L65921WB1992PLC056686 and having registered office at 7, Lyons Range, 3rd Floor, Room No. 9 & 10, Kolkata-700 001, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of the Director	DIN	Date of appointment in the Company
1	Amu Thapa	00674928	09/07/2012
2	Suresh Kumar Jain	00705828	09/07/2012
3	Bhagwan Das Soni	02308414	01/01/2013
4	Babita Shah	07771685	07/04/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Kolkata

Date : 23rd August, 2019

Sd/-

Mr. Amit Jajodia

Membership No. 37613

C.P. No. : 14303



INDEPENDENT AUDITOR'S REPORT

To the Members of
KWALITY CREDIT & LEASING LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **KWALITY CREDIT & LEASING LIMITED** ("the company" ("the company")), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its Profit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information obtained at the date of this auditor's report

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.





Management's Responsibility for the Financial Statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design





audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current Year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the companies (Auditor's Report) Order 2016 ("The Order") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3 and 4 of the Order, to the extent applicable.

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





- (a) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and our report expresses an unmodified opinion on the internal financial controls over financial reporting of the company
- (b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (d) The Balance Sheet, the Statement of Profit and Loss and dealt with by this Report are in agreement with the books of account;
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2014,
- (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act. and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no amounts required to be transferred, to the Investor Education and Protection Fund by the Company

For PACHISIA & ASSOCIATES
(F.R.N. NO. 327542E)
(Chartered Accountants)

Place : 783, Anandpur, Kolkata-700107

Date : The 29th day of May, 2019

(Satya Prakash Pachisia)
(Proprietor)
(M.No 055040)





Annexure - A to the Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report on even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KWALITY CREDIT & LEASING LIMITED** ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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





the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : 783, Anandpur, Kolkata-700107

Date : The 29th day of May, 2019

For PACHISIA & ASSOCIATES

(F.R.N. NO. 327542E)

(Chartered Accountants)

S.P. Pachisia

(Satya Prakash Pachisia)

(Proprietor)

(M.No 055040)





Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report that:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b) As explained to us, the Fixed Assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification
 - c) The company does not have any immoveable property.
- (ii) The Company did not carry any inventory during the year and as such question of physical verification comments on reasonableness of procedure adopted for the same or maintenance of any records for such inventory or discrepancy on such physical verification therein do not arise at all
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly paragraph 3 (iii) (a) and (b) of the order is not applicable.
- (iv) As it is a NBFC company, With respect to loans, investments, guarantees and securities, provisions of Sec. 185 & 186 of Companies Act, 2013 is not applicable to Company,
- (v) The Company has not accepted deposits from the public within the meaning of Section 73 or any other relevant provisions of the Companies Act, 2013. Accordingly, paragraph 3 (v) of the order is not applicable.
- (vi) It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-tax/ Value Added Tax, Service tax, Customs duty, Excise Duty, Cess and other applicable statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid dues are there at the year end for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and the information and explanation given to us, there are no dues in respect of Income tax, Wealth Tax, Sales Tax, Excise duty, custom duty & cess that were not been deposited with the appropriate authorities on account of any dispute
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.





- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is a Non-Banking Financial Institution without accepting Public Deposits registered under section 45 IA of the Reserve Bank of India Act, 1934 having valid Certificate of Registration.

For PACHISIA & ASSOCIATES
(F.R.N. NO. 327542E)
(Chartered Accountants)

Place : 783, Anandpur, Kolkata-700107

Date : The 29th day of May, 2019


(Satya Prakash Pachisia)
(Proprietor)
(M.No 055040)



KWALITY CREDIT & LEASING LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars		Note No.	As At 31 March, 2019	As At 31 March, 2018
			₹	₹
A	<u>EQUITY AND LIABILITIES</u>			
1	Shareholder's Funds			
	Share Capital	2	42,227,030	42,227,030
	Reserves and Surplus	3	69,606,831	69,522,400
2	Non-Current Liabilities			
	Long-term provisions	4	199,635	190,950
2	Current Liabilities			
	Trade payables	5	0	1,172,270
	Other current liabilities	6	444,394	328,331
	TOTAL		112,477,890	113,440,981
B	<u>ASSETS</u>			
1	Non-current assets			
	Property, Plant & Equipment			
	(i) Tangible assets	7	4,528	4,528
	Non-current investments	8	16,500,000	20,260,000
	Long term loans and advances	9	84,221,527	80,828,743
2	Current assets			
	Trade receivables	10	9,459,000	8,836,000
	Cash and cash equivalents	11	1,105,425	1,622,203
	Short-term loans and advances	12	1,187,410	1,889,507
	TOTAL		112,477,890	113,440,981
	Refer accompanying notes forming part of the financial statements	1-20		

In terms of our report attached.
For PACHISIA & ASSOCIATES
(FRN NO. 327542E)
(Chartered Accountants)

S.P. Pachisia
(Satya Prakash Pachisia)
(Proprietor)
(M.No.055040)

Place : 783, Anandpur, Kolkata-700107,
Date : The 29th day of May 2019

For Kwality Credit & Leasing Ltd.

[Signature]
Managing Director
DIN: 02308414

For Kwality Credit & Leasing Ltd.

[Signature]
Director

DIN: 00674928

For Kwality Credit & Leasing Ltd.

[Signature]
C.FO



KWALITY CREDIT & LEASING LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

Particulars		Note No.	Year ended 31 March, 2019	Year ended 31 March, 2018
			₹	₹
1	Revenue from operations	13	6,179,444	6,080,467
	Other Income	14	0	701,452
2	Total Revenue		6,179,444	6,781,919
3	Expenses:			
	Employee benefits expenses	15	2,088,361	1,397,500
	Finance costs	16	10,436	2,033
	Depreciation and amortisation expenses	17	0	28,472
	Other expenses	18	3,955,238	4,700,363
	Total Expenses		6,054,035	6,128,368
4	Profit / (Loss) before exceptional and extraordinary items and tax (2 -3)		125,409	653,551
5	Exceptional Items		0	0
6	Profit / (Loss) before extraordinary items and tax (4 ± 5)		125,409	653,551
7	Extraordinary Items		0	0
8	Profit / (Loss) before tax (6 ± 7)		125,409	653,551
9	Tax expense:			
	(1) Current tax		32,293	168,290
	(2) Contingent Provision for Standard Assets Written Back		8,685	0
10	Profit / (Loss) for the year (8 ± 9)		84,431	485,261
11	Earning per equity share:			
	(1) Basic		0.02	0.11
	(2) Diluted		0.02	0.11
	Refer accompanying notes forming part of the financial statements	1-20		

In terms of our report attached.
For PACHISIA & ASSOCIATES
(FRN NO. 327542E)
(Chartered Accountants)

S.P. Pachisia
(Satya Prakash Pachisia)
(Proprietor)
(M.No.055040)

Place :783, Anandpur,Kolkata-700107,
Date : The 29th day of May 2019

For Kwality Credit & Leasing Ltd.

[Signature]
Managing Director

For and on behalf of the Board of Directors

DIN: 02308414

For Kwality Credit & Leasing Ltd

[Signature]
Director

DIN: 00674928

For Kwality Credit & Leasing Ltd.

[Signature]
C.F.O



KWALITY CREDIT & LEASING LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	Year ended 31 March, 2019	Year ended 31 March, 2018
I. Cash flow from Operating Activities	₹	₹
Net Profit / (Loss) before extraordinary items and tax	125,409	653,551
<u>Add: Adjustments for:</u>		
Interest on Income Tax Refund	0	(26,452)
Loss on sale of Investments	95,730	0
Depreciation	0	28,472
Cash flow before working capital changes	221,139	655,571
<u>Adjustment for Working capital Changes:</u>		
Trade receivables	(623,000)	5,080,000
Long-term loans and advances	(3,392,784)	6,260,054
Short-term loans and advances	1,054,000	(41,129)
Trade payables	(1,172,270)	0
Other current liabilities	116,063	273,060
Cash flow from operating activities before taxes paid	(3,796,852)	12,227,556
Less: Taxes Paid	(384,196)	(393,601)
TDS written off	0	17,396
Add: Income Tax Refund	0	431,810
Cash flow from Operating Activities	(4,181,048)	12,283,161
II. Cash flow from Investing Activities		
Purchase of Investment	0	(19,240,000)
Proceeds from sale of Investment	3,664,270	0
Cash flow from Investing Activities	3,664,270	(19,240,000)
III. Cash flow from Financing Activities		
Proceeds from issue of equity shares Premium including shares premium		0
Cash flow from Financing Activities	0	0
Net Increase / (Decrease) in Cash flow (I + II + III)	(516,778)	(6,956,839)
Opening Cash / Cash Equivalents	1,622,203	8,579,042
Closing Cash / Cash Equivalents	1,105,425	1,622,203
Refer accompanying notes forming part of the financial statements	1-20	1-20

In terms of our report attached.
For PACHISIA & ASSOCIATES
(FRN NO. 327542E)
(Chartered Accountants)

S.A. Pachisia
(Satya Prakash Pachisia)
(Proprietor)
(M.No.055040)

Place : 783, Anandpur, Kolkata-700107,
Date : The 29th day of May 2019



For Kwality Credit & Leasing Ltd.

[Signature]
Managing Director

DIN: 02309414

For and on behalf of the Board of Directors

For Kwality Credit & Leasing Ltd.

[Signature]
Director

DIN: 00674929

For Kwality Credit & Leasing Ltd.

[Signature]

C.F.O

KWALITY CREDIT & LEASING LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2019

NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation: - The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the standards notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014, and along with guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on an accrual basis under historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(a) **Use of estimates:** - The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future years.

(b) **Borrowing costs:** - Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

(c) **Investments:** - Investment have been treated as long term and carried at cost. Cost includes purchase cost and attributable expenses.

(d) **Inventories:** - Trading Goods are valued at cost.

(e) **Revenue recognition:** - Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.

Interest

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "Revenue from operations" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Other Income

The amounts receivable from various agencies are accounted on accrual basis to the extent it is possible to ascertain the income with reasonable accuracy.

(f) **Foreign currency translation:** - No Foreign Currency Transactions has been made by the Company in the Financial Year 2017-18

(g) **Retirement and other employee benefits:** - No liability in respect of retirement benefits has been provided for since, none of its employee are eligible for entitlement of retirement benefit for non attainment of duration of services.

(h) **Income taxes:** - Tax expense comprises of current tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.



KWALITY CREDIT & LEASING LIMITED

NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2018

- (i) **Segment reporting:** - The Company is a Non-banking Financial Company and as such additional disclosure required under Accounting Standard - 17 "Segment Reporting" is not applicable.
- (j) **Earnings Per Share:** - Basic Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- (k) **Provisions, Contingent Liabilities and Contingent Assets:** - A provision is recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in the financial statements.
- (l) **Cash and cash equivalents:** - Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.
- (m) Balance in respect of Trade Payable, Trade Receivable and Loans & Advances are subject to confirmation.
- (n) **Cash Flow Statement:** - Cash flows are reported using the indirect method and cash flows from operating, investing and financing activities of the Company are segregated.
- (o) **MSMED Act, 2006:** - The Government of India has promulgated an act namely The Micro, Small and Medium Enterprises Development Act, 2006, which comes into force with effect from October 2, 2006. As per the act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on over dues beyond the specified period irrespective of the terms agreed with the suppliers. The Company does not have any dues to any entity covered under the said act.
- (p) **Prudential Norms:** - The Company has followed the prudential norms issued by Reserve Bank of India, as applicable, and revenue / assets have been represented (considering adjustments / write-off / net-off, as applicable) keeping in line therewith and management prudence.
- (q) **Contingent Provision against Standard Assets:** Contingent Provision @0.25% against Standard Loans is made as per R.B.I. requirement for NBFC appropriating surplus of the Statement of Profit & Loss.
- (r) Previous year's figures have been regrouped/rearranged whenever considered necessary to conform to current year's grouping and classification.



KWALITY CREDIT & LEASING LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2019

	As At 31 March, 2019 ₹	As At 31 March, 2018 ₹
NOTE NO. 2 Share Capital		
<u>Authorised-</u> 47,00,000 Equity Shares of Rs 10/- each	47,000,000	47,000,000
<u>Issued, Subscribed & Paid-Up</u> 42,22,703 Equity Shares of Rs. 10/- each Fully paid up in cash.	42,227,030 42,227,030	42,227,030 42,227,030

Disclosure:

1. There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year
2. The company has only one class of issued shares i.e Ordinary Shares having par value of `10/- per share. Each holder of Ordinary Shares is entitled to One vote per share and equal right for dividend. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their Shareholding.

3. The Company does not have any Holding Company/ ultimate Holding Company.

4. Details of Shareholders holding more than 5% Shares:

Ordinary Shares of `10/- each fully paid	As On 31.03.2019		As On 31.03.2018	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
	Nil	Nil	Nil	Nil

5. No Ordinary Shares have been reserved for issue under option and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

6. No Shares has been bought back by the company during the period of 5 years preceding the date at which the balance sheet is prepared

7. No Securities convertible into Equity/ Preference Shares issued by the company during the year.

8. No calls are unpaid by any director or officer of the company during the year.

9. As per records of the Company, including its register of shareholder/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTE NO. 3 Reserves and Surplus

<u>Securities Premium Reserve</u> Opening balance	72,270,300	72,270,300
Closing balance	72,270,300	72,270,300
<u>General reserve</u> Opening balance	36,900	36,900
Closing balance	36,900	36,900
<u>Statutory reserve</u> Opening balance	370,894	273,842
Add: Transferred from surplus in Statement of Profit and Loss	16,886	97,052
Closing balance	387,780	370,894
<u>Surplus / (Deficit) in Statement of Profit and Loss</u> Balance brought forward from previous year	(3,155,694)	(3,543,903)
Add: Transfer from Statement of Profit and Loss for the year	84,431	485,261
Less: Transferred to Statutory reserve	(16,886)	(97,052)
Closing balance	(3,088,149)	(3,155,694)
Total	69,606,831	69,522,400



KWALITY CREDIT & LEASING LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2019

	As At 31 March, 2019 ₹	As At 31 March, 2018 ₹
NOTE NO. 4 Long-term provisions		
<u>Provision for :</u>		
Contingent of Standard Assets	199,635	190,950
	199,635	190,950

NOTE NO. 5 Trade payables		
Other than Acceptances		
i) Total outstanding dues of micro enterprise & small enterprises	0	0
ii) Total outstanding dues of creditors other than micro enterprises & small enterprises	0	1,172,270
	0	1,172,270

NOTE NO. 6 Other current liabilities		
<u>Other Payables</u>		
Statutory remittances	3,540	0
Others	440,854	303,331
Due To Directors	0	25,000
	444,394	328,331

NOTE NO. 8 Non-current investments				
<u>Other investments (Unquoted, at cost)</u>				
<u>Investment in equity instruments of subsidiaries Companies,</u>				
<u>Equity Shares of Rs 10/- each</u>				
	<u>No. of Shares</u>	₹	<u>No. of Shares</u>	₹
Curlew Agriculture Limited	0	0	5,100	51,000
Curlew Builders Limited	0	0	5,100	51,000
Curlew Floriculture Limited	0	0	5,100	51,000
Curlew Highrise Limited	0	0	5,100	51,000
Curlew Horticulture Limited	0	0	5,100	51,000
Curlew Moonview Limited	0	0	5,100	51,000
Curlew Projects Limited	0	0	5,100	51,000
Curlew Riverview Limited	0	0	5,100	51,000
Curlew Seaview Limited	0	0	5,100	51,000
Curlew Sunshine Limited	0	0	5,100	51,000
Mdue Enterprises Limited	0	0	5,100	51,000
Mdue Fashion Limited	0	0	5,100	51,000
Mdue Industries Limited	0	0	5,100	51,000
Mdue Infracon Limited	0	0	5,100	51,000
Mdue Retail India Limited	0	0	5,100	51,000
Selvan Highrise Limited	0	0	5,100	51,000
Selvan Riverview Limited	0	0	5,100	51,000
Selvan Seaview Limited	0	0	5,100	51,000
Selvan Skyrise Limited	0	0	5,100	51,000
Selvan Sunshines Limited	0	0	5,100	51,000
	0	0	102,000	1,020,000

<u>Investment in Equity instruments of other entities</u>				
<u>Equity Shares of Rs 10/- each-Unquoted</u>				
Original Fashion Traders Private limited	1,650,000	16,500,000	1,924,000	19,240,000
	1,650,000	16,500,000	1,924,000	19,240,000
Total		16,500,000		20,260,000



KWALITY CREDIT & LEASING LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2019

NOTE NO. 7: Property, Plant & Equipment

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost As On 31.03.2018 ₹	Additions during the year ₹	Deductions during the year ₹	Total Cost As On 31.03.2019 ₹	Up To 31.03.2018 ₹	For the year ₹	Deductions during the year ₹	Up To 31.03.2019 ₹	As on 31.03.2019 ₹	As on 31.03.2018 ₹
Computer	85,535	0	0	85,535	81,007	0	0	81,007	4,528	4,528
Total	85,535	0	0	85,535	81,007	0	0	81,007	4,528	4,528
Previous Year	85,535	0	0	85,535	52,535	28,472	0	81,007	4,528	



KWALITY CREDIT & LEASING LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2019

	As At 31 March, 2019 ₹	As At 31 March, 2018 ₹
NOTE NO. 9 Long term loans and advances		
<u>Unsecured, considered good</u>	79,853,890	73,553,342
Loans-Others	4,361,637	7,269,401
Loans-Substandard	6,000	6,000
Security deposits	<u>84,221,527</u>	<u>80,828,743</u>
NOTE NO. 10 Trade receivables		
<u>Unsecured, considered good</u>	8,611,000	8,836,000
Outstanding for more than six months	848,000	0
Other debts	<u>9,459,000</u>	<u>8,836,000</u>
NOTE NO. 11 Cash and cash equivalents		
Cash on Hand (As certified)	1,103,820	1,598,922
Balances with banks in current accounts	1,605	23,281
	<u>1,105,425</u>	<u>1,622,203</u>
NOTE NO. 12 Short-term Loans and Advances		
<u>Unsecured, considered good</u>	0	1,054,000
Loans- Others	161,000	161,000
Advance - others		
<u>Balances with government authorities</u>	1,026,410	674,507
Income Tax Refundable	<u>1,187,410</u>	<u>1,889,507</u>



KWALITY CREDIT & LEASING LIMITED
NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2019

	Year ended 31 March, 2019 ₹	Year ended 31 March, 2018 ₹
NOTE NO. 13 Revenue from operations		
<u>Interest income</u>		
Interest on loans (TDS Rs384196 /- Previous Year Rs 393601/-)	6,179,444	6,080,467
	<u>6,179,444</u>	<u>6,080,467</u>
 NOTE NO. 14 Other Income		
Bad Debts Recovery	0	675,000
Interest on Income Tax Refund	0	26,452
	<u>0</u>	<u>701,452</u>
 NOTE NO. 15 Employee benefits expenses		
Salary Bonus & Other Allowance	2,064,000	1,397,500
Staff welfare Expenses	24,361	0
(Salary includes Directors' Remuneration Rs.300000/- , P.Y. 300000/-)	2,088,361	1,397,500
	<u>2,088,361</u>	<u>1,397,500</u>
 NOTE NO. 16 Finance costs		
Interest expenses on :-		
On Others	664	360
Bank Charges & Commissions	9,772	1,673
	<u>10,436</u>	<u>2,033</u>
 NOTE NO. 17 Depreciation and amortisation expenses		
Depreciation on Tangible Assets	0	28,472
	<u>0</u>	<u>28,472</u>
 NOTE NO. 18 Other expenses		
Office Rent	135,000	120,000
Printing & Stationery Expense	15,740	20,952
Postage & Telegram	44,240	25,725
Telephone Expenses	27,410	0
Miscellaneous Expenses	2,360	921
Advertisement, Publicity & sales Promotion	83,260	23,503
Listing Fees	295,000	287,500
Travelling & Conveyance Expenses	19,456	37,378
Legal & Consultancy Charges	20,260	35,900
Filing Fees	1,800	4,800
Registrar & Transfer Agent Expenses	50,371	53,916
Website Charges	5,750	5,750
Rebate Remission & other Deduction	215,699	0
Loan Written Off- Substandard & Doubtful Assets	2,907,764	3,732,764
Loss on sale Of Investment	95,730	0
Auditors' Remuneration		
For Statutory Audit	23,600	23,600
For Other Services	11,798	2,950
Prior Period Expenses	0	324,703
	<u>3,955,238</u>	<u>4,700,363</u>



KWALITY CREDIT & LEASING LIMITED
NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2019

Year ended
31 March, 2019
₹

Year ended
31 March, 2018
₹

NOTE NO. 19 Related Party Disclosures

Names of related parties and related parties relationship
 Related parties where control exists

Bhagwan Das Soni	Key Management Personnel
Subrata Dutta	CFO

Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the

	Year ended 31 March, 2019	Year ended 31 March, 2018
(a) Remuneration to :-	₹	₹
Key Management Personnel		
Bhagwan Das Soni	300,000	300,000
Subrata Dutta	78,000	78,000

NOTE NO. 20 Contingent Liabilities

Income Tax Demand relating to A. Y. 2015-16 is Rs.1453060/- against which the Company preferred an appeal before Commissioner of Income Tax Authority. Since the matter is subjudice before the Income authority, effect, if any will be considered in the accounts as & when matter will be finally settled.



KWALITY CREDIT & LEASING LIMITED
DETAIL SHEET OF BALANCE SHEET AS AT 31ST MARCH, 2019

Liabilities Side

	₹
<u>Other Current Liabilities - Others</u>	
Pachisia & Associates	58,408
The Kolkata Exchange Limited	20,038
C B Management Services Private Limited	48,199
BSE Limited	297,360
N S D L	10,674
Sohini Ad Agency Private Limited	6,175
	<hr/>
	440,854

Assets Side

<u>Long term Loans-Others</u>	
Addarsh Management Private Limited	25,396,558
Bhanwari Devi Manikchand Daga	609,867
Geotex Textile Private Limited	10,836,976
Jai Mata Di Cargo Services Private Limited	2,251,959
Jugal Kishor Jhawar	5,876,318
Nandlal Kamal Kishore Vyapaar Private Limited	4,122,968
Nikita Jhawar	9,232,119
Ruchika Jhawar	6,715,192
Sarita Devi Jhawar	5,875,798
Star Tex	7,723,760
Vintage Fund Manager LLP	72,999
Gujrat Raffia Industries Limited	1,139,376
	<hr/>
	79,853,890

Loans-Substandard

Aishwariya Sales Promotion Private Limited	1,950,000
Anil Kumar Bothra	2,411,637
	<hr/>
	4,361,637

Trade Receivable - Outstanding for more than six months

Kcl Chemical Limited	2,060,000
Kcl Fashion Limited	700,000
Kcl Iron & Steels Limited	3,845,000
Kcl Jewellers Limited	630,000
Kcl Media Limited	826,000
Sundry Debtors	550,000
	<hr/>
	8,611,000

Trade Receivable - Others

Sundry Debtors	848,000
	<hr/>
	848,000

Balances with banks In current accounts

Corporation Bank	1,605
	<hr/>
	1,605

Short-term - Advance to Others

Maxwell Residency Limited	161,000
	<hr/>
	161,000

Income Tax Refundable

Tax Deducted At Source F.Y 2014-15	449,196	
Less: Provision made During The Year	0	449,196
Tax Deducted At Source F.Y 2017-18	393,601	
Less: Provision made During The Year	168,290	225,311
Tax Deducted At Source F.Y 2018-19	384,196	
Less: Provision made During The Year	32,293	351,903
	<hr/>	
		1,026,410



KWALITY CREDIT & LEASING LIMITED
DETAIL SHEET OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

₹

Expenses Side

Salary, Bonus & Other Allowance

Salary & Bonus	1,764,000
Directors' Remuneration	300,000
	<u>2,064,000</u>

Postage & Telegram

Bulk E-Mail Expenses	1,180
Postage & Telegram	43,060
	<u>44,240</u>

Advertisement, Publicity & sales Promotion

Advertisement	37,460
Sales Promotion	45,800
	<u>83,260</u>

Legal, Professional & Consultancy Charges

E-Voting Process	2,360
Credit Information Services Charges	5,900
Secretarial Audit Fees	8,000
Professional Fees	4,000
	<u>20,260</u>

Registrar & Transfer Agent Expenses

CDSL Charges	10,620
RTA Fees	17,331
NSDL Charges	10,620
Monitoring Foreign Investment Limit Charges	11,800
	<u>50,371</u>

Interest expenses : On Others

Interest on Late Pymnt NSDL	54
Interest on Late Payment CDSL	610
	<u>664</u>

