

24th Annual Report

&

Accounts

2015 - 2016

KWALITY CREDIT & LEASING CO. LTD.

KWALITY CREDIT & LEASING LIMITED

Corporate Identity No.: L65921WB1992PLC056686

Board of Directors :

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

Audit Committee :

Mr. Suresh Kumar Jain	Chairperson
Mr. Amu Thapa	Independent Director
Mr. Bhagwan Das Soni	Managing Director
Ms. Namrata Chakraborty	Independent Director

Nomination And Remuneration Committee:

Mr. Suresh Kumar Jain	Chairperson
Mr. Amu Thapa	Independent Director
Mr. Bhagwan Das Soni	Managing Director
Ms. Namrata Chakraborty	Independent Director

Stakeholder's Relationship Committee :

Mr. Amu Thapa	Chairperson
Mr. Suresh Kumar Jain	Independent Director
Ms. Namrata Chakraborty	Independent Director

Risk Management Committee :

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

Chief Financial Officer :

Mr. Subrata Dutta

Registered Office :

27, Weston Street,
5th floor, Room No. 526,
Kolkata – 700 012
Ph. : 9681634539
Email ID : kqualitycredit50@yahoo.com
Website : www.kqualitycredit.com

Registrar and Transfer Agent :

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

Bankers :

Corporation Bank

Auditors :

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

KWALITY CREDIT & LEASING LIMITED

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 24th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2016.

1) Financial Summary or Highlights.

(in `)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	78,76,894	90,38,425	78,76,894	90,38,425
(Less): Total Expenditure	69,04,684	1,18,07,201	76,61,048	1,18,20,637
Profit before Exceptional & Extraordinary Items	9,72,210	(27,68,776)	2,15,846	(27,82,212)
Add/(Less): Exceptional Items	-	-	-	-
Add/(Less): Extraordinary Items (Loss on Sale of Fixed Assets)	-	(22,306)	-	(22,306)
Profit Before Tax	9,72,210	(27,91,082)	2,15,846	(28,04,518)
(Less): Provision for Tax	(3,17,689)	-	(3,17,689)	-
Add/(Less): Contingent provision for Standard Assets	70,342	(14,862)	70,342	(14,862)
Net Profit/(Loss) after Tax	7,24,863	(28,05,944)	(31,501)	(28,19,380)
(Less): Transfer to Statutory Reserve	(1,57,042)	-	(1,57,042)	-
Add/(Less): Brought forward from previous year	(40,30,360)	(12,24,416)	(40,88,166)	(12,68,786)
Balance carried to Balance Sheet	(34,62,539)	(40,30,360)	(42,76,709)	(40,88,166)

2. Performance

(a) Annual Consolidated Results

Section 129(3) of the Companies Act, 2013 (hereinafter referred to as "the Act"), read with the Rule 6 of the Companies (Accounts) Rules, 2014, mandates every Company having subsidiary (including associate Company and joint venture) to prepare Consolidated Financial Statements. Accordingly, the audited consolidated financial statement is provided in the Annual Report and is also displayed on the Company's Website www.kwalitycredit.com.

The total income of the Company during the Financial Year 2015-16 on a consolidated basis was Rs. 78,76,894/- as compared to Rs. 90,38,425/- for the previous financial year. The total expenses for the year reduced to Rs. 76,61,048/- as compared to Rs. 1,18,20,637/- in previous year. In view of the same, Rs. 2,15,846/- profit before tax was recorded by the Company in the reporting year.

(b) Performance and financial position of the subsidiaries and associates Companies.

Pursuant to Rule 5 (1) of the Companies (Accounts) Rules 2014, the performance and financial position of the subsidiaries companies for the financial year ended 31st March, 2016, has been described by portraying the salient features of the financial statements of the subsidiaries in Form AOC-1, which is appended to the Directors' Report in **Annexure-I**.

Further, in terms of Section 136 of the Act read with the Rules framed thereunder, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries, are displayed on the website of the Company

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www.kwalitycredit.com and shall be available for inspection during business hours on working days at the Company's Registered Office at Kolkata. Any Member interested in obtaining such information may write to Mr. Bhagwan Das Soni, Managing Director, at the Registered Office and the same will be furnished on request. Alternatively, the request may also be e-mailed at the Id: kwalitycredit50@yahoo.com.

At the beginning of the Financial Year under review, the Company had 22 subsidiaries and no associate Companies. As on 31st March, 2016, the Company has 22 subsidiaries and no associate Companies.

(i) The names of subsidiaries as on 31st March, 2016, is as follows:

- i. KCLAgri Products Limited
- ii. KCL Chemical Limited
- iii. KCL Enclave Limited
- iv. KCL Energy Limited
- v. KCL Impex Limited
- vi. KCL Jewellers Limited
- vii. KCL Resorts Limited
- viii. KCL Warehousing Limited
- ix. KCL Iron & Steels Limited
- x. KCL Machinery Dealers Limited
- xi. KCL Fashion Limited
- xii. KCL Media Limited
- xiii. Tropicana Housing Limited
- xiv. Tropicana Heights Limited
- xv. Tropicana Residency Limited
- xvi. Tropicana Real Estates Limited
- xvii. Tropicana Consultants Limited
- xviii. Maxwell Residency Limited
- xix. Maxwell Real Estates Limited
- xx. Maxwell Heights Limited
- xxi. Maxwell Housing Limited
- xxii. Maxwell Homes Limited

(ii) 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.**

There was no such instance during the Financial Year under review.

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☆ **The names of companies which have ceased to be its subsidiaries.**

There was no such instance during the Financial Year under review.

(c) Standalone Results

The total income of the Company during the Financial Year 2015-16 on a standalone basis was Rs. 78,76,894/- as compared to Rs. 90,38,425/- for the previous financial year. The total expenses for the year reduced to Rs. 69,04,684/- as compared to Rs. 1,18,07,201/- in previous year. In view of the same, Rs. 9,72,210/- Profit before tax was recorded by the Company in the reporting year.

3. Dividend

Your Directors have after detailed deliberations on the performance of the Company, concluded that, considering the future prospects and for strengthening the financial position of the Company, it is prudent not to recommend any Dividend in respect of the Financial Year 2015-16.

4. The amount proposed to be carried to reserves

From the profits of the year under review Rs. 1,57,042/- transferred to the Statutory Reserve.

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

6. Listing

The Company's shares are listed on the Calcutta Stock Exchange Limited, BSE Ltd. and Jaipur Stock Exchange Ltd.

7. 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 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 31st March, 2016, 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-II**.

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: 30/04/2015, 30/05/2015, 13/08/2015, 09/11/2015, 11/02/2016 and 28/03/2016.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (hereinafter referred to as "the Listing Regulations") was held on 28/03/2016.

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The Meetings were held in accordance with the provisions of the Act and the Listing Regulations, 2015.

The details of the Meetings of the Board of Directors during the Financial Year 2015-16 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 three Non-Executive Independent Director, and one Executive Non Independent Director as on 31st March, 2016. 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 five (5) times and all such meetings were held in accordance with the provisions of the Act, Clause 49 of the erstwhile Listing Agreement and the Listing Regulations.

Further, the Board of Directors has accepted all the recommendations of the Audit Committee in the Financial Year 2015-16.

11. Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Independent Directors and one Executive Non-Independent Director as on 31st March, 2016.

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 three Non-Executive Independent Director and one Non-Executive independent Woman 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 31st March, 2016 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.

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- 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 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 Clause 49 of the erstwhile Listing Agreement 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 details of the same have been provided in the Corporate Governance Report for the Financial Year 2015-16.

The Nomination and Remuneration Policy is reproduced in **Annexure-III**.

16. Auditors & Auditors' report

A. Statutory Auditors

The appointment of M/s Pachisia & Associates (Firm Registration No. 327542E), Chartered Accountants of 454, Dum Dum Park, Kolkata – 700055, is subject to ratification by the members at the ensuing Annual General Meeting.

In this connection, M/s Pachisia & Associates have furnished a Certificate of Eligibility pursuant to Section 141 of the Act read with the Rules framed thereunder.

Based on the recommendation of the Audit Committee, the Board of Directors recommends their ratification to the shareholders.

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

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Ms. Puja Agarwal (C.P. No. 14637, Membership No. A36736) Company Secretary in whole-time Practice, to undertake the Secretarial Audit of the Company for Financial Year 2015-16.

D. Secretarial Audit Report

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

(I) There was a delay in filing e-form DIR-12 regarding appointment of Chief Financial Officer.

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.

During the year under review, the Company has entered into a number of related party transaction, placed before the Audit Committee and the Board for approval. Accordingly, all such transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Act read with the Rules made thereunder. Further, Form No. AOC-2 is appended to the Directors Report in **Annexure-V**.

19. State of Company Affairs & Future Outlook

The Company, a Non-Banking Financial (Non-Deposit Accepting or Holding) Company, does not have any public deposits as on 31st March, 2016.

The total income of the Company during the Financial Year 2015-16 on a standalone basis was Rs. 78,76,894 as compared to Rs. 90,38,425/- for the previous financial year. The total expenses for the year reduced to Rs. 69,04,684/- as compared to Rs. 1,18,07,201/- in previous year. In view of the same, Rs. 9,72,210/- profit before tax was recorded by the Company in the reporting 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 is 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 Clause 49 of the erstwhile Listing Agreement, and in 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, and Clause (49)(I)(D)(2)(a) of the erstwhile Listing Agreement, the Board of Directors is responsible for framing, implementing and monitoring the Risk Management Plan of the Company, and 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, and the erstwhile Listing Agreement, 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, pursuant to Clause 49(IV)(B)(1) of the erstwhile Listing Agreement, 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 morefully described in the Corporate Governance Report.

Further, the Nomination and Remuneration Committee has also devised a Policy on Board Diversity as provided in Clause 49(IV)(B)(3) of the erstwhile Listing Agreement.

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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 28/03/2016, pursuant to Clause VII of Schedule IV to the Act and Regulation 25 of the Listing Regulations, 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 Clause 49(IV)(B) of the erstwhile Listing Agreement.

The Nomination and Remuneration Policy is reproduced in **Annexure-III**.

26. 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.

27. Directors & Key Managerial Personnel

a. Non-Executive & Executive Directors - Non-independent.

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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 and Mr. Suresh Kumar Jain were appointed for a term of five consecutive years commencing from the conclusion of 22nd Annual General Meeting of the Company, keeping in view their educational / professional qualifications, working experience, expertise in line with Company's business, positive attributes, already being on the Board of the Company and benefits that the Company will derive with their appointment.

Furthermore, Ms. Namrata Chakraborty was appointed as the non-retiring Independent Director for a period of five consecutive years commencing from the conclusion of 23rd Annual General meeting of the Company.

c. Chief Financial Officer.

Mr. Subrata Dutta was appointed as the Chief Financial Officer of the Company with effect from 30th May, 2015.

d. Compliance Officer.

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

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

As on 31st March, 2016, Company has no outstanding public deposits.

29. Details of deposits which are not in compliance with the requirements of Chapter V of the Act.

Since the Company has neither accepted any deposits during the financial year under review, nor has any outstanding deposits as on 31st March, 2016, therefore there are no disclosures as specified in Rule 8(5)(vi) of the Companies (Accounts) Rules, 2014, for non-compliance with the requirements of Chapter V of the Act.

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.

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

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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.	3.14
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.Namrata Chakraborty - 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

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Ms. Namrata Chakraborty - Non-Executive Independent Director.	-No remuneration or sitting fees was paid
Mr. Subrata Dutta – Chief Financial Officer	-Since this information is for part of the year, the same is not comparable. It would be further noted that ` 6,500 p/m was paid to him as remuneration with effect from 30.05.2015

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

Since there was no median remuneration in F.Y. 2014-15 the Company is not required to provide the aforesaid disclosure.

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

As on 31st March, 2016, there are 9 Employees on the rolls of the Company.

V. The explanation on the relationship between average increase in remuneration and company performance.

In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.

Comparative Parameter	Amount (in Rs.)
Aggregate remuneration of Key Managerial Personnel (KMP) in the Financial Year 2015-16.	2,15,000
Total Revenue	78,76,894
Remuneration of KMP's as a percentage of Total Revenue	2.73%
Profit before tax	9,72,210
Remuneration of KMP's as a percentage of Profit before Tax	22.11%
Profit after tax	7,24,863
Remuneration of KMP's as a percentage of Profit after Tax	29.66%

VII. VARIATIONS IN :

A. The market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year.

Particulars	31 st March, 2016	31 st March, 2015	% Change
Market Capitalisation	` 5,61,61,949.9 (Equity Shares are not traded in CSE Platform. Thus Market Cap. is calculated on the basis of the last traded price of the BSE Platform)	` 9,24,77,195.70 (Equity Shares are not traded in CSE Platform. Thus Market Cap. is calculated on the basis of the last traded price of the BSE Platform)	-39.27
Price Earnings Ratio	78.24	0.00	100

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B. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer.

Particulars	31 st March, 2016	IPO	% Change
Market Price	13.30	The Company has not made any Public Issue or Rights issue of securities in the last 15 years, so comparison have not been made of current share price with public offer price.	N.A.

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

The increase in salary is by and large attributable to the increase in the number of employees from 5 as on 31st March, 2015 to 9 as on 31st March, 2016.

B. Its comparison with the percentile increase in the managerial remuneration and justification thereof;

There was no increase in the managerial remuneration in comparison to the increase in remuneration of other employees.

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

There are no exceptional circumstances prevalent for increase in the managerial remuneration.

IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company. (in `)

Comparative Parameter	Bhagwan Das Soni -Executive Non-Independent Managing Director	Subrata Dutta - Chief Financial Officer w.e.f. 30.05.2015
Remuneration of the Key Managerial Personnel (KMP) in the Financial Year 2015-16.	1,50,000	65,000
Total Revenue	78,76,894	78,76,894
Remuneration of KMP's as a percentage of Total Revenue	1.90%	0.82%
Profit before tax	9,72,210	9,72,210
Remuneration of KMP's as a percentage of Profit before Tax	15.43%	6.69%
Profit after tax	7,24,863	7,24,863
Remuneration of KMP's as a percentage of Profit after Tax	20.69%	8.97%

X. 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.

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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.

XI. 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.

XII. 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.

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 a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code was applicable upon all Directors and select employees. The code ensured prevention of dealing in shares by persons having access to unpublished price sensitive information.

The aforesaid Code was effective till 14th May, 2015 & thereafter repealed with the following Codes pursuant to the SEBI(Prohibition of Insider Trading)Regulations, 2015 and effective from 15th May, 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)

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

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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. 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. C B 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.

38. 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. Namrata Chakraborty (DIN- 06937620), 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. Namrata Chakraborty (DIN- 06937620) in writing or electronically through e-mail at: kwalitycredit50@yahoo.com

During the period under review, no complaints were received by the Company in terms of the aforesaid act.

39. Management's Discussion and Analysis Report

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

≡≡≡ KWALITY CREDIT & LEASING LIMITED ≡≡≡

40. 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 : 30.05.2016

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

Amu Thapa
Chairman
DIN: 00674928

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the Financial Statement of Subsidiaries
PART-"A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Name of the Subsidiary	Share Capital (Rs.)	Reserves & Surplus (Rs.)	Total Assets (Rs.)	Total Liabilities (Rs.)	Investments (Rs.)	Turn-over (Rs.)	Profit before taxation (Rs.)	Provision for taxation (Rs.)	Profit after taxation (Rs.)	Proposed Dividend (Rs.)	% of Share holding
1	KCL Agri Products Ltd.	5,00,000	(36,912)	4,68,813	4,68,813	4,00,000	Nil	(36,912)	Nil	(36,912)	Nil	100%
2	KCL Chemicals Ltd.	5,00,000	(43,428)	25,27,915	25,27,915	20,60,000	Nil	(14,525)	Nil	(14,525)	Nil	100%
3	KCL Enclave Ltd.	5,00,000	(36,649)	34,59,076	34,59,076	33,93,500	Nil	(36,649)	Nil	(36,649)	Nil	100%
4	KCL Energy Ltd.	5,00,000	(36,677)	31,65,048	31,65,048	30,95,500	Nil	(36,677)	Nil	(36,677)	Nil	100%
5	KCL Fashion Ltd.	5,00,000	(39,495)	11,66,230	11,66,230	10,66,676	Nil	(39,495)	Nil	(39,495)	Nil	100%
6	KCL Impex Ltd.	5,00,000	(37,390)	54,00,585	54,00,585	52,40,000	Nil	(37,390)	Nil	(37,390)	Nil	100%
7	KCL Iron & Steels Ltd.	5,00,000	(44,398)	43,11,945	43,11,945	38,45,000	Nil	(15,495)	Nil	(15,495)	Nil	100%
8	KCL Jewellers Ltd.	5,00,000	(36,895)	10,98,830	10,98,830	10,33,259	Nil	(36,895)	Nil	(36,895)	Nil	100%
9	KCL Machinery Traders Ltd.	5,00,000	(36,566)	21,39,159	21,39,159	20,71,500	Nil	(36,566)	Nil	(36,566)	Nil	100%
10	KCL Media Ltd.	5,00,000	(36,174)	12,95,551	12,95,551	12,26,400	Nil	(36,174)	Nil	(36,174)	Nil	100%
11	KCL Resorts Ltd.	5,00,000	(37,030)	37,68,695	37,68,695	36,85,000	Nil	(37,030)	Nil	(37,030)	Nil	100%
12	KCL Warehousing Ltd.	5,00,000	(36,874)	29,98,851	29,98,851	29,39,000	Nil	(36,874)	Nil	(36,874)	Nil	100%
13	Maxwell Heights Ltd.	5,00,000	(35,546)	37,70,179	37,70,179	36,85,000	Nil	(35,546)	Nil	(35,546)	Nil	100%
14	Maxwell Homes Ltd.	5,00,000	(35,375)	53,10,350	53,10,350	52,40,000	Nil	(35,375)	Nil	(35,375)	Nil	100%
15	Maxwell Housing Ltd.	5,00,000	(34,809)	29,79,666	29,79,666	29,08,750	Nil	(34,809)	Nil	(34,809)	Nil	100%
16	Maxwell Real Estates Ltd.	5,00,000	(36,409)	4,69,316	4,69,316	4,00,000	Nil	(36,409)	Nil	(36,409)	Nil	100%
17	Maxwell Residency Ltd.	5,00,000	(35,098)	31,66,627	31,66,627	30,95,000	Nil	(35,098)	Nil	(35,098)	Nil	100%
18	Tropicana Consultants Ltd	5,00,000	(36,009)	4,69,716	4,69,716	4,00,000	Nil	(36,009)	Nil	(36,009)	Nil	100%
19	Tropicana Heights Ltd.	5,00,000	(36,009)	4,69,716	4,69,716	4,00,000	Nil	(36,009)	Nil	(36,009)	Nil	100%
20	Tropicana Housing Ltd.	5,00,000	(36,009)	4,69,716	4,69,716	4,00,000	Nil	(36,009)	Nil	(36,009)	Nil	100%
21	Tropicana Real Estates Ltd.	5,00,000	(34,009)	4,71,716	4,71,716	4,60,000	Nil	(34,009)	Nil	(34,009)	Nil	100%
22	Tropicana Residency Ltd.	5,00,000	(36,409)	4,69,316	4,69,316	4,00,000	Nil	(36,409)	Nil	(36,409)	Nil	100%

Notes:

1. Name of Subsidiaries which are yet to commence operations: Nil
2. Name of Subsidiaries which have been liquidated or sold during the year: Nil

KWALITY CREDIT & LEASING LIMITED

PART-“B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	NIL
1. Latest Audited Balance Sheet Date	
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding %	
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	
6. Profit/Loss for the year	
(i) Considered in Consolidation	
(ii) Not Considered in Consolidation	

For and on Behalf of the Board of Directors

Date : 30.05.2016
Place : Kolkata

Bhagwan Das Soni
Managing Director
DIN: 02308414

Amu Thapa
Director
DIN: 00674928

Subrata Dutta
CFO

KWALITY CREDIT & LEASING LIMITED

Annexure - II

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016

[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	27, Weston Street, 5 th Floor, Room No. 526, Kolkata – 700 012, 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) 4011 6700, 2280, 6692/93/94/2486

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

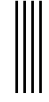
All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

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 %

KWALITY CREDIT & LEASING LIMITED

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section (Companies Act, 2013)
1.	KCL Agri Products Ltd.	U01403WB2015PLC205640	Subsidiary	100%	2(87)(ii)
2.	KCL Chemicals Ltd.	U51909WB2014PLC201278	Subsidiary	100%	2(87)(ii)
3.	KCL Enclave Ltd.	U70102WB2015PLC205641	Subsidiary	100%	2(87)(ii)
4.	KCL Energy Ltd.	U74900WB2015PLC205647	Subsidiary	100%	2(87)(ii)
5.	KCL Fashion Ltd.	U17291WB2015PLC205649	Subsidiary	100%	2(87)(ii)
6.	KCL Impex Ltd.	U51909WB2015PLC205662	Subsidiary	100%	2(87)(ii)
7.	KCL Iron & Steels Ltd.	U51909WB2014PLC201279	Subsidiary	100%	2(87)(ii)
8.	KCL Jewellers Ltd.	U74900WB2015PLC205661	Subsidiary	100%	2(87)(ii)
9.	KCL Machinery Traders Ltd.	U74900WB2015PLC205663	Subsidiary	100%	2(87)(ii)
10.	KCL Media Ltd.	U22219WB2015PLC205667	Subsidiary	100%	2(87)(ii)
11.	KCL Resorts Ltd.	U55101WB2015PLC205669	Subsidiary	100%	2(87)(ii)
12.	KCL Warehousing Ltd.	U74900WB2015PLC205670	Subsidiary	100%	2(87)(ii)
13.	Maxwell Heights Ltd.	U70102WB2015PLC205799	Subsidiary	100%	2(87)(ii)
14.	Maxwell Homes Ltd.	U70102WB2015PLC205800	Subsidiary	100%	2(87)(ii)
15.	Maxwell Housing Ltd.	U70102WB2015PLC205801	Subsidiary	100%	2(87)(ii)
16.	Maxwell Real Estates Ltd.	U70102WB2015PLC205802	Subsidiary	100%	2(87)(ii)
17.	Maxwell Residency Ltd.	U70102WB2015PLC205803	Subsidiary	100%	2(87)(ii)
18.	Tropicana Consultants Ltd	U74900WB2015PLC205804	Subsidiary	100%	2(87)(ii)
19.	Tropicana Heights Ltd.	U70102WB2015PLC205805	Subsidiary	100%	2(87)(ii)
20.	Tropicana Housing Ltd.	U70102WB2015PLC205806	Subsidiary	100%	2(87)(ii)
21.	Tropicana Real Estates Ltd.	U70102WB2015PLC205807	Subsidiary	100%	2(87)(ii)
22.	Tropicana Residency Ltd.	U70102WB2015PLC205808	Subsidiary	100%	2(87)(ii)



KWALITY CREDIT & LEASING LIMITED



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
A. Promoter								
1) Indian								
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00
Sub-total (A)(1):-	0	0	0	0.00	0	0	0	0.00
2) Foreign								
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00
Sub-total(A)(2):-	0	0	0	0.00	0	0	0	0.00
Total Shareholding of Promoter and Promoter Group [A=(A)(1)+ (A)(2)]	0	0	0	0.00	0	0	0	0.00
B. Public Shareholding								
1. Institutions								
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00

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f) Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	0.00
g) FIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	0.00
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00	0.00
2. Non Institutions																
a) Bodies Corp.																
(i) Indian	759714	36150	795864	18.85	819012	36150	855162	20.25	1.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Individuals																
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1766093	26023	1792116	42.44	1740598	25723	1766321	41.83	(0.61)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1634716	0	1634716	38.71	1600865	0	1600865	37.91	(0.80)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Qualified Foreign Investor																
d) Others(Specify)																
(i) Trust & Foundation	0	0	0	0.00	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii) NRI	7	0	7	0.00	355	0	355	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-total(B)(2)	4160530	62173	4222703	100.00	4160830	61873	4222703	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4160530	62173	4222703	100.00	4160830	61873	4222703	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Shares held by	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Custodian for GDRs & ADRs							
Grand Total (A+B+C)	4160530	62173	4222703	100.00	4160830	61873	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
	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	Shareholding during the year		Cumulative Shareholding during the year
		No. of shares	% of total shares of the company	
		NIL	NIL	
	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	
	At the End of the year	-	-	NIL

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

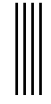
Sl. no	Shareholding at the beginning of the year	Cumulative Shareholding during the year



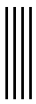
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	Name	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sunita Kothari	At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the End of the year (or on the date of separation, if separated during the year)	159103 - -	3.77 - -	- - 159103	- - 3.77
2	Rekha D. Shah	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 (or on the date of separation, if separated during the year)	75000 - -	1.78 - -	- - 75000	- - 1.78
3	Dharmendra Kothari	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 (or on the date of separation, if separated during the year)	73376 - -	1.74 - -	- - 73376	- - 1.74
4	Wellman Commerce Private Limited	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 (or on the date of separation, if separated during the year)	68153 - -	1.61 - -	- - 68153	- - 1.61



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	/ bonus/ sweat equity etc):								
	At the End of the year (or on the date of separation, if separated during the year)	-	-	68153	1.61				
5	Varsha Dudheria	At the beginning of the year	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				
6	Anurodh Infrastructure Private Limited.	At the beginning of the year	62362	-	1.48	-	-	-	-
	Increase in shares on 11/09/2015 (Purchase of shares in Open Market)	2000	-	64362	1.53				
	At the End of the year (or on the date of separation, if separated during the year)	-	-	64362	1.53				
7	Ichraj Devi Kothari.	At the beginning of the year	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				
8	R K Stockholding Pvt. Ltd.	At the beginning of the year	41500	-	0.98	-	-	-	-
	Decrease in shares on	1692	-	39808	0.94				



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		29/05/2015 (Sale of shares in Open Market)	1692	0.04	41500	0.98
		Increase in shares on 05/06/2015 (Purchase of shares in Open Market)				
		Decrease in shares on 10/07/2015 (Sale of shares in Open Market)	50	0.00	41450	0.98
		At the End of the year (or on the date of separation, if separated during the year)	-	-	41450	0.98
9	Mohammad Arabab Shamsi	At the beginning of the year	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
10	Hadia Ijlal Shamsi	At the beginning of the year	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

v. Shareholding of Directors and Key Managerial Personnel

Sl. no		For Each of the Directors and KMP At the beginning of the year	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)	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	-
		At the End of the year	Nil	-	Nil	-
2.	Mr. Amu Thapa (Director)	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	-
		At the End of the year	Nil	-	Nil	-
3.	Mr. Suresh Kumar Jain (Director)	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	-
		At the beginning of the year	Nil	-	Nil	-


KWALITY CREDIT & LEASING LIMITED


	At the End of the year	Nil	-	Nil	-
4. Ms. Namrata Chakraborty (Director)	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):	-	-	-	-
	At the End of the year	Nil	-	Nil	-
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	Nil	-	Nil	-

**Appointed as Chief Financial Officer w.e.f 30.05.2015

KWALITY CREDIT & LEASING LIMITED

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	-	58,37,905	-	58,37,905
- Reduction	-	-	-	-
Net Change	-	58,37,905	-	58,37,905
Indebtedness at the end of the financial year				
i) Principal Amount	-	58,37,905	-	58,37,905
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	58,37,905	-	58,37,905

KWALITY CREDIT & LEASING LIMITED

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	1,50,000	1,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	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)	1,50,000	1,50,000
	Ceiling as per the Act		30 Lakhs

KWALITY CREDIT & LEASING LIMITED

B. Remuneration to other directors:

In ₹

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Amu Thapa	Suresh Kumar Jain	Namrata Chakraborty	
	<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	65,000	65,000
	(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	65,000	65,000

KWALITY CREDIT & LEASING LIMITED

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			NONE			
Penalty						
Punishment						
Compounding						
B. Director						
Penalty						
Punishment						
Compounding						
C. Other Officer in default						
Penalty						
Punishment						
Compounding						

For and on Behalf of the Board of Directors

Date : 30.05.2016
Place : Kolkata

Bhagwan Das Soni
Managing Director
DIN: 02308414

Amu Thapa
Director
DIN: 00674928

Subrata Dutta
CFO

KWALITY CREDIT & LEASING LIMITED

NOMINATION AND REMUNERATION POLICY

Annexure III

Preface

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualification, positive attributes, independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

Definition

'Act' means Companies Act, 2013 and Rules framed there under, as amended from time to time.

'Listing Agreement' means Equity Listing Agreements of the Company with the Stock Exchanges.

'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

'Company' means Kwality Credit & Leasing Limited.

'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013 and the Rules framed thereunder and as provided under Clause 49 of the Listing Agreement.

'Key Managerial Personnel' (KMP) means:

- a) Chief Executive Officer and / or Managing Director
- b) Whole-time Director
- c) Chief Financial Officer
- d) Company Secretary
- e) Such other officer as may be prescribed

'Senior Management' means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

'Other employees' means all the employees other than the Directors, KMPs and the Senior Management Personnel.

Objective of the Committee

The Key Objectives of the Committee would be:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel Senior Management and other employees.

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- d) to formulate criteria for determining qualifications, positive attributes and independence of a Director.
- e) to formulate criteria for evaluation of Independent Directors and the Board.
- f) to recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.

Appointment and Removal of Director, Key Managerial Personnel and Senior Management

Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

Additional Criteria for Appointment and qualifications of Independent Directors

As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013 with Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV of the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the company:

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives —
 - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

=====**KWALITY CREDIT & LEASING LIMITED**=====

- (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm; v. holds together with his relatives two per cent or more of the total voting power of the company; or
 - iii. is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - iv. is a material supplier, service provider or customer or a lessor or lessee of the company;
- f) who is not less than 21 years of age.

Additional Criteria for Appointment as a member of Audit Committee

A director proposed to be appointed as a member of Audit committee should possess the additional qualifications, in lieu of requirements of section 177 of the Act read with rules made thereunder and Clause 49 (III) of the Listing Agreement.

Additional Criteria for Appointment of Managing Director, Manager or Whole-Time Director

In addition to the general criteria, the Company shall consider the requirements of section 196 of the Act read with rules made thereunder and Schedule V of the Act and relevant provisions of the Listing Agreement.

Letters of Appointment

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

Evaluation

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

KWALITY CREDIT & LEASING LIMITED

Term/Tenure

a) Managing Director/Whole-time Director :

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Policy for Remuneration to Directors/KMP/Senior Management Personnel

1) Remuneration to Managing Director / Whole-time Directors

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. 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 and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of

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clause (b) above if the following conditions are satisfied:

- I. The Services are rendered by such Director in his capacity as the professional; and
- II. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

- e) Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

3) Remuneration to Key Managerial Personnel and Senior Management

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

- 4) Remuneration of employees** largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee grades and are governed by company patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances etc.

Review and Amendment to the Policy

- I. The NRC or the Board may review the Policy as and when it deems necessary.
- II. The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

Disclosure

- I. The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein.
- II. It also may be put up on the Company's website and reference drawn thereto in the Annual Report.

===== **KWALITY CREDIT & LEASING LIMITED** =====

Annexure-III

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016.

To,
The Members,
Kwality Credit & Leasing Limited
27, Weston Street, 5th Floor,
Room no – 526,
Kolkata - 700 012

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kwality Credit & Leasing Limited** (hereafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and 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, 2016 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 **Kwality Credit & Leasing Limited** for the financial year ended on 31st March, 2016 according to the applicable provisions of:

- (i) The Companies Act, 1956 (the Old Act) and the rules made thereunder.
- (ii) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Reserve Bank of India Act, 1934,
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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 (Registrar to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with the client;
 - d. The Listing Agreement with Stock Exchanges for the period from April 1, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period from December 01, 2015;

===== KWALITY CREDIT & LEASING LIMITED =====

I further report that, there were no action / events in pursuance of;

- I. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009;
- II. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999;
- III. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- IV. The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;

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

- (i) Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Ltd., BSE Ltd. and Jaipur Stock Exchange Ltd.

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..**

- (i) **There was a delay in filing e-form DIR-12 regarding appointment of chief financial officer.**

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

I further report that during the audit period the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.:

During the audit period under review, there were no instances of:

- I. Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- II. Redemption / buy-back of securities.
- III. Merger / amalgamation / reconstruction, etc.
- IV. Foreign technical collaborations.

This Report is to be read with the Auditor's Note on the Maintenance of Secretarial Records of the Company as provided in **ANNEXURE - I** & which forms an integral part of this Secretarial Audit Report.

Place : Kolkata
Date : 30.05.2016

CS PUJA AGARWAL
Practising Company Secretary
M. No. A36736
C P No. 14637

≡≡≡ KWALITY CREDIT & LEASING LIMITED ≡≡≡

ANNEXURE – I

Auditor's Note on the Maintenance of Secretarial Records of the Company

To,
The members,
Kwality Credit & Leasing Ltd.
27, Weston Street,
Room No. 526, 5th Floor,
Kolkata – 700 012

My Report of even date is to be read alongwith this letter.

1. The Company's Management is responsible for the maintenance of Secretarial Records in a manner to ensure compliance by the Company of applicable laws and to take adequate steps for the existence of proper and adequate systems and processes in this regard. Our responsibility is to express an opinion on such secretarial records based on our audit.
2. I have followed the Audit practices and processes as where 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 process and practices, I followed provide a reasonable basis for my opinion.
3. 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.
4. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations is the responsibility of the management. This Secretarial Audit Report is not an assurance of the effectiveness with which the Management has conducted the affairs of the Company.
6. The Secretarial Audit Report 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 : 30.05.2016

CS PUJA AGARWAL
Practising Company Secretary
M. No. A36736
CP No. 14637

KWALITY CREDIT & LEASING LIMITED

Annexure - V

**Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

Name of the related party	Nature of transaction	Duration of transaction	Salient terms of the transaction including the value, if any	Amount paid as advances, if any
KCL Chemicals Ltd.	Sale of Investment to Subsidiary Co.	N.A.	Rs. 20,60,000	Nil
KCL Fashions Ltd.	Sale of Investment to Subsidiary Co	N.A.	Rs. 7,00,000	Nil
KCL Impex Ltd.	Sale of Investment to Subsidiary Co	N.A.	Rs. 18,10,250	Nil
KCL Iron & Steels Ltd.	Sale of Investment to Subsidiary Co	N.A.	Rs. 45,000	Nil
KCL Jewellers Ltd.	Sale of Investment to Subsidiary Co	N.A.	Rs. 6,30,000	Nil
KCL Media Ltd.	Sale of Investment to Subsidiary Co	N.A.	Rs. 8,26,000	Nil
Maxwell Housing Ltd.	Sale of Investment to Subsidiary Co	N.A.	Rs. 25,08,750	Nil
Maxwell Residency Ltd.	Advances	N.A.	Advance-Opening Balance Rs. 5,61,000. Received during the year Rs. 4,00,000	5,61,000
KCL Agri Products Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Enclave Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Energy Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000.	Nil

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KCL Fashion Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Impex Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Jewellers Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Machinery Traders Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Media Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Resorts Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
KCL Warehousing Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Maxwell Heights Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Maxwell Homes Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Maxwell Housing Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Maxwell Real Estates Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Maxwell Residency Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Tropicana Consultants Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Tropicana Heights Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Tropicana Housing Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Tropicana Real Estates Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil
Tropicana Residency Ltd.	Investment in 100% Wholly Owned Subsidiary	One time	5,00,000	Nil

Note:- Appropriate approvals have been taken for Related Party Transactions. All the transactions referred above are in the ordinary course of business and on an arm's length basis.

Place : Kolkata
Dated : 30.05.2016

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

Amu Thapa
Chairman
DIN: 00674928

KWALITY CREDIT & LEASING LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

a) INDUSTRY STRUCTURE AND DEVELOPMENTS

The global economy is still under stress for gaining momentum as many high-income countries continue to grapple with the past impacts of the global financial crisis. Emerging economies continue to remain as less vibrant than in the past. The Indian economy has the potential to become the one of the largest economies by mid-century. The long-term growth prospective of the Indian economy is moderately positive due to its young population, corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy.

Non-Banking Finance Companies (NBFCs) act as conduits and have furthered the Government's agenda on Financial Inclusion NBFCs are today passing through a very crucial phase where Reserve Bank of India has issued a revised regulatory framework with the objective to harmonize it with banks and Financial Institutions and address regulatory gaps and arbitrage. While the regulations, specially, asset classification norms have been made more stringent so as to be at par with banks,

NBFCs are emerging as an alternative to mainstream banking. Besides, they are also emerging as an integral part of Indian Financial System and have commendable contributions towards Government's agenda of financial Inclusion. They have been to some extent successful in filling the gap in offering credit to retail customers in underserved and unbanked areas.

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.

c) OPPORTUNITIES AND THREATS

To survive and sustain our self in the present recessionary global scenario has been a very challenging task. Appropriate changes are done to face these challenges. Company is trying to grab all the opportunities on its way which would enhance the company's performance.

The biggest challenges before NBFCs are that they are facing stiff competition from banks and financial institutions, due to their ability to raise low cost funds which enables them to provide funds at much cheaper rate. More stringent capital adequacy norms have been stipulated by RBI for NBFCs which is making difficult for them to give cheaper finance.

d) DEBT STRUCTURE

During the year under review your Company has not raised any amount.

e) OUTLOOK

The overall performance of the Company for the financial year under review was better than performance of the previous corresponding year. Company is now focusing on financing conservatively after closely assessing the customers' profile. The Company is trying to explore new areas which can be developed and marketed to leverage its performance and growth.

The markets will continue to grow and mature leading to differentiation of products and services. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic regarding outlook for the year 2016-17.

f) 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.

g) RISK AND CONCERNS

In 2016-17, risk management shall continue to play a key role in achievement of organizational objectives. The following areas of focus have been identified for the year ahead:

- Strategic Risks
- Operational Risk Management
- Emerging business risk
- Data Privacy and Information Security
- Credit Risk Management

NBFCs are exposed to credit and market risks in view of Asset Liability transformation. Intense competition for business involving both the assets and liabilities has brought pressure on the management of NBFCs to maintain a good balance among spreads, profitability and long term viability.

The Risk Management policies of the Company aim to identify analyze and manage the risk faced by the Company, to set appropriate risk limits & controls, and to continuously monitor risk levels and adherence to limits.

h) 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.

i) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements of Kwaliti Credit & Leasing Limited and its subsidiaries (collectively referred to as "KCLL", "Maxwell" and "Tropicana" or the Company) are prepared in compliance with the Companies Act, 2013 and generally accepted accounting principles in India (Indian GAAP). The discussions herein below relate to Standalone/Consolidated statement of profit and loss for the year ended March 31, 2016. The consolidated results are more relevant for understanding the performance of its subsidiaries. Significant accounting policies used for the preparation of the financial statements are disclosed in the notes to the consolidated financial statements

● STANDALONE FINANCIAL RESULT

During the year under review, the Company's revenue on standalone was ` 78,76,894/- as against revenue of ` 90,38,425/- in the preceding financial year. The Profit Before Tax on a standalone basis amounted to ` 9,72,210/- as against loss of ` 27,91,082/- in the previous year.

● CONSOLIDATED FINANCIAL RESULT

During the year under review, the Company's revenue on consolidated was ` 78,76,894/- as against revenue of ` 90,38,425/- in the preceding financial year. The Profit Before Tax on a consolidated basis amounted to ` 2,15,846/- as against loss of ` 28,04,518/- in the previous year.

j) 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 was 9 (Nine).

k) DISCLOSURE OF ACCOUNTING TREATMENT:

There 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 2015-16.

l) 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.

≡≡≡ KWALITY CREDIT & LEASING LIMITED ≡≡≡

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Kwality Credit & Leasing Limited

We have examined the compliance of conditions of Corporate Governance by **Kwality Credit & Leasing Limited** for the year ended on March 31, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange for the period from April 1, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period from December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our 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 our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations.

We 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 : 30.05.2016

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

KWALITY CREDIT & LEASING LIMITED

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's 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

- a) The Company's Board of Directors as on **March 31, 2016** comprises of one Executive Director and three Non-Executive Directors including the Chairman.
- b) 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, 2016 are given below :-

Name of Director	Category of Directors	No. of Board Meetings attended	No. of other Directorship		No. of other Committee(s) Membership/Chairpersonship		No. of Equity Shares held as on March 31, 2016
			Public	Private	Membership	Chairpersonship	
Mr. Bhagwan Das Soni	Executive-Non Independent- Managing Director	6	8	11	4	2	-
Mr. Arun Thapa	Non-Executive-Independent Director	6	2	10	0	0	-
Mr. Suresh Kumar Jain	Non-Executive-Independent Director	6	2	1	0	0	-
Ms. Namrata Chakraborty	Non-Executive-Independent Director	6	3	0	4	2	-

- c) 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.
- d) Six (6) Meetings of the Board of Directors of the Company were held at the Registered Office of the Company during the financial year 2015-2016 i.e. on 30/04/2015, 30/05/2015, 13/08/2015,

KWALITY CREDIT & LEASING LIMITED

09/11/2015, 11/02/2016 and 28/03/2016. 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 30, 2015.
- 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.
- i) 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 28/03/2016, 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.

3. Audit Committee

a) Composition

The Audit Committee of the Company comprises of three Non-Executive Independent Directors and one Executive non Independent Director as on March 31, 2016. The Committee is chaired by a Non-Executive Independent Director, Mr. Suresh Kumar Jain.

The Committee met 5 (Five) times during the year i.e. on 30/04/2015, 30/05/2015, 13/08/2015, 09/11/2015 and 11/02/2016. The attendances of the members were as follows:-

Sl. No.	Name	Status	No. of Meetings
1.	Mr. Suresh Kumar Jain	Non-Executive Independent Director - Chairperson of the Committee	5
2.	Mr. Amu Thapa	Non-Executive Independent Director	5
3.	Mr. Bhagwan Das Soni	Executive Non-Independent - Managing Director	5
4.	Ms. Namrata Chakraborty	Non-Executive Independent Director	5

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The Chairperson 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

a) Composition

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Independent Directors and one Executive Non Independent Director as on March 31, 2016. The Committee is chaired by a Non-Executive Independent Director, Mr. Suresh Kumar Jain.

The Committee met 2 (Two) times during the year i.e. on 30/05/2015 and 13/08/2015. The attendances of the members were as follows:-

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

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.

KWALITY CREDIT & LEASING LIMITED

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 reproduced in Directors' Report as **Annexure-III**.

a) 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. 2015-16 are given below:

Name	Designation	SalaryRs.	Perquisite & Allowances Rs.	Sitting FeesRs.	TotalRs.
Mr. Bhagwan Das Soni	Managing Director	1,50,000/-	0.00	0.00	1,50,000/-
Mr. Subrata Dutta*	CFO	65,000/-	0.00	0.00	65,000/-

*appointed as CFO w.e.f. May 30, 2015.

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 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 also 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	Ms. Namrata Chakraborty	Non-Executive-Independent Director

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During the year, one meeting of the Stakeholders' Relationship Committee was held on 13/08/2015.

During the year no requests/complaints were received from the shareholders.

Sl. No.	Nature of request	Nos.
1	Issue of Duplicate Share Certificates	Nil
2	Rematerialisation of Shares	Nil

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

The aforesaid Code was effective till 14th May, 2015 & thereafter repealed with 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. This Code has been disclosed on the website of the Company via the link: www.kwalitycredit.com/code-of-conduct.html

2. Profile of the Directors appointed/Re-appointed

Profile of the Directors appointed/Re-appointed alongwith the shareholding in the Company is provided below:

Name of Director	Category	Work experience	Date of Appointment	No of Shares held & % of shareholding in the Co.	Qualificatio
Mr. Bhagwan Das Soni	Executive Non Independent Managing Director	16 years of experience in the field of Finance and Pharma	01.01.2013	Nil	B.Com

KWALITY CREDIT & LEASING LIMITED

9. General Body Meetings:

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

Financial Year	Date of AGM	Venue	Time
2014-2015	30.09.2015	Shahid Ashfaqulla Community Hall, 59, Sudhir Basu Road, Kolkata – 700 023	10.30 A.M.
2013-2014	29.09.2014	27, Weston Street, 5th Floor, Room No. 526, Kolkata – 700 012	11.00 A.M.
2012-2013	30.09.2013	27, Weston Street, 5th Floor, Room No. 526, Kolkata – 700 012	10.00 A.M.

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

- At the 23rd Annual General Meeting held on 30/09/2015 : Nil
- At the 22nd Annual General Meeting held on 29/09/2014 : Nil
- At the 21st Annual General Meeting held on 30/09/2013 : One (Appointment of Managing Director)

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 Agreement/Listing Regulations with stock exchange in the Business Standard (English Daily) , Sukhabar (Bengali Daily) and Economic Times (English - Jaipur Edition) 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, BSE Limited and Jaipur Stock Exchange 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 : 30th day of September, 2016.
- ii) Time : 10.00 a.m.
- iii) Venue : Milan Deep Hall, Sher Khan Complex, J-142, Paharpur Road, Garden Reach, Near S.K. Foundation School, Kolkata – 700 024.

KWALITY CREDIT & LEASING LIMITED

b) Financial Calendar : (Tentative)

Financial Year – 1 st April, 2016 to 31 st March, 2017	Relevant Dates
Board Meeting for consideration of accounts	30 th May, 2016
Book closure dates	24 th September, 2016 to 30 th September, 2016
Unaudited results for the quarter ended on June 30, 2016	On or before 14 th August, 2016
Unaudited results for the quarter ended on September 30, 2016	On or before 14 th November, 2016
Unaudited results for the quarter ended on December 31, 2016	On or before 14 th February, 2017
Unaudited results for the quarter ended on March, 31, 2017	On or before 30 th May, 2017

a) 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
- 3) Jaipur Stock Exchange Ltd.,
Indira Palace, J.L.N.Marg,
Malviya Nagar, Jaipur – 302 017

b) Stock Market Price for the Financial Year 2015-2016:

Month	Quotation of BSE (in `)			Quotation of Calcutta Stock Exchange (in `)		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April, 2015	38.00	22.95	7389	Not Traded	Not Traded	Not Traded
May, 2015	28.15	17.75	22232	Not Traded	Not Traded	Not Traded
June, 2015	19.95	13.50	20894	Not Traded	Not Traded	Not Traded
July, 2015	17.10	15.00	2553	Not Traded	Not Traded	Not Traded
August, 2015	22.95	17.35	7262	Not Traded	Not Traded	Not Traded
September, 2015	20.00	17.95	4787	Not Traded	Not Traded	Not Traded
October, 2015	18.90	12.60	22413	Not Traded	Not Traded	Not Traded
November, 2015	14.41	12.13	4982	Not Traded	Not Traded	Not Traded
December, 2015	14.88	11.13	12129	Not Traded	Not Traded	Not Traded
January, 2016	14.99	14.00	4933	Not Traded	Not Traded	Not Traded
February, 2016	15.55	14.10	9467	Not Traded	Not Traded	Not Traded
March, 2016	14.40	13.30	51196	Not Traded	Not Traded	Not Traded

KWALITY CREDIT & LEASING LIMITED

e) Share Transfer System:-

The Company's shares are in compulsory demat mode. No physical shares were transferred during the year ended March 31, 2016.

f) 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

g) 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

h) 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, 2016.

i) Distribution of shareholding & shareholding pattern :

Distribution of shareholding as on 31/03/2016

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
Upto 500	767	52.14	1,05,966	2.51
501-1000	160	10.88	1,42,938	3.38
1001-2000	155	10.54	2,68,880	6.37
2001-3000	52	3.53	1,35,760	3.22
3001-4000	57	3.87	2,14,646	5.08
4001-5000	71	4.83	3,45,695	8.19
5001-10000	110	7.48	8,06,686	19.10
10001-50000	93	6.32	16,98,738	40.23
50001-100000	5	0.34	3,44,291	8.15
And above	1	0.07	1,59,103	3.77
Total	1,471	100.00	42,22,703	100.00

Shareholding Pattern as on 31/03/2016

Sl. No.	Category	No. of share held	% of shares held
1	Promoters & Promoter Group	-	-
2	Public - Bodies Corporate	8,55,162	20.25
3	Public – Individual	33,67,186	79.75
	TOTAL	42,22,703	100.00

KWALITY CREDIT & LEASING LIMITED

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

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

M/s. C.B. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata 700 019,
Phone Nos. (033)22806692 / 93 / 94 / 2486,40116700, (33)-22870263
E- mail: rta@cbmsl.com

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

Mr. Bhagwan Das Soni, Compliance Officer
C/o. Kwaliti Credit & Leasing Limited
27, Weston Street, 5th Floor, Room No - 526,
Kolkata-700 012

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.kwalitiycredit.com/subsidiary&related-party-transaction-policy.html>.

13. **Subsidiary Monitoring Framework**

The Company have twenty-two subsidiaries and none of the subsidiaries is a "material non-listed Indian Subsidiary". All subsidiaries companies of the Company are managed by their respective Board of Directors in the best interest of their stake holders.

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 whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding accounting year or which has generated 20% of the consolidated income of the Company during the previous financial year.

Pursuant to the Listing Agreement / 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.kwalitiycredit.com/subsidiary&related-party-transaction-policy.html>

KWALITY CREDIT & LEASING LIMITED

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 report 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 agreement/ listing regulations with the Stock Exchange 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.

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.

≡≡≡ KWALITY CREDIT & LEASING LIMITED ≡≡≡

- 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. 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, 2016.

Place : Kolkata
Dated : 30.05.2016

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

Amu Thapa
Chairman
DIN: 00674928

KWALITY CREDIT & LEASING LIMITED

CEO & CFO COMPLIANCE CERTIFICATE

To
The Board of Directors
Kwality Credit & Leasing Co. Ltd.
27, Weston Street,
5th Floor, Room No – 526,
Kolkata – 700 012.

Re: CEO and CFO Compliance Certificate on Financial Statements for the year ended on 31st March, 2016

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 31st March, 2016 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 Company'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 31st March, 2016 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.

Bhagwan Das Soni
Managing Director
DIN-02308414

Subrata Dutta
CFO

Place : Kolkata
Date : 30.05.2016

≡≡≡ KWALITY CREDIT & LEASING LIMITED ≡≡≡

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 31st March, 2016, 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 31st March, 2016.

Place : Kolkata
Date : 30.05.2016

Bhagwan Das Soni
Managing Director
DIN-02308414



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"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31st March 2016, and its Profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) 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.
 - (b) 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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.
 - (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which would impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company at the end of the year.
2. 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.

For PACHISIA & ASSOCIATES
(FRN NO. 327542E)
(Chartered Accountants)

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

454, Dumdum Park,
Kolkata -700055, The 30th day of May, 2016



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 2016 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 2016, 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.

For PACHISIA & ASSOCIATES
(FRN NO. 327542E)
(Chartered Accountants)

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

454, Dumdum Park,
Kolkata -700055 , The 30th day of May, 2016



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 2016, 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 given 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
(FRN NO. 327542E)
(Chartered Accountants)

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

454, Dumdum Park,
Kolkata -700055 , The 30th day of May, 2016

KWALITY CREDIT & LEASING LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As AT	
		31st March 2016	31st March 2015
A EQUITY AND LIABILITIES			
1 Shareholder's Funds			
Share Capital	2	4,22,27,030	4,22,27,030
Reserves and Surplus	3	6,91,18,504	6,83,93,640
2 Current Liabilities			
Short-term borrowings	4	58,37,905	0
Trade payables	5	11,72,270	1,02,00,000
Other current liabilities	6	68,878	3,52,150
Short-term provisions	7	1,90,950	2,61,292
TOTAL		11,86,15,537	12,14,34,112
B ASSETS			
1 Non-current assets			
Fixed assets			
(i) Tangible assets	8	61,472	43,169
Non-current investments	9	1,10,00,000	10,00,000
Long term loans and advances	10	1,71,40,929	85,09,810
2 Current assets			
Trade receivables	11	1,23,80,000	1,32,00,000
Cash and cash equivalents	12	7,52,881	2,21,587
Short-term loans and advances	13	7,72,80,255	9,84,59,546
TOTAL		11,86,15,537	12,14,34,112
Refer accompanying notes forming part of the financial statements	1-21		

In terms of our report attached.

For PACHISIA & ASSOCIATES

(FRN NO. 327542E)
(Chartered Accountants)

(Satya Prakash Pachisia)

(Proprietor)
(M.No.055040)

Place : 454, Dumdum Park,
Kolkata-700055, Date : The 30th day of May, 2016

For and on behalf of the Board of Directors

For Kwality Credit & Leasing Limited

Bhagwan Das Soni
Managing Director
DIN-02308414

For Kwality Credit & Leasing Limited

Amu Thapa
Director
DIN: 00674928

For Kwality Credit & Leasing Limited

Subrata Dutta
CFO

KWALITY CREDIT & LEASING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

	Particulars	Note No.	Year ended	
			31st March 2016	31st March 2015
1	Revenue from operations	14	78,76,894	90,38,425
2	Total Revenue		78,76,894	90,38,425
3	Expenses:			
	Changes in inventories of Trading goods	15	0	13,76,675
	Employee benefits expenses	16	4,74,000	2,82,000
	Finance costs	17	3,75,720	38,01,262
	Depreciation and amortisation expenses	18	21,557	45,904
	Other expenses	19	60,33,407	63,01,360
	Total Expenses		69,04,684	1,18,07,201
4	Profit / (Loss) before exceptional and extraordinary items and tax (2 -3)		9,72,210	(27,68,776)
5	Exceptional Items		0	0
6	Profit/(Loss) before extraordinary items and tax (4+5)		9,72,210	(27,68,776)
7	Extraordinary Items			
	Loss on Sale of Fixed Assets		0	22,306
8	Profit / (Loss) before tax (6 + 7)		9,72,210	(27,91,082)
9	Tax expense:			
	(1) Current tax		1,87,000	0
	(2) Current tax expense relating to Ealier years		1,30,689	0
	(3) Contingent Provision for Standard Assets Written Back		(70,342)	14,862
10	Profit /(Loss) for the year (8 + 9)		7,24,863	(28,05,944)
11	Earning per equity share:			
	(1) Basic		0.17	0.00
	(2) Diluted		0.17	0.00
	Refer accompanying notes forming part of the financial statements	1-21		

In terms of our report attached.

For PACHISIA & ASSOCIATES

(FRN NO. 327542E)
(Chartered Accountants)

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

Place : 454, Dumdum Park,
Kolkata-700055, Date : The 30th day of May, 2016

For and on behalf of the Board of Directors

For Kwality Credit & Leasing Limited

Bhagwan Das Soni
Managing Director
DIN-02308414

For Kwality Credit & Leasing Limited

Amu Thapa
Director
DIN: 00674928

For Kwality Credit & Leasing Limited

Subrata Dutta
CFO

KWALITY CREDIT & LEASING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Year ended	
	31st March 2016	31st March 2015
I. Cash flow from Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	9,72,210	-27,68,776
Add: Adjustments for:		
Depreciation	21,557	45,904
Cash flow before working capital changes	9,93,767	(27,22,872)
Adjustment for Working capital Changes:		
Inventories	0	13,76,675
Trade receivables	8,20,000	(1,32,00,000)
Long-term loans and advances	(86,31,119)	25,35,000
Short-term loans and advances	2,10,60,817	(1,00,04,205)
Short-term borrowings	58,37,905	(6,72,00,000)
Trade payables	(90,27,730)	1,02,00,000
Other current liabilities	(2,83,272)	3,29,678
Cash flow from operating activities before taxes paid	1,07,70,368	(7,86,85,724)
Less: Taxes Paid	(4,77,051)	(4,54,870)
Add: Income Tax Refund	2,77,837	0
Cash flow from Operating Activities	1,05,71,154	(7,91,40,594)
II. Cash flow from Investing Activities		
Purchase of Investment	(2,71,08,750)	0
Purchase of Fixed Assets	(39,860)	(45,675)
Proceeds from sale of Fixed Assets	0	44,800
Proceeds from sale of Investment	1,71,08,750	7,76,99,980
Cash flow from Investing Activities	(1,00,39,860)	7,76,99,105
III. Cash flow from Financing Activities		
Proceeds from issue of equity shares Premium including shares premium	0	0
Cash flow from Financing Activities	0	0
Net Increase / (Decrease) in Cash flow (I + II + III)	5,31,294	(14,41,489)
Opening Cash / Cash Equivalents	2,21,587	16,63,076
Closing Cash / Cash Equivalents	7,52,881	2,21,587
Refer accompanying notes forming part of the financial statements	1-21	1-21

In terms of our report attached.

For PACHISIA & ASSOCIATES

(FRN NO. 327542E)
(Chartered Accountants)

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

Place : 454, Dumdum Park,
Kolkata-700055, Date : The 30th day of May, 2016

For and on behalf of the Board of Directors

For Kwality Credit & Leasing Limited

Bhagwan Das Soni
Managing Director
DIN-02308414

For Kwality Credit & Leasing Limited

Amu Thapa
Director
DIN: 00674928

For Kwality Credit & Leasing Limited

Subrata Dutta
CFO

KWALITY CREDIT & LEASING LIMITED

NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation: - These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use..

- (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) **Tangible fixed assets:** - Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- (c) **Depreciation on tangible fixed assets:** - Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed by schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.
- (d) **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.
- (e) **Investments:** - Investment have been treated as long term and carried at cost. Cost includes purchase cost and attributable expenses.
- (f) **Inventories:** - Trading Goods are valued at cost.
- (g) **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

KWALITY CREDIT & LEASING LIMITED

possible to ascertain the income with reasonable accuracy.

- (h) **Foreign currency translation:** - No Foreign Currency Transactions has been made by the Company in the Financial Year 2015-16.
- (i) **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.
- (j) **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.
- (k) **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.
- (l) **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.
- (m) **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 and 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.
- (n) **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.
- (o) Balance in respect of Trade Payable, Trade Receivable and Loans & Advances are subject to confirmation.
- (p) **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.
- (q) **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.
- (r) **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.
- (s) **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.
- (t) Previous year's figures have been regrouped/rearranged whenever considered necessary to confirm to current year's grouping and classification.

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NOTES TO BALANCE SHEET AS AT 31ST MARCH, 2016

	As At 31 March, 2016	As At 31 March, 2015
NOTE NO. 2 Share Capital		
Authorised-		
47,00,000 Equity Shares of Rs 10/- each	4,70,00,000	4,70,00,000
Issued, Subscribed & Paid-Up		
42,22,703 Equity Shares of Rs. 10/-		
each Fully paid up in cash.	<u>4,22,27,030</u>	<u>4,22,27,030</u>
	<u>4,22,27,030</u>	<u>4,22,27,030</u>

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 31.03.2016		As On 31.03.2015	
	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 preceeding 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

General reserve		
Opening balance	36,900	36,900
Closing balance	<u>36,900</u>	<u>36,900</u>
Statutory reserve		
Opening balance	1,16,800	1,16,800
Add: Transferred from surplus in Statement of Profit and Loss	1,57,042	0
Closing balance	<u>2,73,842</u>	<u>1,16,800</u>

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	As At 31 March, 2016	As At 31 March, 2015
Share Premium		
Opening balance	<u>7,22,70,300</u>	<u>7,22,70,300</u>
Closing balance	<u>7,22,70,300</u>	<u>7,22,70,300</u>
Surplus / (Deficit) in Statement of Profit and Loss		
Balance brought forward from previous year	(40,30,360)	-12,24,416
Add: Transfer from Statement of Profit and Loss for the year	7,24,863	-28,05,944
Less: Transferred to Statutory reserve	<u>(1,57,042)</u>	<u>0</u>
Closing balance	<u>(34,62,538)</u>	<u>-40,30,360</u>
Total	<u>6,91,18,504</u>	<u>6,83,93,640</u>
NOTE NO.4 Short-term borrowings	58,37,905	0
Loans and advances from Others	<u>58,37,905</u>	<u>0</u>
NOTE NO. 5 Trade payables		
Other than Acceptances	<u>11,72,270</u>	<u>1,02,00,000</u>
	<u>11,72,270</u>	<u>1,02,00,000</u>
NOTE NO. 6 Other current liabilities		
Other Payables		
Statutory remittances - Tax Deducted at Sources	12,515	89,978
Others	<u>56,363</u>	<u>2,62,172</u>
	<u>68,878</u>	<u>3,52,150</u>
NOTE NO. 7 Short-term provisions		
Provision for :		
Contingent of Standard Assets	<u>1,90,950</u>	<u>2,61,292</u>
	<u>1,90,950</u>	<u>2,61,292</u>
NOTE NO. 9 Non-current investments		
Other investments (Unquoted, at cost)		
Investment in equity instruments of subsidiaries Companies,		
Equity Shares of Rs 10/- each	No. of Shares	No. of Share
KCL Chemical Limited	50,000	5,00,000
KCL Iron & Steels Limited	50,000	5,00,000
Kcl Agri Products Limited	50,000	0
Kcl Enclave Limited	50,000	0
Kcl Energy Limited	50,000	0
Kcl Fashion Limited	50,000	0
Kcl Impex Limited	50,000	0
Kcl Jewellers Limited	50,000	0
Kcl Machinery Dealers Limited	50,000	0
Kcl Media Limitd	50,000	0
Kcl Resorts Limited	50,000	0

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Kcl Warehousing Limited	50,000	5,00,000	0	0
Maxwell Heights Limited	50,000	5,00,000	0	0
Maxwell Homes Limited	50,000	5,00,000	0	0
Maxwell Housing Limited	50,000	5,00,000	0	0
Maxwell Real Estates Limited	50,000	5,00,000	0	0
Maxwell Residency Limited	50,000	5,00,000	0	0
Tropicana Consultants Limited	50,000	5,00,000	0	0
Tropicana Heights Limited	50,000	5,00,000	0	0
Tropicana Housing Limited	50,000	5,00,000	0	0
Tropicana Real Estates Limited	50,000	5,00,000	0	0
Tropicana Residency Limited	50,000	5,00,000	0	0
	11,00,000	1,10,00,000	1,00,000	10,00,000

As At
31 March, 2016

As At
31 March, 2015

NOTE NO. 10 Long term loans and advances

Unsecured, considered good

Loans-Others	0	85,03,810
Loans-Substandard	1,71,34,929	0
Security deposits	<u>6,000</u>	<u>6,000</u>
	<u>1,71,40,929</u>	<u>85,09,810</u>

NOTE NO. 11 Trade receivables

Unsecured, considered good

Outstanding for more than six months	38,00,000	1,32,00,000
Other debts	<u>85,80,000</u>	<u>0</u>
	<u>1,23,80,000</u>	<u>1,32,00,000</u>

NOTE NO. 12 Cash and cash equivalents

Cash on Hand (As certified)

Balances with banks In current accounts	4,93,100	53,405
	<u>2,59,781</u>	<u>1,68,182</u>
	<u>7,52,881</u>	<u>2,21,587</u>

NOTE NO. 13 Short-term Loans and Advances

Unsecured, considered good

Loans- Others	7,63,80,008	9,60,12,425
Advance to Subsidiaries	1,61,000	5,89,400
Margin Money	0	10,00,000
Balances with government authorities		
Income Tax Payment	0	2,000
Income Tax Refundable	<u>7,39,247</u>	<u>8,55,721</u>
	<u>7,72,80,255</u>	<u>9,84,59,546</u>

NOTE NO. 8: FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Cost As On 31.03.2015 ₹	Additions during the year ₹	Deductions during the year ₹	Total Cost As On 31.03.2016 ₹	Up To 31.03.2015 ₹	For the year ₹	Deductions during the year ₹	As on 31.03.2016 ₹	As on 31.03.2015 ₹
Computer	45,675	39,860	0	85,535	2,506	21,557	0	61,472	43,169
Total	45,675	39,860	0	85,535	2,506	21,557	0	61,472	43,169
Previous Year	7,15,515	45,675	7,15,515	45,675	6,05,011	45,904	6,48,409	43,169	

Computer Addition 10.10.2015 39,860

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NOTES TO STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2016

	As At 31 March, 2016	As At 31 March, 2015
NOTE NO. 14 Revenue from operations		
Sale of products	0	13,43,320
Interest income		
Interest on loans (TDS Rs 477051 /- Previous Year Rs.454870/-)	78,76,894	76,95,105
	78,76,894	90,38,425
NOTE NO. 15 Changes in inventories of Trading Goods		
Inventories at the end of the year: Traded good	0	0
Inventories at the beginning of the year: Traded good	0	13,76,675
Net increase / (decrease)	0	13,76,675
NOTE NO. 16 Employee benefits expenses		
Salary Bonus & Other Allowance	4,74,000	2,82,000
Staff Refereshment expenses	0	0
	4,74,000	2,82,000
(Salary includes Directors' Remuneration Rs. 150000/- , P.Y. 150000/-)		
NOTE NO. 17 Finance costs		
Interest expenses on :-		
On Unsecured Loan	3,75,720	37,98,362
On Others	0	2,900
	3,75,720	38,01,262
NOTE NO. 18 Depreciation and amortisation expenses		
Depreciation on Tangible Assets	21,557	45,904
	21,557	45,904
NOTE NO. 19 Other expenses		
Rates & Taxes	748	28,695
Office Rent	84,000	0
Travelling & Conveyance	48,822	17,180
Printing & Stationery	28,279	24,788
Postage & Telegram	53,737	47,652
Telephone Expenses	8,603	0
Motor Car Expenses	0	27,500
Legal & Consultancy Charges	73,775	1,12,360
Books & Periodicals	0	965
Filing Fees	24,600	21,000
Interest Not Collected on Loan Given	23,98,022	0

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	As At 31 March, 2016	As At 31 March, 2015
Loan Written Off- Substandard Assests	19,03,881	0
Registrar & Transfer Agent Expenses	38,039	32,587
Listing Fees	2,36,518	1,31,237
Depository Charges	0	917
Demat Charges	453	0
Bank Charges & Commissions	2,223	2,045
Advertisement & Business promotion expenses	89,925	1,11,319
Website Charges	5,619	5,058
Derivative Loss on Currency Transactions (Net)	10,10,414	57,01,540
Auditors' Remuneration		
For Statutory Audit	22,900	22,472
For Other Services	2,850	14,045
	25,750	36,517
	60,33,407	63,01,360

NOTE NO. 20 RELATED PARTY DISCLOSURES

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

Bhagwan Das Soni Subrata Dutta	Key Management Personnel CFO
KCL Chemical Limited KCL Iron & Steels Limited Kcl Agri Products Limited Kcl Enclave Limited Kcl Energy Limited Kcl Fashion Limited Kcl Impex Limited Kcl Jewellers Limited Kcl Machinery Dealers Limited Kcl Media Limitd Kcl Resorts Limited Kcl Warehousing Limited Maxwell Heights Limited Maxwell Homes Limited Maxwell Housing Limited Maxwell Real Estates Limited Maxwell Residency Limited Tropicana Consultants Limited Tropicana Heights Limited Tropicana Housing Limited Tropicana Real Estates Limited Tropicana Residency Limited	100% Subsidiary Companies

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Related Party Transactions

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

	Year ended 31 March, 2016	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2015
(a) Remuneration to :-				
Key Management Personnel				
Bhagwan Das Soni		1,50,000		150,000
Subrata Dutta		65,000		0
Sale of Investment				
KCL Chemical Limited		20,60,000		0
Kcl Fashion Ltd.		7,00,000		0
Kcl Impex Ltd.		18,10,250		0
KCL Iron & Steels Limited		45,000		0
Kcl Jewellers Ltd.		6,30,000		0
Kcl Media Ltd.		8,26,000		0
Maxwell Housing Ltd.		25,08,750		0
		As At		As At
		31 March, 2016		31 March, 2015
Short-term - Advance				
		Advance to Subsidiaries		
		given	taken	balance
Maxwell Residency Ltd.	5,61,000	4,00,000	1,61,000	0
Investment in 100%subsidiary companies				0
Kcl Agri Products Limited	50,000	5,00,000		0
Kcl Enclave Limited	50,000	5,00,000		0
Kcl Energy Limited	50,000	5,00,000		0
Kcl Fashion Limited	50,000	5,00,000		0
Kcl Impex Limited	50,000	5,00,000		0
Kcl Jewellers Limited	50,000	5,00,000		0
Kcl Machinery Dealers Limited	50,000	5,00,000		0
Kcl Media Limitd	50,000	5,00,000		0
Kcl Resorts Limited	50,000	5,00,000		0
Kcl Warehousing Limited	50,000	5,00,000		0
Maxwell Heights Limited	50,000	5,00,000		0
Maxwell Homes Limited	50,000	5,00,000		0
Maxwell Housing Limited	50,000	5,00,000		0
Maxwell Real Estates Limited	50,000	5,00,000		0
Maxwell Residency Limited	50,000	5,00,000		0
Tropicana Consultants Limited	50,000	5,00,000		0
Tropicana Heights Limited	50,000	5,00,000		0
Tropicana Housing Limited	50,000	5,00,000		0
Tropicana Real Estates Limited	50,000	5,00,000		0
Tropicana Residency Limited	50,000	5,00,000		0

NOTE NO. 21 Contingent Liabilities

NIL

NIL

KWALITY CREDIT & LEASING LIMITED

[As required in terms of Para 13 of Non Systematically Important Non - Banking Financial (Non Deposit Accepting or Holding) Companies, Prudential Norms (Reserve Bank), Directions, 2015]

(Amount in Rs.)

	Particulars	Amount Outsatndng	Amount Overdue
Liabilities Side :			
(1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
	(a) Debentures: Secured	-	-
	Unsecured (other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter- corporate loans and borrowing	5,837,905	-
	(e) Commercial Paper	-	-
	(f) Other Loans (Specify Nature)	-	-
Particulars		Amount Outsatndng	
Assets Side :			
(2)	Break up of Loans and Advances including billis receivables [other than those included in (4) below]		
	(a) Secured	-	
	(b) Unsecured	93,675,937	
(3)	Break up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial Lease	-	
	(b) Operating Lease	-	
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	
	(b) Repossessed Assets	-	
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	
	(b) Loans other than (a) above	-	

KWALITY CREDIT & LEASING LIMITED

Particulars		Amount Outsatnding		
(4)	Break up of Investments Current Investments			
	1 Quoted:			
	(i) Shares :(a) Equity	-		
	(b) Preference	-		
	(ii) Debentures and Bonds	-		
	(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)	-		
	Long term investments			
	(I) Quoted:			
	(i) Shares :(a) Equity	-		
	(b) Preference	-		
	(ii) Debentures and Bonds	-		
	(iii) Units of mutual funds	-		
	(iv) Government Securities	-		
	(v) Others (Please Specify)	-		
	(II) Unquoted:			
	(i) Shares :(a) Equity	1,10,00,000		
	(b) Preference	0		
	(ii) Debentures and Bonds	-		
	(iii) Units of mutual funds	-		
	(iv) Government Securities	-		
	(v) Others (Please Specify)	-		
(5)	Borrower group wise classification of assets financed as in (2) and (3) above :			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
	1 Related Parties**			
	(a) Subsidiaries	-	161,000	161,000
	(b) Companies in the same group	-	-	-
	(c) Other related Parties	-	-	-
	2 Other than related parties	-	93,514,937	93,514,937
	Total	-	93,675,937	93,675,937

KWALITY CREDIT & LEASING LIMITED

(6) Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)		
Category	Market Value/Break up of Fair value or NAV	Book Value (Net of Provisions)
1	Related Parties**	
	(a) Subsidiaries	11,000,000
	(b) Companies in the same group	-
	(c) Other related Parties	-
2	Other than related parties	-
	Total	11,000,000
(7) Other Information		
	Particulars	Ammount
(i)	Gross Non- Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	-
(ii)	Net Non Performing Assets	
	(a) Related Parties	-
	(b) Other than related parties	-
(iii)	Assets acquired in satisfaction of debt	-



INDEPENDENT AUDITOR'S REPORT

To the Members of KWALITY CREDIT & LEASING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KWALITY CREDIT & LEASING LIMITED** (herein referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of requirements of the Companies Act 2013 (herein referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Subsidiaries in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group and its Subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs of the Group, its associates as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements include the Group's share of net profit of Rs. 28846/- for the year ended March 31, 2016 as considered in consolidated financial statements, in respect of Twenty Two subsidiaries, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far relates to the amounts and disclosures included in respect of these Subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act we report that :

- (a) We/ the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which is to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries Companies respectively, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164(2) of the Act.



- (f) 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.
- (g) 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 in our opinion and to the best of our information and according to the explanations given to us :
- i) The Group has no pending litigations which would impact on its financial position.
 - ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For PACHISIA & ASSOCIATES
(FRN NO. 327542E)
(Chartered Accountants)

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

454, Dumdum Park,
Kolkata -700055 , The 30th day of May, 2016



Annexure - A to the Auditors' Report

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

in conjunction with our audit of the the consolidated financial statements of the Company as of and for the year ended 31 March 2016. , we have audited the internal financial controls over financial reporting of **KWALITY CREDIT & LEASING LIMITED** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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.

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 Holding Company and its subsidiary companies, which are companies incorporated in India have, 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 2016, 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.

For PACHISIA & ASSOCIATES
(FRN NO. 327542E)
(Chartered Accountants)

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

454, Dumdum Park,
Kolkata -700055, The 30th day of May, 2016

KWALITY CREDIT & LEASING LIMITED

Consolidated Balance Sheet as at 31st March 2016

Particulars	Note No.	As At	
		31st March 2016	31st March 2015
A EQUITY AND LIABILITIES			
1 Shareholder's Funds			
Share Capital	2	4,22,27,030	4,22,27,030
Reserves and Surplus	3	6,83,04,333	6,83,35,834
2 Current Liabilities			
Short-term borrowings	4	58,37,906	0
Trade payables	5	38,29,270	1,02,00,000
Other current liabilities	6	2,45,32,064	24,68,386
Short-term provisions	7	1,90,950	2,61,292
TOTAL		14,49,21,553	12,34,92,542
B ASSETS			
1 Non-current assets			
Fixed assets			
(i) Tangible assets	8	61,472	43,169
Non-current investments	9	4,74,44,585	59,05,000
Long term loans and advances	10	1,71,40,929	85,09,810
2 Current assets			
Trade receivables	11	7,000	94,00,000
Cash and cash equivalents	12	31,48,312	11,75,017
Short-term loans and advances	13	7,71,19,255	9,84,59,546
TOTAL		14,49,21,553	12,34,92,542
Refer accompanying notes forming part of the financial statements	1-21		

In terms of our report attached.

For PACHISIA & ASSOCIATES

(FRN NO. 327542E)
(Chartered Accountants)

(Satya Prakash Pachisia)

(Proprietor)
(M.No.055040)

Place : 454, Dumdum Park,
Kolkata-700055, Date : The 30th day of May, 2016

For and on behalf of the Board of Directors

For Kwality Credit & Leasing Limited

Bhagwan Das Soni
Managing Director
DIN-02308414

For Kwality Credit & Leasing Limited

Amu Thapa
Director
DIN: 00674928

For Kwality Credit & Leasing Limited

Subrata Dutta
CFO

KWALITY CREDIT & LEASING LIMITED

Consolidated Statement of Profit & Loss Account for the Year ended 31st March 2016

	Note No.	Year ended	
		31st March 2016	31st March 2015
1 Revenue from operations	14	78,76,894	90,38,425
2 Total Revenue		78,76,894	90,38,42
3 Expenses:			
Changes in inventories of Trading goods	15	0	13,76,675
Employee benefits expenses	16	4,74,000	2,82,000
Finance costs	17	3,75,720	38,01,262
Depreciation and amortisation expenses	18	21,557	45,904
Other expenses	19	67,89,771	63,14,796
Total Expenses		76,61,048	1,18,20,63
4 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		2,15,846	27,82,212
5 Exceptional Items		0	0
6 Profit/(Loss) before extraordinary items and tax (5+6)		2,15,846	27,82,212
7 Extraordinary Items			
Loss on Sale of Fixed Assets		0	22,30
8 Profit / (Loss) before tax (7 + 8)		2,15,846	28,04,518
9 Tax expense:			
(1) Current tax		1,87,000	0
(2) Current tax expense relating to Ealier years		1,30,689	0
(3) Contingent Provision for Standard Assets		(70,342)	14,862
10 Profit /(Loss) for the year (9 + 10)		(31,501)	28,19,380
11 Earning per equity share:			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00
Refer accompanying notes forming part of the financial statements	1-21		

In terms of our report attached.

For and on behalf of the Board of Directors

For PACHISIA & ASSOCIATES

(FRN NO. 327542E)
(Chartered Accountants)

For Kwality Credit & Leasing Limited

For Kwality Credit & Leasing Limited

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

Bhagwan Das Soni
Managing Director
DIN-02308414

Amu Thapa
Director
DIN: 00674928

For Kwality Credit & Leasing Limited

Place : 454, Dumdum Park,
Kolkata-700055, Date : The 30th day of May, 2016

Subrata Dutta
CFO

KWALITY CREDIT & LEASING LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Figures as at 31st March 2016	Figures as at 31st March 2015
I. Cash flow from Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	2,15,846	(27,82,212)
Add: Adjustments for:		
Depreciation	21,557	45,904
Cash flow before working capital changes	2,37,403	(27,36,308)
Adjustment for Working capital Changes:		
Inventories	0	13,76,675
Trade receivables	93,93,000	(94,00,000)
Long-term loans and advances	(86,31,119)	25,35,000
Short-term loans and advances	2,12,21,817	(1,00,68,325)
Short-term borrowings	58,37,905	(6,72,00,000)
Trade payables	(63,70,730)	1,02,00,000
Other current liabilities	2,20,63,678	24,45,914
Cash flow from operating activities before taxes paid	4,37,51,945	(7,28,47,044)
Less: Taxes Paid	(4,77,051)	(4,54,870)
Add: Income Tax Refund	2,77,837	
Cash flow from Operating Activities	4,35,52,470	(7,33,01,914)
II. Cash flow from Investing Activities		
Purchase of Fixed Assets	(39,860)	(45,675)
Proceeds from sale of Fixed Assets	0	44,800
Purchase of Investment	(5,00,68,335)	(59,05,000)
Proceeds from sale of Investment	85,28,750	7,76,99,980
Cash flow from Investing Activities	(4,15,79,445)	7,17,94,105
III. Cash flow from Financing Activities		
Cash flow from Financing Activities	0	0
Net Increase / (Decrease) in Cash flow (I + II + III)	19,73,296	(15,07,809)
Opening Cash / Cash Equivalents	11,75,017	26,82,826
Closing Cash / Cash Equivalents	31,48,312	11,75,017
Refer accompanying notes forming part of the financial statements	1-21	1-21

In terms of our report attached.

For PACHISIA & ASSOCIATES

(FRN NO. 327542E)

(Chartered Accountants)

(Satya Prakash Pachisia)

(Proprietor)

(M.No.055040)

Place : 454, Dumdum Park,

Kolkata-700055, Date : The 30th day of May, 2016

For and on behalf of the Board of Directors

sd/-

Bhagwan Das Soni

Managing Director

DIN-02308414

KWALITY CREDIT & LEASING LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation: - These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use..

- (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) **Tangible fixed assets** :- Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.
- (c) **Depreciation on tangible fixed assets** :- Depreciation on tangible assets is provided on the straight-line Method over the useful lives of assets as prescribed by schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.
- (d) **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.
- (e) **Investments** :- Investment have been treated as long term and carried at cost. Cost includes purchase cost and attributable expenses.
- (f) **Inventories** :- Trading Goods are valued at cost.
- (g) **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.

KWALITY CREDIT & LEASING LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

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.

- (h) **Foreign currency transaction** :- No Foreign Currency Transactions has been made by the Company in the Financial Year 2015-16.
- (i) **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.
- (j) **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.
- (k) **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.
- (l) **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.
- (m) **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 and 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.
- (n) **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.
- (o) Balance in respect of Trade Payable, Trade Receivable and Loans & Advances are subject to confirmation.
- (p) **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.
- (q) **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

KWALITY CREDIT & LEASING LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

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.

- (r) **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.
- (s) **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.
- (t) Previous year's figures have been regrouped/rearranged whenever considered necessary to confirm to current year's grouping and classification.

Group Information

KWALITY CREDIT & LEASING LIMITED. Limited ('the Holding Company') is a Public Company, incorporated in India and regulated by Reserve Bank of India ('RBI') as an Investment and Loan Company - Non-Banking Finance Company. During the year, the Holding Company and its Twenty Two subsidiary companies constituted the Group.

Basis of Consolidation

The Consolidated Financial Statements comprise the individual financial statements of the Holding Company and its subsidiaries as on March 31st, 2016 and for the year ended on that date. The Consolidated Financial Statements have been prepared on the following basis:

- i. The financial statements of the Holding Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of line items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- ii. The financial statements of the subsidiaries used in the consolidation are drawn up to the same Balance Sheet date as that of the Holding Company, i.e. March 31, 2016.
- iii. The financial statements of the following subsidiaries have been consolidated as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under Section 133 of the 2013 Act read with Rule 7 of the Companies (Accounts) Rules, 2014:

Name of Subsidiary	Proportion of effective ownership interest (%) As on March, 2016	Proportion of effective ownership interest (%) As on March, 2015
KCL Chemical Limited	100%	100%
KCL Iron & Steels Limited	100%	100%
Kcl Agri Products Limited	100%	100%
Kcl Enclave Limited	100%	100%
Kcl Energy Limited	100%	NIL

KWALITY CREDIT & LEASING LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Kcl Fashion Limited	100%	NIL
Kcl Impex Limited	100%	NIL
Kcl Jewellers Limited	100%	NIL
Kcl Machinery Dealers Limited	100%	NIL
Kcl Media Limitd	100%	NIL
Kcl Resorts Limited	100%	NIL
Kcl Warehousing Limited	100%	NIL
Maxwell Heights Limited	100%	NIL
Maxwell Homes Limited	100%	NIL
Maxwell Housing Limited	100%	NIL
Maxwell Real Estates Limited	100%	NIL
Maxwell Residency Limited	100%	NIL
Tropicana Consultants Limited	100%	NIL
Tropicana Heights Limited	100%	NIL
Tropicana Housing Limited	100%	NIL
Tropicana Real Estates Limited	100%	NIL
Tropicana Residency Limited	100%	NIL

KWALITY CREDIT & LEASING LIMITED

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

	As At 31 March, 2016	As At 31 March, 2015
NOTE NO. 2 Share Capital		
Authorised-		
47,00,000 Equity Shares of Rs 10/- each	4,70,00,000	4,70,00,000
Issued, Subscribed & Paid-Up		
42,22,703 Equity Shares of Rs. 10/- each Fully paid up in cash.	<u>4,22,27,030</u> 4,22,27,030	<u>4,22,27,030</u> 4,22,27,030

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 31.03.2016		As On 31.03.2015	
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 preceeding 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

General reserve		
Opening balance	36,900	36,900
Closing balance	<u>36,900</u>	<u>36,900</u>
Statutory reserve		
Opening balance	1,16,800	1,16,800
Add: Transferred from surplus in Statement of Profit and Loss	1,57,042	0
Closing balance	<u>2,73,842</u>	<u>1,16,800</u>

KWALITY CREDIT & LEASING LIMITED

	As At 31 March, 2016	As At 31 March, 2015
Share Premium		
Opening balance	7,22,70,300	7,22,70,300
Add : Premium on shares issued during the year	0	0
Closing balance	<u>7,22,70,300</u>	<u>7,22,70,300</u>
Surplus / (Deficit) in Statement of Profit and Loss		
Balance brought forward from previous year	(40,88,166)	-12,68,786
Add: Transfer from Statement of Profit and Loss for the year	(31,501)	-28,19,380
Less: Transferred to Statutory reserve	<u>(1,57,042)</u>	0
Closing balance	<u>(42,76,709)</u>	<u>-40,88,166</u>
Total	<u>6,83,04,333</u>	<u>6,83,35,834</u>
NOTE NO. 4 Short-Term Borrowings	<u>58,37,906</u>	0
Loans and advances from Others	<u>58,37,906</u>	<u>0</u>
NOTE NO. 5 Trade Payables		
Other than Acceptances	<u>38,29,270</u>	<u>1,02,00,000</u>
	<u>38,29,270</u>	<u>1,02,00,000</u>
NOTE NO. 6 Other Current Liabilities		
Other Payables		
Statutory remittances - Tax Deducted at Sources	12,515	89,978
Others	<u>2,45,19,549</u>	<u>23,78,408</u>
	<u>2,45,32,064</u>	<u>24,68,386</u>
NOTE NO. 7 Short-Term Provisions		
Provision for :		
Contingent of Standard Assets	<u>1,90,950</u>	<u>2,61,292</u>
	<u>1,90,950</u>	<u>2,61,292</u>
NOTE NO. 9 Non-Current Investments		
Other investments (Unquoted, at cost)		
Investment in equity instruments of other entities		
Equity Shares of Rs 10/- each	No. of Shares	No. of Share
Anima Paul Steel Pvt. Ltd.	6,13,200	12,26,400
Affix Vyapar Pvt. Ltd.	750	7,500
Amarlaxmi Sales Pvt. Ltd.	46,00,000	4,60,000
Baleshwar Marketing Pvt. Ltd.	4,250	42,500
Bhutoria Commercial Pvt. Ltd.	1,71,296	85,647
Bhutoria Enterprises Pvt. Ltd.	2,13,112	1,06,556
Crystal Vincom Pvt. Ltd.	3,250	32,500
Contship Commodities Pvt. Ltd.	36,85,000	73,70,000
Exmark Sales Pvt. Ltd.	2,500	2,500

KWALITY CREDIT & LEASING LIMITED

Fastner Machinery Dealers Pvt. Ltd.	2,900	14,24,000	0	0
Foresgint Fregrance and Finance Pvt. Ltd.	2,90,000	6,02,750	0	0
Ganesh Polytech Pvt. Ltd.	46,000	5,75,000	0	0
Godavari Coal Agency Pvt. Ltd.	54,615	27,307	0	0
Godavari Coal Fields Pvt. Ltd.	1,58,496	79,248	0	0
Indian Power Pvt. Ltd.	2,20,000	4,40,000	0	0
Jagriti Commodities Pvt Ltd	2,06,000	20,60,000	2,06,000	20,60,000
KND Estates Pvt. Ltd.	79,500	7,95,000	0	0
Knife Vincom Pvt. Ltd.	72,775	36,538	0	0
Laxy Trading Pvt. Ltd.	43,000	21,500	0	0
Legion Tradecom Pvt. Ltd.	4,000	40,000	0	0
Likeme Barter Pvt. Ltd.	6,50,000	3,25,000	0	0
Lota Packaging Pvt. Ltd.	88,000	1,76,000	0	0
Mahananda Commercial Pvt. Ltd.	6,00,000	3,00,000	0	0
Mansukh Consultancy Services Pvt. Ltd.	1,03,250	4,00,000	0	0
Mehandipur Tradelink Pvt. Ltd.	16,96,750	33,93,500	0	0
Merino Vincom Pvt. Ltd.	3,250	32,500	0	0
Merlin Dealcom Pvt. Ltd.	1,000	10,000	0	0
Maple Mercantiles Pvt. Ltd.	30,95,500	61,90,500	0	0
Multifold Plastic Marketing Private Limited	3,84,500	38,45,000	3,84,500	38,45,000
Parwati Tradecom Pvt. Ltd.	3,000	30,000	0	0
Rajani Vincom Pvt. Ltd.	5,00,000	2,50,000	0	0
Realmark Trading Pvt. Ltd.	5,000	50,000	0	0
Texas Vincom Pvt. Ltd.	5,000	50,000	0	0
Trammel Trading Pvt. Ltd.	52,40,000	1,04,80,000	0	0
Satyanarayani Tradecom Pvt. Ltd.	1,000	10,000	0	0
Sharon Construction Pvt. Ltd.	26,260	4,00,000	0	0
Shree Shakti Dealcom Pvt. Ltd.	6,000	1,00,000	0	0
Sundervan Ice and cold Storage Pvt. Ltd.	1,100	11,000	0	0
Sunshine Vincom Pvt. Ltd.	5,000	50,000	0	0
Shreeyukta Tradecom Pvt. Ltd.	2,750	27,500	0	0
Sursadhna Commercial Pvt. Ltd.	1,28,780	64,390	0	0
Westwin Textiles Pvt. Ltd.	15,74,998	7,87,499	0	0
Westwin Tracom Pvt. Ltd.	32,500	16,250	0	0
Vanraj Merchants Pvt. Ltd.	10,35,750	20,71,500	0	0
Vighnhar Marketing Pvt. Ltd.	14,69,500	29,39,000	0	0
		<u>4,74,44,585</u>		<u>59,05,000</u>

KWALITY CREDIT & LEASING LIMITED

	As At 31 March, 2016	As At 31 March, 2015
NOTE NO. 10 Long Term Loans and Advances		
Unsecured, considered good		
Loan- Others	0	85,03,810
Loans-Substandard	1,71,34,929	0
Security deposits	6,000	6,000
	<u>1,71,40,929</u>	<u>85,09,810</u>
 NOTE NO. 12 Trade Receivables		
Unsecured, considered good		
Outstanding for more than six months	7,000	94,00,000
	<u>7,000</u>	<u>94,00,000</u>
 NOTE NO. 13 Cash and Cash equivalents		
Cash on Hand (As certified)	24,96,710	9,68,885
Balances with banks In current accounts	6,51,602	2,06,132
	<u>31,48,312</u>	<u>11,75,017</u>
 NOTE NO. 14 Short-term Loans and Advances		
Unsecured, considered good		
Loans- Others	7,63,80,008	9,60,12,425
Advance to Subsidiaries	0	5,89,400
Margin Money	0	10,00,000
Balances with government authorities		
Income Tax Payment	0	2,000
Income Tax Refundable	7,39,247	8,55,721
	<u>7,71,19,255</u>	<u>9,84,59,546</u>

NOTES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

NOTE NO. 8 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost As On 31.03.2015 ₹	Additions during the year ₹	Deductions during the year ₹	Total Cost As On 31.03.2016 ₹	Up To 31.03.2015 ₹	For the year ₹	Deductions during the year ₹	Up To 31.03.2016 ₹	As on 31.03.2016 ₹	As on 31.03.2015 ₹
Computer	45,675	39,860	0	85,535	2,506	21,557	0	24,063	61,472	43,169
Total	45,675	39,860	0	85,535	2,506	21,557	0	24,063	61,472	43,169
Previous Year	7,15,515	45,675	7,15,515	45,675	6,05,011	45,904	6,48,409	2,506	43,169	

Computer Addition 10.10.2015 39,860

KWALITY CREDIT & LEASING LIMITED

	As At 31 March, 2016	As At 31 March, 2015
NOTE NO. 15 Revenue from operations		
Sale of products	0	13,43,320
Interest income		
Interest on loans (TDS Rs 477051 /- Previous Year Rs.454870/-)	78,76,894	76,95,105
	78,76,894	90,38,425
NOTE NO. 16 Changes in Inventories of Trading goods		
Inventories at the end of the year: Traded good	0	0
Inventories at the beginning of the year: Traded good	0	13,76,675
Net increase / (decrease)	0	13,76,675
NOTE NO. 17 Employee benefits expenses		
Salary Bonus & Other Allowance	4,74,000	2,82,000
Staff Refereshment expenses	0	0
	4,74,000	2,82,000
(Salary includes Directors' Remuneration Rs. 150000/- , P.Y. 150000/-)		
NOTE NO. 18 Finance costs		
Interest expenses on :-		
On Unsecured Loan	3,75,720	37,98,362
On Others	0	2,900
	3,75,720	38,01,262
NOTE NO. 19 Depreciation and amortisation expenses		
Depreciation on Tangible Assets	21,557	45,904
	21,557	45,904
NOTE NO. 20 Other Expenses		
Rates & Taxes	748	28,695
Office Rent	84,000	0
Travelling & Conveyance	48,822	17,180
Printing & Stationery	28,279	24,788
Postage & Telegram	53,737	47,652
Telephone Expenses	8,603	0
Motor Car Expenses	0	27,500
Legal & Consultancy Charges	1,33,775	1,12,360
Books & Periodicals	0	965
Filing Fees	24,600	22,600
Interest Not Collected on Loan Given	23,98,022	0
Loan Written Off- Substandard Assests	19,03,881	0
Registrar & Transfer Agent Expenses	38,039	32,587
Listing Fees	2,36,518	1,31,237
Depository Charges	0	917

KWALITY CREDIT & LEASING LIMITED

	As At 31 March, 2016	As At 31 March, 2015
Demat Charges	453	0
Bank Charges & Commissions	13,766	2,645
Advertisement & Business promotion expenses	89,925	1,11,319
Website Charges	5,619	5,058
Miscellaneous Expenses	79,470	0
Derivative Loss on Currency Transactions (Net)	10,10,414	57,01,540
Preliminary Expenses Written off	4,79,400	0
Auditors' Remuneration		
For Statutory Audit	1,48,850	33,708
For Other Services	2,850	47,753
	67,89,771	63,14,796

NOTE NO. 20 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 relevant financial year :

	Year ended 31 March, 2016	Year ended 31 March, 2016	Year ended 31 March, 2015	Year ended 31 March, 2015
(a) Remuneration to :- Key Management Personnel				
Bhagwan Das Soni		1,50,000		1,50,000
Subrata Dutta		65,000		65,000

NOTE NO. 21 Contingent Liabilities

NIL

NIL

KWALITY CREDIT & LEASING LIMITED

Statement of Net Assets & Profit & Loss

Name of the entity in the	Net Assets, i.e., total assets minus total Liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
1	2	3	4	5
Parent Company				
Shree Nidhi Trading Co. Ltd.	91.62	11,13,45,534	(2301.08)	7,24,863
Indian Subsidiaries				
KCL Agri Products Ltd.	0.38	4,63,088	117.18	(36,912)
KCL Chemicals Ltd.	0.38	4,56,572	46.11	(14,525)
KCL Enclave Ltd.	0.38	4,63,351	116.34	(36,649)
KCL Energy Ltd.	0.38	4,63,323	116.43	(36,677)
KCL Fashion Ltd.	0.38	4,60,505	125.38	(39,495)
KCL Impex Ltd.	0.38	4,62,610	118.69	(37,390)
KCL Iron & Steels Ltd.	0.37	4,55,602	49.19	(15,495)
KCL Jewellers Ltd.	0.38	4,63,105	117.12	(36,895)
KCL Machinery Traders Ltd	0.38	4,63,434	116.08	(36,566)
KCL Media Ltd	0.38	4,63,826	114.83	(36,174)
KCL Resorts Ltd.	0.38	4,62,970	117.55	(37,030)
KCL Warehousing Ltd.	0.38	4,63,126	117.06	(36,874)
Maxwell Heights Ltd.	0.38	4,64,454	112.84	(35,546)
Maxwell Homes Ltd.	0.38	4,64,625	112.30	(35,375)
Maxwell Housing Ltd.	0.38	4,65,191	110.50	(34,809)
Maxwell Real Estates Ltd	0.38	4,63,591	115.58	(36,409)
Maxwell Residency Ltd.	0.38	4,64,902	111.42	(35,098)
Tropicana Consultants Ltd	0.38	4,63,991	114.31	(36,009)
Tropicana Heights Ltd.	0.38	4,63,991	114.31	(36,009)
Tropicana Housing Ltd	0.38	4,63,991	114.31	(36,009)
Tropicana Real Estates Ltd.	0.38	4,65,991	107.96	(34,009)
Tropicana Residency Ltd.	0.38	4,63,591	115.58	(36,409)
Foreign Subsidiaries	Nil	Nil	Nil	Nil
Minority Interests in all subsidiaries	Nil	Nil	Nil	Nil
Associates	Nil	Nil	Nil	Nil
Joint Ventures	Nil	Nil	Nil	Nil
Total	100.00	121,531,364	100.00	(31,501)