



Kwaliti Credit & Leasing Limited

Registered Office : 13A, Decres Lane, 5th Floor, Room No. 502, Kolkata - 700 069
Phone : (033) 2210 4272, E-mail : kwalitiycredit50@yahoo.com

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of the Company will be held on Thursday, the 30th day of September, 2010 at the Registered Office of the Company at 13A, Decres Lane, 5th Floor, Room No.502, Kolkata- 700 069 at 10.00 a.m. to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010, the Audited Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Somnath Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

Special Business without Postal Ballot :

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

"RESOLVED THAT Mr. Bhagwan Das Soni who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Article of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member

In terms of Section 260 of the Companies Act,1956 and Articles of Association of the Company, Mr. Bhagwan Das Soni is to hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received notice under section 257(1) of the Companies Act,1956 alongwith the deposit of Rs.500/- from shareholder signifying his intention to propose Mr. Bhagwan Das Soni as Director and recommend the adoption of resolution proposed under Item 4 of the Notice.

None of the other Directors of the Company are interested in the resolution.

Item No.5

Mr. Amit Jajodia was appointed as an Additional Director of the Company w.e.f. 1st December, 2009 by the Board of Directors of the Company.

In terms of Section 260 of the Companies Act,1956 and Articles of Association of the Company, Mr. Amit Jajodia is to hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received notice under section 257(1) of the Companies Act,1956 alongwith the deposit of Rs.500/- from shareholder signifying his intention to propose Mr. Amit Jajodia as Director and recommend the adoption of resolution proposed under Item 4 of the Notice.

None of the other Directors of the Company are interested in the resolution.

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


Somnath Gupta
Chairman

Regd. Office :
13A, Decres Lane
5th Floor, Room No.502
Kolkata-700 069
Dated : 29th May, 2010

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.4

Mr. Bhagwan Das Soni was appointed as an Additional Director of the Company w.e.f. 1st December, 2009 by the Board of Directors of the Company.

proposing his candidature for the office of the Director, be and is hereby appointed as a director of the company, liable to retire by rotation."

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

"RESOLVED THAT Mr. Amit Jajodia who was appointed as an Additional Director by the Board of Directors of the Company pursuant to Article of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as a director of the company, liable to retire by rotation."

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

Regd. Office :
13A, Decres Lane
5th Floor, Room No.502
Kolkata-700 069
Dated : 29th May, 2010


Somnath Gupta
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING .
2. Members holding share in dematerialised form are requested to bring their Depository Account No. and Client I.D. No. for identification.
3. The Register of Members and Share Transfer Books of the Company in respect of Equity Shares shall remain closed from 23rd September, 2010 to 30th September, 2010 (both days inclusive).



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Phone : (033) 2210 4272, E-mail : kwalitiycredit50@yahoo.com

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS :

Particulars	Rs. In Lakhs	
	2009-10	2008-09
Profit/(Loss) for the year before tax	1.25	0.48
(Less) : Provision for Taxation	0.40	0.26
(Less) : Provision for Fringe Benefit Tax	0.00	0.09
(Less) : Income Tax Adjustment	0.01	0.02
Profit/(Loss) after tax	0.84	0.11
Less: Transferred to Statutory Reserve	0.30	0.10
Add : Brought forward from previous year	(15.13)	(15.15)
Balance Carried over to Balance Sheet	(14.59)	(15.14)

DIVIDEND

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

DIRECTORS

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

Further Mr. Bhagwan Das Soni and Mr. Amit Jajodia have been appointed as Additional Directors of the Company w.e.f. 1st December, 2009 and as such they are to hold office till the conclusion of the ensuing Annual General Meeting of the Company.

Notice has been received from the members signifying their intention to propose Mr. Bhagwan Das Soni and Mr. Amit Jajodia as Directors of the Company. The Board of Directors recommends their appointment as Directors of the Company.

Mr. Arun Kumar Agarwal and Mr. Sheo Kumar Tibrewal resigned from the office of the Directorship on 1st December, 2009 as they were unable to continue as a Directors of the Company and Board hereby records its appreciation of the service and advices rendered by them during the tenure of their office.

AUDITORS

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

AUDITORS' REPORT

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

SECRETARIAL COMPLIANCE CERTIFICATE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. that in the preparation of the Company's Annual Accounts for the period ended March, 31, 2010, the applicable Accounting Standards have been followed and there are no material departures;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

PUBLIC DEPOSIT

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

PRUDENTIAL NORMS FOR NBFC'S

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

PARTICULARS OF EMPLOYEES :

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE

EARNINGS AND OUTGO :

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

LISTING FEES

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

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

CASH FLOW STATEMENT

The Cash Flow statement for the year ended 31st March, 2010, pursuant to Clause 32 of the Listing Agreement with the Stock Exchange is annexed herewith.

ACKNOWLEDGEMENT

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

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


Somnath Gupta
Chairman

Regd. Office :
13A, Decres Lane
5th Floor, Room No.502
Kolkata-700 069
Dated : 29th May, 2010

MR & Associates

Company Secretaries
46, B. B. Ganguly Street
Kolkata 700012
Mobile # 9831074332

SECRETARIAL COMPLIANCE CERTIFICATE

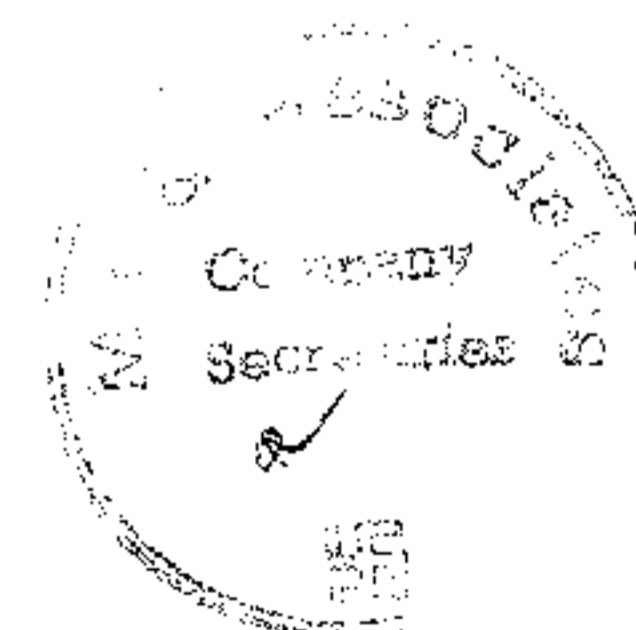
To
The Members,
M/s. Kwaliti Credit & Leasing Limited
9/12, Lal Bazar Street,
Kolkata- 700 001

We have examined the registers, records, books and papers of M/s. Kwaliti Credit & Leasing Limited, (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010 (financial year). In our opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to us by the company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 8 times respectively on 30.04.2009, 30.07.2009, 20.08.2009, 30.09.2009, 30.10.2009, 01.12.2009, 30.01.2010 and 25.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 22.09.2009 to 30.09.2009 during the financial year.
6. The Annual general meeting for the financial year ended on 31st March, 2009 was held on 30th September, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary Meeting(s) was/were held during the financial year.
8. As per the information given to me the company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The company has not entered into contracts falling within the purview of Section 297 of the Act.

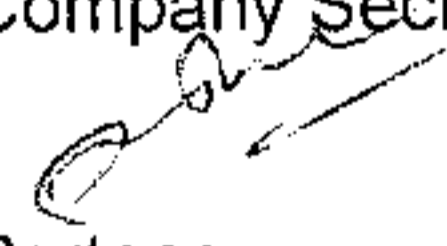


10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of directors, Members or Central Government, as the case may be.
12. The company has issued duplicate certificates, if any, during the financial year.
13. The company has -
 - (i) Delivered all Certificate on allotment/transfer/transmission of securities, if any, during the financial year.
 - (ii) Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) Not posted warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) Informed to me that the rules of unpaid dividend are not applicable to the company.
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. Mr Amit Jajodia and Mr. Bhagwan Das Soni were appointed as Additional Director of the Company i.e., alternate directors and directors to fill casual vacancy have been duly made during the financial year.
15. The company has not appointed any managing director/whole-time director/manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.

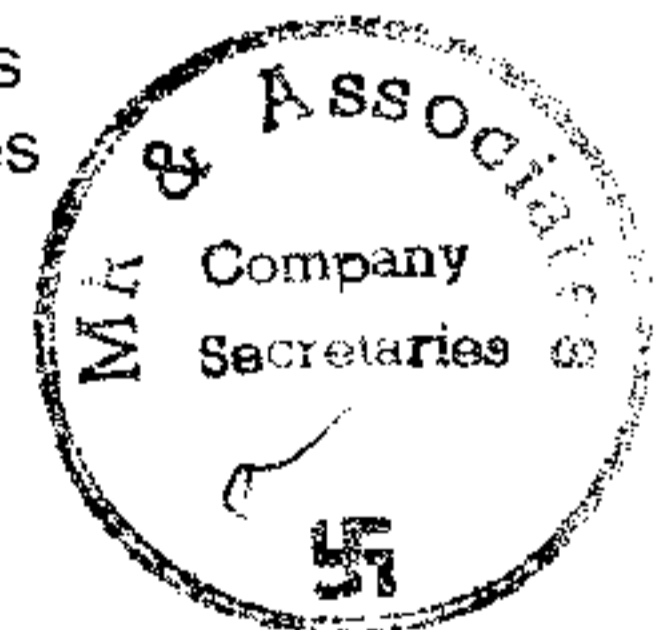


- 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23. As per the information and explanations given to me the company has not invited/accepted any deposits including any unsecured loan falling within the purview of section 58A during the financial year.
- 24. The company has duly complied the borrowings, if any, made during the financial year ended 31st March, 2010.
- 25. The company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and was not required to make any entries in the register kept for the purpose during the financial year.
- 26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
- 27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
- 28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
- 29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
- 30. The company has not altered its articles of association during the financial year.
- 31. There was/were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
- 32. The company has not received any money as security from its employees during the financial year.
- 33. The company has not deducted any contribution towards Provident Fund during the financial year as the provisions of the same are not applicable as per the information given to us.

Place : Kolkata
Date : 29.05.2010

For MR & Associates
Company Secretaries

Partner

C. P. No. : 2551



ANNEXURE - 'A'

Registers as maintained by the Company

1. Register of member u/s. 150
2. Index of member u/s. 151
3. Register of transfer
4. Register & Return u/s. 163
5. Books of Accounts u/s. 210
6. Register of directors, managing Director & Secretary u/s. 303
7. Register of Directors shareholding u/s. 307
8. Register of Directors Attendance
9. Minute Book of Directors & Members u/s.193
10. Register of Contracts u/s. 301
11. Register of Loans & Investments u/s. 372A

ANNEXURE - 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended 31st March, 2010.

Sl. No	Form No/ Return	Filed u/s.	For	Filed on	Filed in Due Date	Additional Fees Paid	Filing
(i)	Annual Return	161	For 31.03.2009 held AGM on 30.09.2009	filed on 28.11.2009	Yes	NA	
(ii)	Balance Sheet	220	For 31.03.2009 held AGM on 30.09.2009	filed on 28.11.2009	No	Yes	
(iii)	Compliance Certificate	383A	For 31.03.2009 held AGM on 30.09.2009	filed on 20.11.2009	No	Yes	
(iv)	Form No.32	303	For Changes on	01.12.2009 filed on 04.12.2009	Yes	No	
(v)	Form No.32	303	For Changes on	01.12.2009 filed on 10.12.2009	Yes	No	
(vi)	Form No.18	146	For Changes on	01.12.2009 filed on 10.12.2009	Yes	No	



MANAGEMENT DISCUSSION AND ANALYSIS

TREND & DEVELOPMENT

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

REGULATORY

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

OPERATING & FINANCIAL PERFORMANCE

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

Company's performance during the year under review are:

- Net owned Fund of the Company increased to Rs. 350.77 lacs as against Rs. 350.47 lacs, last year, a growth of about 0.09%.
- Profit Before Taxes increased to Rs. 1.25 lacs as against profit of Rs. 0.48 lac in the last financial year.
- The net profit after taxation increased to Rs. 0.84 lacs as against profit of Rs. 0.12 lacs in the last year.

DEBT STRUCTURE

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

OUTLOOK

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

OPPORTUNITIES & THREATS, RISK & CONCERN

RISK MANAGEMENT

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

HUMAN RESOURCE DEVELOPMENT

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

CAUTIONARY STATEMENT

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

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

Name of Director	Date of Birth	Date of Appointment	Expertise in specific functional areas	Qualifications	Directorship in other Companies	Membership of Committees in other Companies	Nature of Directorship	Remarks
Mr. Somnath Gupta	30.12.1954	03.11.2008	15 Years of Working Experience in the field of Finance	B.Com.	-----	-----	Non -Executive independent Director	Retiring by rotation at the forthcoming Annual General meeting & offers himself for re-appointment
Mr. Bhagwan Das Soni	14.11.1965	01.12.2009	10 Years of Working Experience in the field of Finance & Medicine	B.Com.	-----	-----	Non -Executive independent Director	Term of office expires on the forthcoming Annual General meeting & notice has been received from the member for his appointment as director of the Company
Mr. Amit Jajodia	27.09.1987	01.12.2009	3 Years of Working Experience in the field of Finance	B.Com.(Hons.)	-----	-----	Non -Executive independent Director	Term of office expires on the forthcoming Annual General meeting & notice has been received from the member for his appointment as director of the Company

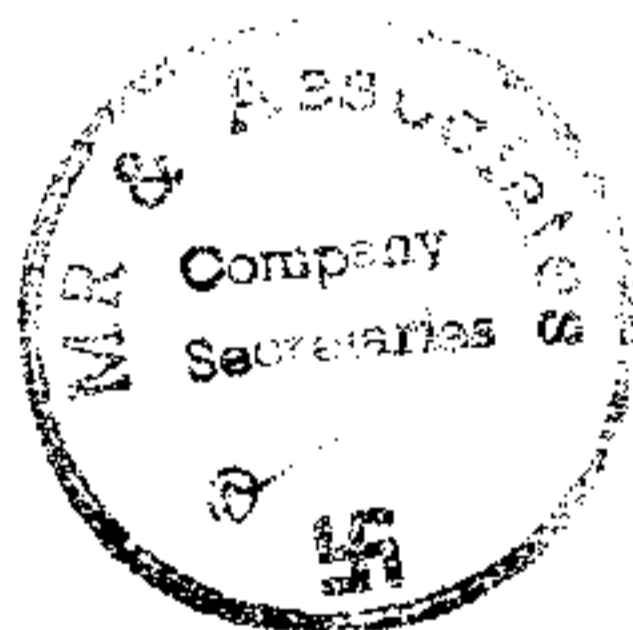
CERTIFICATE

To the Members of

Kwality Credit & Leasing Limited

1. We have examined the compliance of conditions of Corporate Governance by Kwality Credit & Leasing Limited, for the year ended 31.03.2010, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange (s).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our Examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.
5. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar of the Company have certified that as on 31st March, 2010, there were no investor grievances remaining unattended/pending for more than 30 days against this Company except in cases which are constrained by disputes and legal impediments.

Place : Kolkata
Date : 29.05.2010



For MR & Associates
Company Secretaries

Mohan Ram Goenka
Partner
C P No.: 2551

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

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

A) Board of Directors

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

Name of the Directors	Category	FY 2009-10 Attendance at		No. of Directorships in other public Companies		No. of Committee positions held in other public Companies*
		BM	Last AGM	Chairman	Member	Chairman
Mr. P.K.Jhunjunwala	Promoter Non-Executive Non Independent	7	Yes	-	-	-
Mr. A.K.Agarwal** Resigned on 01.12.2009	Non-Executive Independent	6	Yes	-	-	-
Mr. S.K.Tibrewal** Resigned on 01.12.2009	Non-Executive Non Independent	6	Yes	-	-	-
Mr. Somnath Gupta (Chairman)	Non-Executive Independent	7	Yes	-	-	-
Mr. Bhagwan Das Soni** Appointed on 01.12.2009	Non-Executive Independent	3	No	-	-	-
Mr. Amit Jajodia** Appointed on 01.12.2009	Non-Executive Independent	3	No	-	-	-
Mr. S.K.Tibrewal** Resigned on 01.12.2009	Non-Executive Non Independent	6	Yes	-	-	-

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

** were for part of the year.

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

Number of Board Meeting held and the dates on which held

Eight Meetings of the Board were held during the financial year 2009-2010 i.e. on 30.04.2009, 30.07.2009, 20.08.2009, 30.09.2009, 30.10.2009, 01.12.2009, 30.01.2010 and 25.03.2010.

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

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

B) Audit Committee

The Audit Committee of Directors comprises of Shri P. K. Jhunhunwala, Shri Bhagwan Das Soni and Shri Somnath Gupta(Chairman). The scope the Committee includes:-

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

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

Name of Members	Category	No. of Meetings attended during the year 2009-2010
Mr. P.K.Jhunjunwala	Promoter Non-Executive Non Independent	5
Mr. A.K.Agarwal* Resigned on 01.12.2009	Non-Executive Independent	4
Mr. Amit Jajodia** Appointed on 01.12.2009	Non-Executive Independent	1
Mr. S.K.Tibrewal Resigned on 01.12.2009	Non-Executive Non Independent	4
Mr. Somnath Gupta (Chairman)	Non-Executive Independent	5
Mr. Bhagwan Das Soni Appointed on 01.12.2009	Non-Executive Independent	1

* were for part of the year.

The Committee met five times on 30.04.2009, 30.07.2009, 20.08.2009, 30.10.2009 and 30.01.2010 during the year 2009-10. The Statutory Auditor and Executive Directors/ other persons are invited to the meeting as and when required. The Chairman of the Audit Committee was also present at the last Annual General Meeting of the Company.

C) Shareholders' Committee

a) Shareholders'/ Investors' Grievance Committee

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

Shareholders' complaints/ grievance are redressed by Registrar and Transfer Agent M/s. MCS Ltd. The Board also constituted the shareholders'/ Investors' Grievance Committee. The following three non-executive Directors are the members of the shareholders'/ Investor's Grievances Committee and is headed by Shri P. K. Jhunjunwala, Shri Somnath Gupta(Chairman) and Shri Bhagwan Das Soni.

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

No complaints were received during the year and no case is pending for share transfer (lodged in last two week of March 2010.)

b) Share Transfer Committee

To expedite the process of share transfer, the Board has delegated the powers of share transfers to a committee comprising of Chairman cum

Director and two Director. The Share Transfer Committee attends to the share transfer formalities at least once in a fortnight. The business transacted at the Share Transfer Committee meetings is placed before the Board & Shareholders' Grievance Committee.

All valid share transfers during the year ended 31.3.2010 have been acted upon and the number of pending share transfers as on 31.3.2010 was NIL.

General Body Meeting

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

Financial Year	Date of AGM	Venue	Time
2008-2009	30-09-2009	8/1, Lal Bazar Street, 2nd Floor, Suite No. 2D, Kolkata-700 001	3.00 P.M.
2007-2008	26-09-2008	8/1, Lal Bazar Street, 2nd Floor, Suite No. 2D, Kolkata-700 001	3.00 P.M.
2006-2007	28-09-2007	8/1, Lal Bazar Street, 2nd Floor, Suite No. 2D, Kolkata-700 001	3.00 P.M.

The resolutions at the above Annual General Meetings were passed by the requisite majority/ unanimously.

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

D) Disclosures

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

CEO/CFO Certification

The Chairman and Chief Financial Officer of the Company have given a certificate to the Board of Directors as prescribed under clause 49 of the Listing Agreement for the year ended 31st March, 2010.

Secretarial Audit

A qualified Company Secretary carried out Secretarial Audit under Clause 55 and Shares Transfer Audit under Clause 47 of the Listing

Agreement and that the same are being filed to the Stock Exchanges quarterly and bi-annually, respectively, after being duly audited and certified

E) Means of Communication

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

F) SHAREHOLDERS' INFORMATION

a. Annual General Meeting

- Date and time : 30th September 2010 10.00 a.m.
- Venue : 13A, Decres Lane, 5th Floor
Room No.502, Kolkata – 700 001

b. Financial Year Calender :
(2009-2010) (Tentative)

Results for Quarter ending June 30,2010	Last week of July, 2010
Results for Quarter ending Sep. 30,2010	Last week of Oct., 2010
Results for Quarter ending Dec. 31,2010	Last week of Jan, 2011
Results for Quarter ending March 31, 2011	Last week of April, 2011
Result for Year Ended (Audited) Mar. 31, 2011	4 th Week of May, 2011

c. **Book Closure Date** : 23rd Sep., 2010 to 30th Sep., 2010.

d. **Dividend payment** : Not Declared

e. Listing of Equity Shares on

- (i) **Stock Exchanges**
 1. The Calcutta Stock Exchange Association Ltd.
7, Lyons Range Calcutta – 700 001
 - 2) The Stock Exchange, Mumbai
Phiroza Jeejeebhoy Towers
25th Floor, Dalal Street,
Mumbai 400001.
 - 3) Jaipur Stock Exchange Limited
Indra Place, J.L.N. Marg.
Malviya Nagar
Jaipur-302 017.

Listing Fees of all the Stock Exchanges have been paid for 2009-2010

- (ii) **Depositories**
- 1) National Securities Depository Ltd.
Trade World, 4th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai –400 013.
 - 2) Central Depository Service (India)
Limited
Phiroza Jeejeebhoy Towers
28th Floor, Dalal Street, Mumbai 400
023.
- G) Stock Code** :
- The Stock Exchange, Mumbai
Stock Code 31206
Equity ISIN INE 577C01015
- The Calcutta Stock Exchange Association Ltd.
Stock Code 10021082
- The Jaipur Stock Exchange Ltd.
Stock Code 677

H) Market Price, Date

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

The Equity Shares of the Company are not frequently traded in the Calcutta Stock markets, therefore the Market Price Quotation for the Financial year are not available. However, Stock Market Price for the Financial Year 2009-2010 of The Calcutta Stock Exchange Association Ltd. are as follows:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2009	Not Traded	Not Traded	Not Traded
May, 2009	Not Traded	Not Traded	Not Traded
June, 2009	170.75	170.75	43700
July, 2009	170.75	170.75	8000
August, 2009	170.75	170.75	1200
September, 2009	Not Traded	Not Traded	Not Traded
October, 2009	170.75	170.75	14000
November, 2009	170.75	170.75	8000
December, 2009	170.75	170.75	8000
January, 2010	170.75	170.75	2000
February, 2010	Not Traded	Not Traded	Not Traded
March, 2010	170.75	170.75	56400

- I) Registrar and Transfer Agent:** MCS Ltd.
77/2A, Hazra Road, Kolkata – 700 029
Phone No. 033 – 2476 7350/1/2

- J) Share Transfer System** : The shares of the company being in

the compulsory demat list, are transferable through the depository system. Shares in physical form are processed by MCS Ltd., Kolkata, Registrar & Transfer Agent of the company and approved by the Share Transfer committee. All transfers received are processed and approved by the transfer committee which normally meets twice in a month. Shares under objection are returned within two weeks.

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

K) Distribution of Shareholding as on 31st March, 2010

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held.
Upto 500	129	46.24	24309	0.69
501-1000	11	3.94	8470	0.24
1001-2000	16	5.73	28106	0.80
2001-3000	11	3.94	28000	0.80
3001 -4000	13	4.66	44900	1.28
4001-5000	21	7.53	101950	2.91
5001-10000	21	7.53	150271	4.30
10001-50000	34	12.19	660380	18.87
50001-100000	13	4.66	982023	28.06
100001 and above	10	3.58	1471591	42.05
Total	279	100.00	3500000	100.00

L) Shareholding pattern as on 31st March, 2010

Sl. No.	Category	No. of shares held
1	Promoters & their relatives including Associate Companies	129350
2	Other bodies Corporate	2630576
3	Indian public	740074
	TOTAL	3500000

- M) Dematerialisation of shares and Liquidity** : 96.21 % of the total paid up Share Capital of the Company have been dematerialized as on 31st March, 2010.

- N). Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity** : Not Applicable.

- O) Plant location** : Not Applicable.

P) Address of the correspondence

Investors correspondence for transfer/
Dematerialization of shares, payment
of dividend on shares, and any other
query relating to the shares of the Co.,
Any query on Annual Report

MCS Limited
77/2A, Hazra Road,
Kolkata- 29

Q). Code of Conduct

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

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

CEO & CFO CERTIFICATION

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

Re-Financial Statements for the year ended on 31st March, 2010 Certification

We, Somnath Gupta, Chairman & Mr. Dilip Dey, CFO, on the basis of the review of the financial statements and the cash flow statements for the Financial year ending on 31st March, 2010 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended on 31st March, 2010 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Sd/-
Somnath Gupta
Chairman

Sd/-
Dilip Dey
CFO

Place : Kolkata
Date : 29.05.2010

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I, Somnath Gupta, Chairman of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended on 31st March, 2010.

Sd/-
Somnath Gupta
Chairman

Place : Kolkata
Date : 29.05.2010

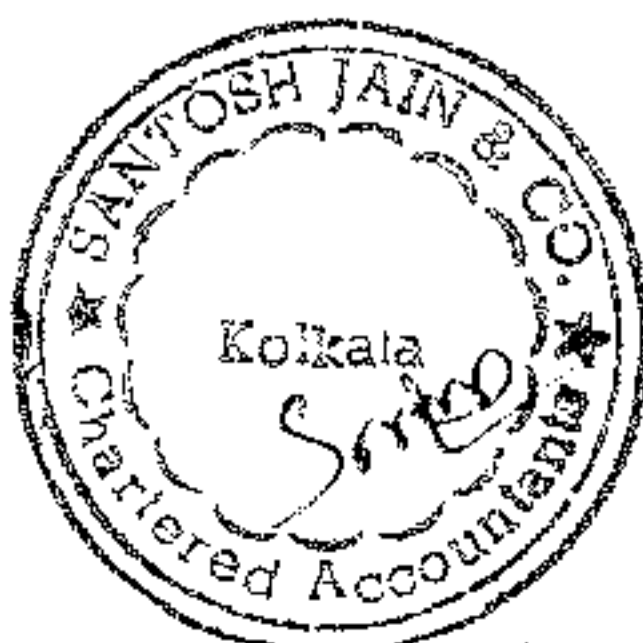
AUDITORS' REPORT
TO
THE SHARE HOLDERS
OF
KWALITY CREDIT & LEASING LIMITED

We have audited the attached Balance Sheet of KWALITY CREDIT & LEASING LIMITED as at 31ST March 2010, and also the annexed Profit & Loss Account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standard that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosure in the financial statements. An audit also includes assessing the Accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of for our opinion.

Further to our comments referred to above, we report that:

- a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, the company as required by law, has kept proper books of accounts so far as appears from our examination of such books.
- c) The Balance Sheet And Profit & Loss account dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet And Profit & Loss account dealt with by this report comply with the accounting standards referred to in sub – section (3C) of section 211 of the companies Act, 1956.
- e) On the basis of the written representations received from the Directors as on March 31st 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31st 2010, from being appointed as a Director in term of Clause (g) of sub- section (1) of section 274 of the Company's Act, 1956.
- f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts read with Notes, Schedules and Statement of accounting policies attached thereto give the information required by the companies Act, 1956 in the manner so required and subject to Note No. 2 regarding accounting of Rates & Taxes on cash basis give a true and fair view in conformity with the accounting principles generally accepted in India :



1. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010,

AND

2. In the case of the Profit & Loss Account, of the Profit, of the company for the year ended on that date.

AND

3. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

As required by the Company 's (Auditors' Report) Order, 2003 issued by the central government of India in terms of sub section (4A) of section 227 of the companies act ,1956, and on the basis such checks of the books and records of the company as we considered appropriate and the information and explanation given to us, during the course of the audit, we state in our opinion:

- a) The Company has maintained proper records to show full particulars including the quantitative details and situation of Fixed Assets. The management during the year has physically verified the Fixed Assets of the Company wherever practicable and the management has noticed no serious discrepancies.
- b) No Fixed Assets has been disposed during the year.
- c) In our opinion procedure of the physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- d) The discrepancies noticed on verification between the physical stock and the books records were not material.
- e) The company has not taken or granted any loan secured or unsecured to or from companies, firms, or other parties listed in the register maintained under section 301 of the companies Act, 1956
- f) In our opinion and according to the explanation given to us, during the course of the audit, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business We have not noted any continuing failure to correct major weakness in the internal controls during the course of audit.
- g) In our opinion and according to the information and explanation given to us, no transaction has been made in pursuance of contracts that need to be entered into a register maintained under section 301 of the companies Act, 1956 exceeding the value of Rs. 500000/- in respect of a party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- h) According to the information and explanation given to us, the company has not accepted any deposit from the public and consequently, the directives issued by the Reserve Bank of India, the Provision of section 58A, & 58AA of the Company's Act, 1956 and ruled framed there under in respect of deposits is not applicable.



- i) In our opinion, the coverage of internal audit carried out by a firm of Chartered Accountants appointed by the management, is commensurate with its size and nature of its business.
- j) According to the information and explanation given to us, the central government has not prescribed the maintenance of cost records under clause (d) of sub-section(1) of section 209 of the companies Act, 1956.
- k) According to the information and explanation given to us, and on the basis our examination of the books of accounts and records of the company, the company is regular in depositing with the appropriate authorities undisputed statutory dues including Income tax and any other material statutory dues applicable to it.
- l) According to the information and explanation given to us, no undisputed amount payable in respect of Income tax & cess were outstanding as at 31st March 2010 for a period of more than six month from the day they become payable .
- m) According to 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.
- n) The company has accumulated loss of Rs. 1459026.27 at the end of the financial year but has not incurred cash losses in the financial year and in the financial year immediately preceding such financial year. However the accumulated losses of the Company are not more than fifty percent of its net worth.
- o) The company has neither taken any loans from bank or Financial Institution. Nor issued any debentures Accordingly, clause 4(xi) of the order is not applicable.
- p) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures. Accordingly, clause4 (xii) of the order is not applicable
- q) The company is not a chit fund, Nidhi, Mutual benefit fund or a society. Accordingly, clause4(xiii) of the order is not applicable.
- r) According to the information and explanation given to us, and on the basis of our examination of the books of account proper records have been maintained of the transaction and contracts and timely entries have been made therein in respect of shares dealt with or traded by the companies. The shares have been held by the company in its own name except to the extent of the exemption if any granted by under section 49 of the act.
- s) The company has not given any guarantee for loans taken by others from bank or Financial Institution. Accordingly, clause 4(xv) of the order is not applicable.
- t) The company has not obtained any term loan. Accordingly, clause4 (xvi) of the order is not applicable.
- u) According to the information and explanation given to us, the company has not raised any fund on short –term basis. All assets have been funded by the share holders' fund



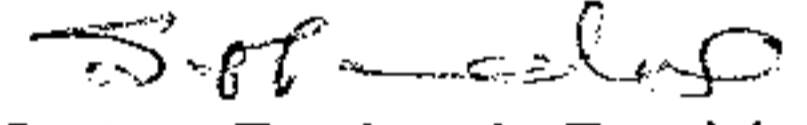
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SANTOSH JAIN & CO.
(Chartered Accountants)

- v) The company has not made any preferential allotment of shares to companies and parties listed in the register maintained under section 301 of the companies Act, 1956 Accordingly, clause 4 (xviii) of the order is not applicable.
- w) The company has not issued any Debenture during the year Accordingly; clause (xix) of the order is not applicable
- x) The company has not raised any money by public issue during the year Accordingly, clause (xx) of the order is not applicable.
- y) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statement to be materially misstated.

2, Draper Lane,
Kolkata -700001, The 29th day of May 2010.

For SANTOSH JAIN & CO.
(Chartered Accountants)


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



KWALITY CREDIT & LEASING LIMITED
BALANCESHEET AS AT 31ST MARCH, 2010

	Schedule	As At 31-03-10 Rs-----P	As At 31-03-10 Rs-----P	As At 31-03-09 Rs-----P	As At 31-03-09 Rs-----P
<u>SOURCES OF FUND</u>					
Share Holders' Fund					
Share Capital	A		35,000,000.00		35,000,000.00
Reserve & Surplus	B		76,900.00		46,900.00
GRAND TOTAL			<u>35,076,900.00</u>		<u>35,046,900.00</u>
<u>APPLICATIONS OF FUND</u>					
Fixed Assets	C				
Gross Block		1,503,143.60		1,503,143.60	
Less : Depreciation		<u>1,083,510.60</u>		<u>986,988.60</u>	
Net Block			419,633.00		516,155.00
INVESTMENT	D		20,200,000.00		0.00
<u>CURRENT ASSETS</u>					
<u>LOAN AND ADVANCES</u>					
Inventories	E	13,646,605.24		1,769,869.95	
Cash & Bank Balances	F	32,146.34		484,711.61	
Loan & Advances	G	<u>1,994,258.00</u>	15,673,009.58	<u>30,973,043.00</u>	33,227,624.56
<u>Less : CURRENT LIABILITIES & PROVISION</u>					
Current Liabilities	H	2,571,730.85		147,053.85	
Provision	I	<u>103,038.00</u>	2,674,768.85	<u>63,038.00</u>	210,091.85
Net Current Asset			12,998,240.73		33,017,532.71
Profit & Loss (Balance As per Annexed Account)			1,459,026.27		1,513,212.29
GRAND TOTAL			<u>35,076,900.00</u>		<u>35,046,900.00</u>

Notes on Account

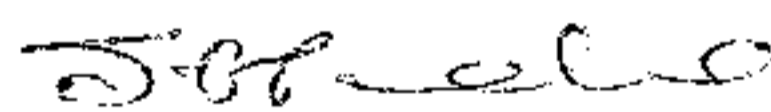
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For SANTOSH JAIN & CO.
(Chartered Accountants)

As per our report annexed.

2, Draper Lane
Kolkata -700001.

The 29th day of May 2010


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



Kwality Credit & Leasing Ltd.

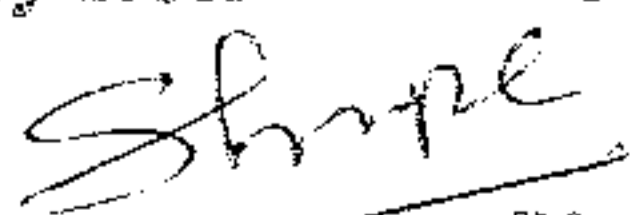

Director

Kwality Credit & Leasing Ltd.

Amit Tajodia

Director

Kwality Credit & Leasing Ltd.


Director

KWALITY CREDIT & LEASING LIMITED
SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH, 2010

	As At 31-03-10 Rs-----P	As At 31-03-09 Rs-----P
Schedule 'A'- Share Capital		
Authorised-		
40,00,000 Equity Shares of Rs 10/- each	<u>40,000,000.00</u>	<u>40,000,000.00</u>
Subscribed & Paid-Up		
35,00,000 Equity Shares of Rs 10/- each Fully paid -up in cash.	<u>35,000,000.00</u>	<u>35,000,000.00</u>
	<u>35,000,000.00</u>	<u>35,000,000.00</u>
Schedule 'B' Reserve & Surplus		
General Reserve		
(As Per Last Account)	46,900.00	36,900.00
Add : During the Year	<u>30,000.00</u>	<u>10,000.00</u>
	<u>76,900.00</u>	<u>46,900.00</u>
Schedule 'D' Investment (At Cost)		
Unquoted Equity Shares of Bodies Corporate	<u>20,200,000.00</u>	<u>0.00</u>
	<u>20,200,000.00</u>	<u>0.00</u>
Schedule 'E' Inventories		
Stock-in-Trade (As inventories taken , valued & certified by the Management)		
Trading Goods (at cost)	<u>13,646,605.24</u>	<u>1,769,869.95</u>
	<u>13,646,605.24</u>	<u>1,769,869.95</u>
Schedule 'F' Cash & Bank Balance		
Cash on hand (As certified)	5,305.40	3,289.41
Balance With Schedule Banks		
On Current Account	<u>26,840.94</u>	<u>481,422.20</u>
	<u>32,146.34</u>	<u>484,711.61</u>
Schedule 'G' Loans & Advances		
(Unsecured, Considered good)		
Loan-To Parties	-	20,873,517.00
Advances (Recoverable in cash or in kind or for valued to received)	1,382,992.00	9,001,447.00
Fringe Benefit Tax Payment	21,263.00	12,400.00
Income Tax Payment	17,171.00	-
Tax deducted At Sources	565,964.00	1,079,679.00
Prepaid Expenses	868.00	-
Security Deposit	<u>6,000.00</u>	<u>6,000.00</u>
	<u>1,994,258.00</u>	<u>30,973,043.00</u>
Schedule 'H' Current Liabilities		
Sundry Creditors Including Advances	<u>2,571,730.85</u>	<u>147,053.85</u>
	<u>2,571,730.85</u>	<u>147,053.85</u>
Schedule 'I' Provision		
For Taxation	82,769.00	42,769.00
For Fringe Benefit Tax	<u>20,269.00</u>	<u>20,269.00</u>
	<u>103,038.00</u>	<u>63,038.00</u>



KWALITY CREDIT & LEASING LIMITED

**SCHEDULE "C" OF FIXED ASSETS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(A) DESCRIPTION	<u>GROSS BLOCK</u>			<u>DEPRECIATION</u>			<u>NET BLOCK</u>	
	As At 31.03.2009	Addition during the year	Total To 31.03.2010	UP TO 31.03.2009	For the year	Total To 31.03.2010	As At 31.03.2010	As At 31.03.2009
	Rs-----P	Rs-----P	Rs-----P	Rs-----P	Rs-----P	Rs-----P	Rs-----P	Rs-----P
Computer	227,454.00	0.00	227,454.00	205,965.00	5,245.00	211,210.00	16,244.00	21,489.00
Motor Car	502,675.00	0.00	502,675.00	183,951.00	47,754.00	231,705.00	270,970.00	318,724.00
Air Conditioner	154,000.00	0.00	154,000.00	102,911.00	7,315.00	110,226.00	43,774.00	51,089.00
Furniture & Fixtures	430,685.10	0.00	430,685.10	382,711.10	27,262.00	409,973.10	20,712.00	47,974.00
Electrical Installation	73,807.00	0.00	73,807.00	49,236.00	3,506.00	52,742.00	21,065.00	24,571.00
Television	20,150.00	0.00	20,150.00	10,312.00	957.00	11,269.00	8,881.00	9,838.00
Mobile Phones	58,840.00	0.00	58,840.00	28,826.00	2,795.00	31,621.00	27,219.00	30,014.00
Epabx	35,532.50	0.00	35,532.50	23,076.50	1,688.00	24,764.50	10,768.00	12,456.00
Total	1,503,143.60	0.00	1,503,143.60	986,988.60	96,522.00	1,083,510.60	419,633.00	516,155.00
Previous Year	1,503,143.60	0.00	1,503,143.60	890,466.60	96,522.00	986,988.60	516,155.00	-



KWALITY CREDIT & LEASING LIMITED

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31.3.2010 Rs-----P	Year Ended 31.3.2010 Rs-----P	Year Ended 31.3.2009 Rs-----P	Year Ended 31.3.2009 Rs-----P
Schedule 'J' Other Income				
Interest Received				
On Loan (TDS - Rs. 87,913/- Previous year Rs.4,78,051/-)	847,910.00		3,066,547.00	
On Income Tax Refund	40,913.00	888,823.00	60,603.00	3,127,150.00
Dividend Received		-		944.00
		<u>888,823.00</u>		<u>3,128,094.00</u>
Schedule 'K' - Administrative & Other Expenses				
Salary, Bonus & other Allowance		216,000.00		271,200.00
Accounting Charges		48,000.00		-
Rates & Taxes		-		13,200.00
Rent & Hiring Charges		13,240.00		20,184.00
Printing & Stationery		650.00		14,084.95
Filing Fees		4,000.00		19,500.00
Miscellaneous Expenses		33,114.00		21,304.00
Listing Fees		30,295.50		28,984.00
Staff Refreshment Expenses		50,280.00		75,125.00
Demat Charges		-		283.02
Electricity Charges		38,420.00		53,737.81
Share Holders Maintenance Charges		33,611.00		29,975.00
Telephone Expenses		12,826.75		22,642.55
Travelling & Conveyance		53,204.01		13,504.00
Postage & Stamp		66.00		1,699.19
Advertisement Expenses		6,737.00		469.00
Legal Consultancy & Professional Charges		19,500.00		33,880.84
Insurance Charges		6,446.00		9,701.00
Bank Charges & Commission		4,936.85		1,138.00
Repair & Maintenance- Other Assets		-		4,500.00
Loss in Future & Option		-		1,994,974.00
MotorCar Expenses		11,163.00		49,198.86
Auditors' Remuneration				
For Statuary Audit	21,963.00		9,927.00	
For Tax Audit	-		3,419.00	
For Others	4,067.00	26,030.00	7,617.00	20,963.00
		<u>608,520.11</u>		<u>2,700,248.22</u>
Schedule 'L'- Interest				
On- Deferred Payment Credit		0.00		171.67
		<u>0.00</u>		<u>171.67</u>



Kwality Credit & Leasing Ltd.

[Signature]

Kwality Credit & Leasing Ltd.

Amit Tajodia

[Signature]

Kwality Credit & Leasing Ltd

[Signature]

Director

KWALITY CREDIT & LEASING LIMITED

**SCHEDULE "M" OF NOTES ON ACCOUNT ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010.**

1. Significant Accounting Policies (At Present)

- a) General : These accounts are prepared on the historical cost convention and in accordance with applicable accounting standards unless otherwise stated.
- b) Revenue Recognition : The Company follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis except Rates & Taxes on cash basis.
- c) Fixed Assets : Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to acquisition / installation.
- d) Depreciation : The Company has provided depreciation on straight line method as per schedule XIV of the Companies Act, 1956 (as amended).
- e) Inventories : Stock of shares / securities are valued at cost.
- f) Contingent Liability : Contingent Liabilities are not provided for in Books of Account but are shown by way of Notes in Notes on Account.
- g) Retirement Benefits : The Company will provide for Gratuity Liability as and when the same will be applicable to the company.

2. Rates & Taxes are accounted for on cash basis.

	<u>31-03-2010</u>	<u>31-03-2009</u>
3. Expenditure in Foreign Currency	-	Nil
4. Earning in Foreign Currency	-	Nil
5. Contingent Liability	-	Nil

6. As informed by the Management The Payment of Gratuity Act, 1972 is not applicable to the Company as the number of staffs is less than the minimum number specified under the Act.

7. QUANTITATIVE DETAILS OF ITEMS DEALT IN :

SHARES	Nos.	Amount (Rs.)
Opening Stock.	38700 (89050)	1769869.95 (4086541.75)
Purchases.	55060 (12500)	14638656.16 (1682875.00)
Sales.	13900 (62850)	2703550.00 (3716820.08)
Closing Stock.	79860 (38700)	13646605.24 (1769869.95)

(Previous year figures are in brackets.)

8. The Director of the Company are of the opinion that there is no deferred is no deferred tax assets/liabilities for the year ended 31st March, 2010 as per Accounting Standard AS-22 as prescribed by ICAI.



9. The Directors of the Company are of the opinion that the realizable value of the fixed assets as on 31st march 2010 are more than the value stated as on the date of Balance Sheet, hence impairment of Fixed Assets as per AS-28 prescribed by ICAI is not applicable for the year under review.

10. Segment Reporting : The Company is mainly in the business of Non-Banking Financial activities, hence segment reporting is not required.

11. During the year, the Company has not entered into any transactions with related parties, hence no disclosure is required.

12. As required by the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directors, 1998 a schedule to the balance sheet containing additional particulars as per format prescribed by the bank has been attached separately.

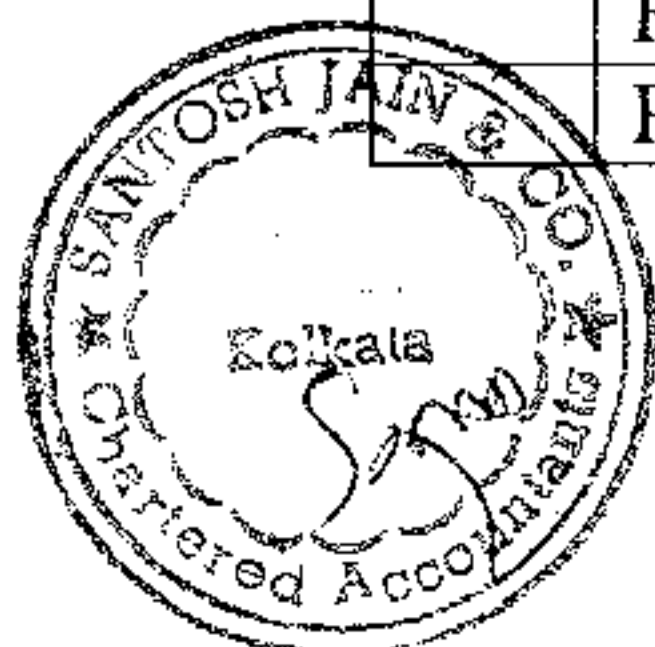
13. The Balances of Sundry Creditors, Deposit & Loans & Advances are subject to confirmation from parties and subsequent adjustment, if any, on reconciliation.

14. The Company has not received any information from the suppliers claiming their status as micro small or medium enterprise. Consequently the amount paid or payable to the parties during the year is Nil.

15. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

1)	Registration No.	:	56686
	State Code.	:	21
	Balance Sheet Date.	:	31.03.2010
2)	<u>Capital Raised during the year :</u>		
	Public Issue.	:	NIL
	Bonus Issue.	:	NIL
	Right Issue.	:	NIL
	Private Placement	:	NIL
3)	<u>Position of mobilization & deployment of funds : (Amount in Rs.)</u>		
	Total Liabilities.	:	3,77,51,668.85
	Total Assets.	:	3,77,51,668.85
	<u>Sources of Funds:</u>		
	Paid Up Capital	:	3,50,00,000.00
	Reserve & Surplus.	:	76,900.00
	<u>Application of Funds:</u>		
	Net Fixed Assets.	:	4,19,633.00
	Investment	:	20,200,000.00
	Net Current Assets.	:	1,29,98,240.73
	Profit & Loss Account (Debit Balance)	:	14,59,026.27
4)	<u>Performance of Company</u>		
	Total Turnover including Other Income	:	1,72,38,978.24
	Total Expenditure	:	1,71,13,568.22
	Profit before tax	:	1,25,410.02
	Profit after tax	:	84,186.02



	Earnings per share	:	0.02
	Dividend Rate	:	NIL
5)	<u>Generic name of principal product of the Company</u>		
	(As per Monetary Terms)		
	Item Code No.	:	Not Applicable
	Product Description	:	Financing Activities / Dealing in Shares & Securities.


16. Previous Year figures have been regrouped and rearranged wherever considered necessary in order to make them comparable with those of the current year figures.

Signature to schedule "A to "M"

2, Draper Lane

Kolkata -700001, The 29th day of May 2010.

For SANTOSH JAIN & CO.
(Chartered Accountants)


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



Kwality Credit & Leasing Ltd.


Director

Kwality Credit & Leasing Ltd.

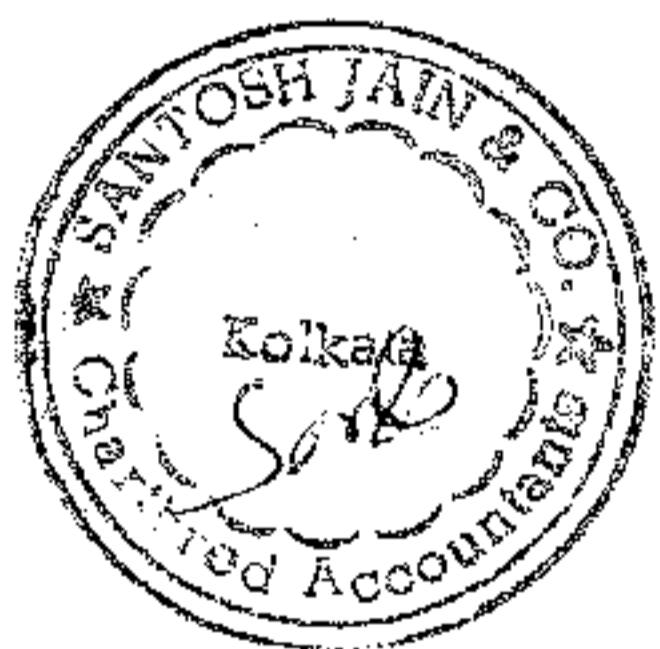
Amit Jajodia
Director

Kwality Credit & Leasing Ltd.


Director

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF KWALITY CREDIT & LEASING LIMITED FOR THE YEAR ENDED 31ST MARCH, 2010.

1. The Company is engaged in the business of non – banking financial institution and the company has obtained a certificate of Registration (COR) from R.B.I as a Non Deposit taking Company.
2. The Company is entitled to continue to hold such Certificate (COR) for the year ended 31st March, 2010. Since the Company is carrying on Financial activities and more than 50% of the assets of the Company are financial assets.
3. The Company is not an Assets Finance Company (AFC) as per circular No DNBS.PD CC No. 85/03.02.89.
4. The Board of Director of the Company has passed a Resolution for the non-acceptance of Public Deposits by the Company during the year ended on 31st March, 2010.
5. The Company has not accepted any Public Deposits during the accounting year ended 31st March, 2010.
6. The Company has Complied with the prudential norms relating to income recognition, accounting standards assets classification and provisioning for Bad & Doubtful debts etc. as applicable to it.
7. The Company is not a Systemically important Non-Deposit taking NBFC.



KWALITY CREDIT & LEASING LTD.**Schedule To The****Balance Sheet Of A Non-Banking Financial Company**

[As required in terms of Paragraph 9BB of
Non-Banking Financial Companies Prudential Norms (Reserve Bank)
Directions, 1998]

(Rs. In Lakhs)

Particulars			
Liabilities side :			
(1)	<u>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :</u> a) Debentures : Secured Unsecured (other than falling Within the meaning Of public deposits*) b) Deferred Credits c) Term Loans d) Inter-corporate loans and borrowing e) Commercial Paper f) Public Deposits* g) Other Loans (specify nature) *Please see Note below	<u>Amount outstanding</u>	<u>Amount Overdue</u>
		NIL	NIL
(2)	<u>Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</u> a) In the form of Unsecured debentures b) In the form of party secured debentures i.e. debentures where there is a shortfall in the value of security c) Others public deposits *Please see Note below	NIL	NIL
Assets side :			
		Amount outstanding	
(3)	<u>Break-up of Loans and Advances including bills receivable [other than those including in (4) below] :</u> a) Secured b) Unsecured	NIL	

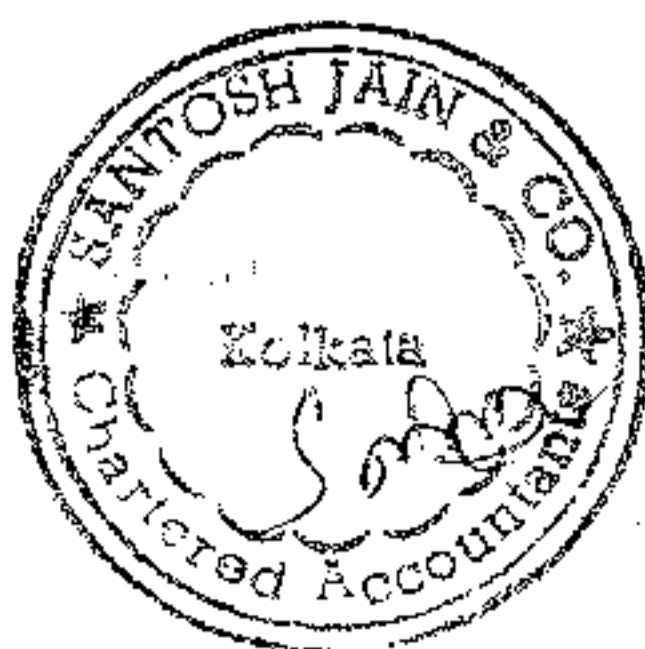


<p>(4)</p>	<p><u>Break up of Leased Assets and stock on hire and hypothecation loan counting towards EL/HP activities</u></p> <p>i) Lease assets including lease rentals under sundry debtors :</p> <p>a) Financial lease b) Operating lease</p> <p>ii) Stock on hire including hire charges under sundry debtors:</p> <p>a) Assets on hire b) Repossessed Assets</p> <p>iii) Hypothecation loans counting towards EL/HP activities</p> <p>a) Loans where assets have been repossessed. b) Loans other than (a) above</p>	<p>NIL</p>
<p>(5)</p>	<p><u>Break-up of Investments:</u></p> <p><u>Current Investment :</u></p> <p>1. Quoted :</p> <p>i. Shares : a) Equity b) Preference</p> <p>ii. Debentures and Bonds</p> <p>iii. Units of mutual funds</p> <p>iv. Government Securities</p> <p>v. Others (please specify)</p> <p>2. Unquoted :</p> <p>i. Shares : a) Equity b) Preference</p> <p>ii. Debentures and Bonds</p> <p>iii. Units of mutual funds</p> <p>iv. Government Securities</p> <p>v. Others (please specify)</p> <p><u>Long Term investments :</u></p> <p>1. Quoted :</p> <p>i. Shares : a) Equity b) Preference</p> <p>ii. Debentures and Bonds</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p>



	iii. Units of mutual funds iv. Government Securities v. Others (please specify) 2. Unquoted : i. Shares : a) Equity b) Preference ii. Debentures and Bonds iii. Units of mutual funds iv. Government Securities v. Others (please specify)	2,02,00,000.00		
(6)	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances. Please see Note Below			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1. Related Parties **			
	a) Subsidiaries	-	-	-
	b) Companies in the same group	-	-	-
	c) Other related parties	-	-	-
	2. Other than related parties	-	-	-
	Total	-	-	-
(7)	<u>Investor group-wise classification of all investments (current and long term in shares and securities both quoted and unquoted) :</u> <u>Please see note 3 below</u>			
	Category	NAV	Book Value (Net of Provisions)	
	1. Related Parties **	-	-	
	a) Subsidiaries	-	-	
	b) Companies in the same group	-	-	
	c) Other related parties	-	-	
	2. Other than related parties	-	-	
	Total	-	-	
(8)	<u>Other information</u>			
	Particulars	Amount		
	1. Gross Non-Performing Assets	-		
	a) Related parties	-		
	b) Other than related parties	-		
	2. Net Non-Performing Assets	-		
	a) Related parties	-		
	b) Other than related parties	-		
	3. Assets acquired in satisfaction of debt	-		

**As per Accounting Standard of ICAI (Please see Note 3)



KWALITY CREDIT & LEASING LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	2009-10 Rs-----P	2009-10 Rs-----P
A. <u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Net Profit before Taxation		125,410.02
Adjustment for:		
Depreciation		96,522.00
		221,932.02
Less : Interest Income		888,823.00
Operating profit before working capital changes		(666,890.98)
Adjustment for:		
inventories	(11,876,735.29)	
Loan & Advances	28,978,785.00	
Current Liabilities	2,424,677.00	
		19,526,726.71
		18,859,835.73
Cash Generated from operation		
Income Tax Paid- Net	(1,224.00)	(1,224.00)
Net Cash from Operating Activities		18,858,611.73
B. <u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Investment made	(20,200,000.00)	
Net Cash from/(used in) Investing Activites		(20,200,000.00)
C. <u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Interest Income	888,823.00	
Net Cash from/(used in) Financing Activites		888,823.00
Net Increase/(Decrease)		
In Cash and Cash Equivalentts		(452,565.27)
Cash and Cash Equivalentts -Opening Balance		484,711.61
Cash and Cash Equivalentts - Closing Balance		32,146.34

Notes:

1 Cash and Cash Equivalentts includes:

Cash and Bank Balances

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard- 3 on Cash Flow Statement issued by the institute of Chartered Accountants of India.

3 Figures in braket indicate cash outflow.

The Previous year's figures have been regrouped and reclassified, wherever necessary.

As per our report on even date attached

Kolkata .-700055.The 29th day of *May* 2010.

For SANTOSH JAIN & CC
(Chartered Accountants)

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



KWALITY CREDIT & LEASING LIMITED

DETAIL SHEET OF BALANCE SHEET AS AT 31ST MARCH, 2010

<u>LIABILITIES SIDE:</u>	AMOUNT
<u>Sundry Creditors Including Advances -</u>	Rs-----P
Mcs Ltd	20,375.00
Mohan Ram Goenka	19,500.00
Quest Financial Services Ltd	2,500,000.00
Santosh Jain & Co	21,963.00
Shilpa Stock Broker Pvt Ltd	9,892.85
	<u>2,571,730.85</u>
<u>ASSETS :</u>	
<u>Investment -</u>	
Anumati Distributors (P) Ltd	1,000,000.00
Ashirwad Suppliers Pvt Ltd	1,500,000.00
Castle Distributors Pvt Ltd	2,000,000.00
Giriraj Agencies (P) Ltd	700,000.00
Indo Steel (P) Ltd	500,000.00
Ishwar Distributors (P) Ltd	1,500,000.00
Ispat Damodar Ltd	2,500,000.00
Kajol Dresses Pvt Ltd	500,000.00
Monikabuilders Pvt Ltd	2,500,000.00
Navyug Trade Link (P) Ltd	3,000,000.00
Prakash Builders (P) Ltd	2,500,000.00
S Dresses (P) Ltd	1,000,000.00
T D Enterprises Pvt Ltd	1,000,000.00
	<u>20,200,000.00</u>
<u>Balance with Bank -</u>	
Axis Bank Ltd	6,746.15
Bank Of Baroda	14,609.00
Tamilnadu Mercantile Bank Ltd	5,485.79
	<u>26,840.94</u>
<u>Tax deducted At Sources</u>	
For Assessment Year 2009-10	478,051.00
For Assessment Year 2010-11	87,913.00
	<u>565,964.00</u>
<u>Advances</u>	
Bengal Steel Industries	917,246.00
Carritt Moran & Co Pvt Ltd	311,302.00
Rajat Height (P) Ltd	140,636.00
Usha Goenka	13,808.00
	<u>1,382,992.00</u>



KWALITY CREDIT & LEASING LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

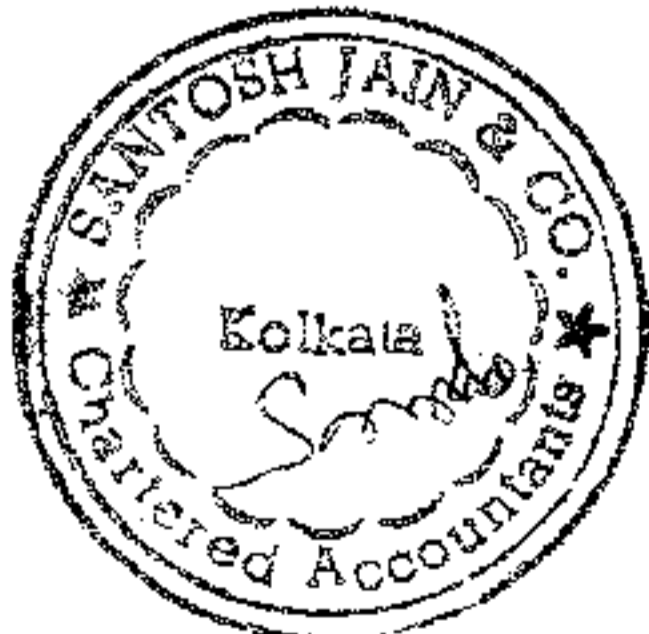
		Year Ended 31.3.2010	Year Ended 31.3.2010	Year Ended 31.3.2009	Year Ended 31.3.2009
	Schedule	Rs-----P	Rs-----P	Rs-----P	Rs-----P
<u>INCOME</u>					
Sales			2,703,550.00		3,716,820.08
Closing Stock (As Certified)			13,646,605.24		1,769,869.95
Other income	J		888,823.00		3,128,094.00
<i>Total</i>			<u>17,238,978.24</u>		<u>8,614,784.03</u>
<u>EXPENDITURE</u>					
Opening Stock			1,769,869.95		4,086,541.75
Purchases			14,638,656.16		1,682,875.00
Administrative & Other Expenses	K		608,520.11		2,700,248.22
Interest	L		-		171.67
Depreciation			96,522.00		96,522.00
<i>Total</i>			<u>17,113,568.22</u>		<u>8,566,358.64</u>
Profit before Tax			125,410.02		48,425.39
Less :					
Provision for Taxation		40,000.00		25,598.00	
Provision For Fringe Benefit Tax		0.00		9,093.00	
Income Tax Adjustment		1,224.00	41,224.00	1,802.00	36,493.00
Profit after Tax			84,186.02		11,932.39
Less : Transfer to General Reserve			30,000.00		10,000.00
			54,186.02		1,932.39
Add: Balance Brought Forward from last Account			(1,513,212.29)		(1,515,144.68)
			<u>(1,459,026.27)</u>		<u>(1,513,212.29)</u>
Earning Per Share(Rs) [Basic/Diluted]					
Face Value Rs 10/- Per Share			0.02		0.003

As per our report annexed.

2, Draper Lane
 Kolkata -700001.
 The 29th day of May, 2010

For SANTOSH JAIN & CO.
 (Chartered Accountants)

Sb-elo
 (Satya Prakash Pachisia)
 (Partner)
 (M.No.055040)



Kwality Credit & Leasing Ltd.

BD
 Director

Kwality Credit & Leasing Ltd.

Amit Tajodia
 Director

Kwality Credit & Leasing Ltd.

Shruti
 Director