

21st
ANNUAL REPORT
2006-2007



K. Z. LEASING & FINANCE LTD.

1ST FLOOR, DESHNA CHAMBER, ASHRAM ROAD,
USMANPURA, AHMEDABAD-380014.

K. Z. LEASING & FINANCE LTD.

BOARD OF DIRECTORS

SHRI KESHAVLAL Z. PATEL	CHAIRMAN
SHRI PRAVINKUMAR K. PATEL	MANAGING DIRECTOR
SHRI RAMESHKUMAR N. PATEL	DIRECTOR
SHRI KESHAVLAL K. PATEL	DIRECTOR
SHRI GANDABHAI A. PATEL	DIRECTOR

REGISTERED OFFICE

1ST FLOOR, DESHNA CHAMBER,
B/H KADVA PATIDAR WADI,
ASHRAM ROAD, USMANPURA,
AHMEDABAD-380014.

AUDITORS

J. M. PATEL & BROS. (M.COM., F.C.A.)
402, HARSH AVENUE,
NAVJIVAN PRESS ROAD,
NAVRANGPURA, AHMEDABAD - 380 014.

BANKERS

THE NAVNIRMAN CO. OP. BANK LTD.
UCO BANK
UNION BANK OF INDIA

NOTICE

NOTICE is hereby given that 21st Annual General Meeting of the members of **K. Z. LEASING & FINANCE LTD.**, will be held on **29th September, 2007** at Regd. Office :- **1st Floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014 (Gujarat)** at **11.15 a.m.** to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2007 and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To Appoint a Director in place of Shri Rameshkumar N Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint Auditors who shall hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix a remuneration to be decided by the Board of Directors.

REGISTERED OFFICE :
1ST FLOOR, DESHNA CHAMBER
B/H KADVA PATIDAR WADI, ASHRAM ROAD,
USMANPURA, AHMEDABAD - 380 014

BY ORDER OF THE BOARD
FOR, **K. Z. LEASING & FINANCE LTD.**

KESHAVLAL Z. PATEL
(CHAIRMAN)

DATE 15/07/2007

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member
2. The Register of Members and Share Transfer Book of the Company will remain closed from **27/09/2007 to 29/09/2007** (both days inclusive) for the purpose of the annual General Meetings of the company
3. Members are requested to intimate the change, if any, in their registered addresses.
4. Members are requested to bring their copies of the Annual Report to the Meeting
5. Members desirous of full report are requested to write to the company at it's Registered Office.
6. Members intending to require information about accounts to be explained in the meeting are requested to inform the Company at it's Registered Office, at least Seven Days in advance of the Annual General Meeting.

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DIRECTOR'S REPORT

To,
The Shareholders
K. Z LEASING & FINANCE LTD

Your Directors have pleasure in presenting the 21st ANNUAL REPORT of your company together with the Audited Accounts for the year ended 31st March 2007.

FINANCIAL RESULT

INCOME	2006-2007	2005-2006
Profit before depreciation & tax	4306987 50	4184830.11
Less : Depreciation	40277.00	34741.00
Provision for taxation	586091 00	384761.00
NET PROFIT AFTER TAX	3680619.50	3765328 11
Less Transfer to statutory Reserve A/c. 20%	736123 90	753066 00
BALANCE	2944495.60	3012262 11
Transfer to Revenue Reserve	2944495 60	3012262.11
	0 00	0 00

OPERATION

The Company has earned net profit (After Tax) of Rs 3680619.50 as against profit of last year of Rs 3765328.11 . there is slight decline in the profitability of the company

DIVIDEND

There is tough competition in finance Business. It is in the interest of the company not to declare dividend and invest that amount. The company Directors have decided not to recommend any dividend.

DIRECTORATE

In accordance with the provisions of The Companies Act,1956 and the Article of Association of the Company, Mr. Rameshbhai N. Patel will be retired by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re appointment.

DEPOSIT

The company has not accepted public deposit during the year and the deposits outstanding are old deposits from Directors and their relative. However company has complied the provisions of section 58 A of companies Act as well as NBFC regulations

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed :

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) That the directors had prepared the accounts for the financial year ended 31st March, 2007 on a 'going concern' basis

AUDITORS

M/s J. M. PATEL & BROS, Chartered Accountant, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re appointment. The Company has received certificate from the Auditors to the effect that their re appointment, if made, would be within the prescribed limits under Section 224(1) of The Companies Act, 1956.

AUDITOR'S OBSERVATIONS

As the observations made by auditors in the Auditors report read with notes on Account are self explanatory so no further explanation require. However for NPA provision the company has followed the procedure of written off Bad debts instead of NPA provision. Board of Directors are hopeful to recover the all advances outstanding.

PERSONAL

During the year under review, the relation between the Management and the employees continued to be very cordial. None of the employees of the company were in receipt of remuneration in excess of Rs 25000 per month and hence, information pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 is not furnished

INFORMATION AS PER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956

The Company has no activities relating to conservation of energy or technology absorption. There was neither inflow nor out go of foreign exchange during the year

APPRECIATION

The Director record their appreciation to the company's share holder, Bank Employees for their support and look forward for their co-operation in the measures being taken to ensure a more prosperous future of the company.

By Order of the Board of Director

Keshavlal Z. Patel
(Chairman)

Place - Ahmedabad
Date :- 15/07/2007

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CORPORATE GOVERNANCE REPORT

1 K. Z. LEASING & FINANCE LTD has over the years been practicing the principles of good Corporate Governance and continuously reviews its investor relationship measures with a view to K. Z Leasing & Finance Ltd basically need and is not to be looked upon as an issue of Compliance alone.

The company seeks to achieve this goal by being transparent in its business dealings, disclosing all relevant information in an easily understandable manner, being fair to all shareholders and ensuring that the company's activities are managed by a professionally competent and independent Board of Directors.

2. BOARD OF DIRECTORS :

The company is being managed by the Board of Directors. The Board consists of five Directors as on 31/03/2007. Since the company has a Executive Chairman the Board meets the stipulated requirement of at least 50% of the Board comprising independent Directors who have no professional and/or business relationship with the company.

The constitution of the Board as on 31/3/2007

Shri Keshavlal Zaverchand Patel
Executive Chairman

Shri Pravinbhai Keshavlal Patel
Executive Managing Director

Non Executive & Independent Directors

- 1 Keshavlal Kashiram Patel
- 2 Rameshbhai N. Patel
- 3 Gandhalal Ambalal Patel

The meetings of the Board of Directors were held on the following dated during the year

The Attendance of the Directors of the company at the Board Meetings and Annual General Meeting (AGM) are as follows

Name of Director	No of Meetings		Attendance of last AGM	Sitting Fees
	Held	Attn.		
Shri Keshavlal Z. Patel	13	13	Yes	Nil
Shri Pravinbhai K. Patel	13	13	Yes	Nil
Shri Rameshbhai N. Patel	13	9	Yes	Nil
Shri Keshavlal K. Patel	13	6	Yes	Nil
Shri Gandhalal A. Patel	13	7	Yes	Nil

3. AUDIT COMMITTEE :

Managing Director
Shri P. K. Patel

Other Members

Shri K. K. Patel
Shri G. A. Patel

The Committee met 4 times on 28th Jun, 2006, 30th September, 2006, 29th December, 2006 and 23rd March, 2007 during the financial year 2006-2007 and the attendance of the committee were as follows

Name of Director	No. of Meetings		Attended Last AGM
	Held	Attended	
Shri P. K. Patel	4	4	Yes
Shri K. K. Patel	4	3	Yes
Shri G. A. Patel	4	2	Yes

No Remuneration/sitting fees are paid to the members of the Audit Committee

4. REMUNERATION POLICY :

The company has two Executive Directors on the Board, whose appointment and remuneration has been fixed by the board and in terms of the resolution passed by the members

In view of this K Z does not have a Remuneration committee. The Board determines the remuneration of the Managing Director.

5. SHAREHOLDERS / INVESTORS Grievance committee

Terms of Reference

The company has formed investor/shareholder grievance committee to ensure redressal of shareholder and investor complaints relating to transfer of shares, non receipt of declared Dividend, Annual Reports etc

The committee normally deals with the following matters

- a) Transfer/Transmission/Transposition of shares, issue of duplicate shares, consolidation of shares/subdivision of shares
- b) Review of Dematerialization of shares
- c) Normal day to day matters & all other matters as prescribed and delegated to the committee by the board from time to time. The minutes of the committee meetings are noted and ratified at every ensuing board meetings

Composition of committee

The Committee comprises of the following Directors.

Chairman	Other Members
Shri K Z Patel	Shri R. N. Patel Shri G. A. Patel

The Compliance Officer

Shri Samir A. Patel is the compliance Officer

The committee met on 29th Jun, 2006, 30th December, 2006 during the financial year 2006-2007

Name of Directors	No. of Meetings		Attended Last AGM
	Held	Attended	
Shri K Z Patel	2	2	Yes
Shri R N Patel	2	2	Yes
Shri G. A. Patel	2	2	Yes

During the year ended 31/03/2007 the company did not receive any complaint

No Remuneration/sitting fees are paid to the members of the Investor Grievance Committee.

This committee meeting is held generally twice a month. During the financial year ended March 31, 2007, 24 meetings were held

No Remuneration/sitting fees are paid to the members of the Sub Committee of directors

General Body Meeting

Details of the Annual General Meeting(AGM)

AGM Date	Financial Year	Time	Location where AGM was held in the last 3 years	AGM No
29/09/2007	2006-2007	11 15 a m	1st floor, Deshna Chamber B/h Kadva Patidar Wadi, Usmanpura, Ashram road, Ahmedabad-380014	21st
20/09/2006	2005-2006	11 15 a m	As Above	20th
24/09/2005	2004-2005	11 15 a m	As Above	19th

Disclosure :

- A) Related party transaction with them as required under accounting standard 18(AS-18) are furnished under paragraph no 21 of the notes to the account attached with the financial statement in the year ended 31/3/2007.
- B) There has neither been any non compliance of any legal provision of applicable law nor any penalty, stricture imposed by the Stock Exchange or SEBI or any other authorities on any matters related to Capital Market during last three years

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Means of Communications

Half yearly report sent to each Household of shareholders	-	No
Quarterly results sent to each Household of shareholders	-	No
News Papers normally published in	-	Free Press Journal Western Times English & Gujarati Daily
Any web site where displayed	-	No
Whether any advertisement also displayed Official news releases and presentations made to institutions or investors/analysis	-	No presentation made
Whether management discussions and analysis forms part of Annual Report	-	Yes
Whether shareholders information section forms part of Annual Report	-	Yes

General shareholder's Information

a) Annual General Meeting Date	Saturday 29th September, 2007
b) Time	11 15 a m
c) Venue	K. Z. Leasing & Finance Ltd. 1st floor, Deshna Chambers, B/h Kadva Patidar Wadi Usmanpura, Ashram road, Ahmedabad-380014

Financial Calendar

21st Annual General Meeting	-	29th September, 2007
1st Quarterly Result	-	29th July, 2006
2nd Quarterly Result	-	16th October, 2006
3rd Quarterly Result	-	16th January, 2007
Book Closure Date	-	27th September 2007 to 29th September 2007 (Both days inclusive)
Dividend Payment date	-	N.A

List of Stock Exchanges

Sr. No	Stock Exchange where listed	Address
1	The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400021

Listing fees for the year 2007-2008 have been paid to the above Stock Exchange within stipulated period. Demat of shares 22,26,380 Equity shares which is around 73.21% of the paid up capital as on March 31, 2007 has been dematerialised

Stock Exchange Codes

Equity Shares
BSE
ISIN NO : INE006C01015

Market Price data . Stock performance in comparison with BSE sensx
Script Code 511728

for the period April 2006 to March 2007

Date	Market price	
	High	Low
April 2006	2.68	2.04
May 2006	8.75	3.21
June 2006	5.15	2.17
July 2006	2.28	2.07
August 2006	2.50	2.21
September 2006	2.25	1.63
October 2006	1.93	1.73
November 2006	5.09	1.58
December 2006	4.40	4.40
January 2007	4.60	4.60
February 2007	4.31	4.31
March 2007	4.18	4.18

(Source BSE website)

The Equity shares of the company are traded in the (company) demat mode for all the investors. The share transfer request received in physical form is registered within an average period of 15 days. Requests for Dematerialization (Demat) received from the shareholders are effected within average period of 15 days. The company, as per SEBI guidelines, offers facility for Transfer cum Dematerialization. Under the said system, after share transfer is effected, an option letter is sent to the transferee giving details of the transferred shares and requesting him incase he wishes to demat the shares, to approach a Depository Participants(DP) on the basis of the option letter generated and issue a Demat Request and send it to the company along with the option letter. On the receipt of the same, the company dematerialises the shares. Incase the transferee is not interested in dematerialisation he need not take any action and the company dispatches physical share certificate after 15 days from the date of such option letter.

Distribution of Share holding

Range(In Rs.)	Total Holders	Total Holdings (in Rupees)	% of total
1- 5000	4769	7422640	24.41
5001-10000	232	2077640	6.83
10001-20000	79	1197830	3.94
20001-30000	23	571860	1.88
30001-40000	6	214000	0.70
40001-50000	9	414000	1.36
50001-100000	21	1409420	4.63
100001-as above	37	17104610	56.24
Total	5176	30412000	100.00

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SHARE HOLDING PATTERN OF K. Z. LEASING & FINANCE LTD. AS ON 31ST MARCH, 2007

Code	Category of shareholder	Total No of shares	Number of Shares held in dematerialized form	Percentage of Shareholding
A	Shareholding of Promoter and Promoter Group ²			
1	Indian			
(A)	Individuals/Hindu Undivided Family	653000	653000	21.47
(B)	Central Government/State Government(s)	Nil	Nil	Nil
(C)	Bodies Corporate	Nil	Nil	Nil
(D)	Financial Institutions/Banks	Nil	Nil	Nil
	Sub Total(A) (1)	653000	653000	21.47
2	Foreign	Nil	Nil	Nil
	Sub Total (A) (2)	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter Group			
	(A) = (A)(1) + (A) (2)	653000	653000	21.47
(B)	Public Shareholding			
1	Institutions	Nil	Nil	Nil
(A)	Mutual Funds/UTI	Nil	Nil	Nil
(B)	Financial Institutions Banks	Nil	Nil	Nil
	Sub Total (B)(1)	Nil	Nil	Nil
B2	Non Institutions			
(A)	Bodies Corporate	93148	86148	3.06
(B)	Individuals			
	i. Individual Shareholders holding nominal share capital up to Rs. 1 Lakh	1142091	334271	37.55
	ii Individual Shareholders holding nominal Share capital in excess of Rs. 1 Lakh	1152981	1152961	37.91
(C)	Any Other (specify)	Nil	Nil	Nil
	Sub Total (B)(2)	2388200	1573380	78.53
(B)	Total Public Shareholding (B)=(B)(1)+(B)(2)	2388200	1573380	78.53
	Total (A) + (B)	3041200	2226380	100
(C)	Share held by Custodians and against Which Depository Receipts have been issued	Nil	Nil	Nil
	Grand Total (A)(B)(C)	3041200	2226380	100

Outstanding GDR's/ADR's/Warrants or any Convertible instruments, conversion date and Likely impact on equity
Address for Correspondence

N.A
K. Z. Leasing & Finance Ltd.
Deshna Chambers, B/h Kadva patidar Wadi,
Usmanpura, Ahmedabad-380014

Registrar and Transfer Agent

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S Marg, Bhandup(W) Mumbai-400078

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **K. Z. LEASING & FINANCE LTD.**

We have examined the Compliance of conditions of Corporate Governance by **K. Z. LEASING & FINANCE LTD.** Ahmedabad for the year ended 31st March, 2007, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges, with relevant records and documents maintained by the Company and furnished to us

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, generally there were no investors' grievances pending for more than 30 days.

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

Place Ahmedabad

Date . 15/07/2007

For, **J. M. Patel & Bros.**
Chartered Accountants

J. M. Patel
(Proprietor)

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AUDITORS REPORT

To
The Share Holders,
K. Z. Leasing & Finance Ltd.
Usmanpura, Ahmedabad

We have audited the attached Balance sheet of K Z LEASING & FINANCE LTD. as on the 31/03/2007 and also the Profit & Loss A/c / Cash flow Statement of the Company for the year ended on that date annexed there to. These financial statements are the responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the companies (Auditors Report) order, 2003 issued by the central Government in terms of section 227(4A) of the companies Act, 1956, we give in the Annexure a statement on the matters specified 4 & 5 of the said order.

Further to our comment in the Annexure referred to in the above paragraph we report that

- (A) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
- (B) In our Opinion, proper books of accounts and cash flow statement, as required by law have been kept by the Company so as far it appears from our examination of the books
- (C) The Balance sheet and Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of Account
- (D) In our opinion the balance sheet and the profit & loss account comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act, 1956 Except accounting standard 28 (Impairment of assets), AS-22 (Tax on Income) and AS-18 (Related party discloser)
- (E) On the basis of written representations received from the directors as on 31/03/2007 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31/03/2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit & loss account read together with notes thereon, give the information required by the companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally applicable in India

- i) in case of the balance sheet, of the state of affairs of the company as at march 31, 2007 and
- ii) in case of Profit & Loss account of the Profit for the year ended on that date
- iii) in case of Cash Flow Statement of the company for the year ended on that date

Place Ahmedabad

Date : 15/07/2007

For, J. M. Patel & Bros
Chartered Accountants

J. M. Patel
(Proprietor)

ANNEXURE TO AUDITORS REPORT AS ON 31/03/2007**(1) IN RESPECT OF FIXED ASSETS**

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets .
- (b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals, no discrepancies were noticed on such verification
- (c) In our opinion the company has not dispose & off a part of fixed assets during the year, which will affect the going concern of the company

(2) IN RESPECT OF ITS INVENTORIES.

- (a) Physical verification of Inventory has been conducted at reasonable interval by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of business
- (c) The company is maintaining proper records of inventory. There were no material discrepancy noticed on physical verification

(3) IN RESPECT OF LOAN, SECURED OR UNSECURED, GRANTED OR TAKEN BY THE COMPANY TO/ FROM COMPANIES, FIRM OR OTHER PARTIES COVERED IN THE REGISTER MAINTAINED UNDER SECTION 301 OF THE COMPANIES ACT 1956,

- (a) According to the information and explanation given to us, The company has not granted/taken any loans, secured or unsecured, to/from companies, firms, or other parties covered under section 301 of the companies Act, 1956 except deposits accepted from promoters
- (b) As stated by management the rate of interest and other terms and conditions of the unsecured loan taken by the company are prima facie not prejudicial to the interest of the company
- (c) Payment of the principal amount and interest are also regularly repaid and repayable on demand.
- (d) There is no overdue amount in respect of loan taken by the company. In respect of loans given by the company these are repayable on demand and therefore the question of overdue amounts does not arise

(4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and also for the sale of shares**(5) IN RESPECT OF THE TRANSACTIONS COVERED UNDER SECTION 301 OF THE COMPANIES ACT, 1956 .**

- (a) In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 except deposits accepted from promoters

(6) The company has not accepted any deposits from the public**(7) In our opinion, the internal audit system of the company is commensurate with its size and nature of its business****(8) As this company is in the business of finance and therefore cost records under section 209(1) (d) does not arise****(9) IN RESPECT OF STATUTORY DUES**

- (a) According to information and explanation given to us, The company is regular in depositing undisputed statutory dues including Provident Fund, Investor, Education and Protection Fund, Employees state Insurance, Income-tax, Sales-Tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities
- (b) According to information and explanation given to us, there are no cases of non-deposit with appropriate authorities of disputed dues of income-tax, except appeal for A.Y 2001-02 is pending with honorable tribunal Ahmedabad custom tax, wealth tax, excise duty

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- (10) The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (11) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (12) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debenture and other securities
- (13) As explained to us, it is the company's intention to make investments on a long term basis and therefore it is not dealing or trading in shares, securities, debenture and other investments
- (14) The company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been held by the company in its own name.
- (15) According to information and explanation given to us, The company has not given any guarantee for loans taken by others from bank of finance institutions
- (16) According to information and explanation given to us, The company has not raised any term loan during the year under review and hence question of its application does not arise
- (17) According to information and explanation given to us and on an overall examination of the balance sheet of the company there is proper utilization of all short term and long term resources and as per objectives of the company
- (18) During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the companies Act, 1956
- (19) According to the information and explanation given to us there is no debenture issue therefore this clause is not applicable
- (20) The company has not raised any money by the way of public issue during the year
- (21) In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.
- (22) The board of Directors has passed a resolution on dated 30/09/1999 for the non acceptance of public deposits
- (23) W.E.F. dated 30/08/2002 the company has not accepted public deposit and old deposits (except from promoter and relative) were repaid.
- (24) The company has complied with the prudential norms relating to Income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it
- (25) The company has received registration as provided in section 45IA of the Reserve bank of India Act, 1934.

Place - Ahmedabad
Date 15-07-2007

For, J. M. Patel & Bros.
Chartered Accountants.

(J. M. Patel)
M com , F C A.

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K. Z. LEASING & FINANCE LTD. BALANCE SHEET AS AT 31/03/2007

PARTICULAR	SCHEDULE	31/03/2007	31/03/2006
SHARE HOLDERS FUNDS			
(A) Share Capital	1	30412000.00	30412000.00
(B) Reserve & Surplus	2	28681164.58	25000545.08
LOAN FUNDS			
(A) Secured Loans	3	3271739.88	2896224.25
(B) Unsecured Deposits	3A	6726545.00	4400926.00
		69091449.46	62709695.33
APPLICATIONS OF FUNDS			
FIXED ASSETS			
(A) Gross Block	4	1089812.00	1055662.00
(B) Less - Depreciation		325522.00	285245.00
		764290.00	770417.00
NET BLOCK			
		764290.00	770417.00
INVESTMENT			
	5	9040229.96	5679558.81
CURRENT ASSETS LOANS & ADVANCES			
(A) Cash On Hand & Bank Balance	6	42502263.00	27730159.14
(B) Loans & Advances	7	16504282.00	28550427.88
(C) Other Current Assets	7A	1230633.50	781279.50
		60237158.50	57061866.52
Less Current Liabilities & Provision	8	971801.00	826415.00
NET CURRENT ASSETS		59265357.50	56235451.52
MISC. EXPENDITURE			
To The Extent Not Written off	9	21572.00	24268.00
		69091449.46	62709695.33

Subject to our Audit Report of Even Date

Director

For, J. M. PATEL & BROS
Chartered Accountants

1 KESHAVLAL ZAVERCHAND PATEL

(J. M. PATEL)
M.COM F.C.A.

2 PRAVINKUMAR KESHAVLAL PATEL

Place : Ahmedabad

3 RAMESHKUMAR NARANDAS PATEL

Date : 15/07/2007

K. Z. LEASING & FINANCE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	AS AT 31-3-2007	AS AT 31-3-2006
<u>SCHEDULE 1 AUTHORISED CAPITAL</u>		
3200000 Equity Shares Of 10/- Each	32000000.00	32000000.00
	32000000.00	32000000.00
<u>ISSUED & SUBSCRIBED & PAID UP CAPITAL</u>		
3041200 Equity Shares Of Rs 10/- Each	30412000.00	30412000.00
	30412000.00	30412000.00
<u>SCHEDULE 2 RESERVE & SURPLUS</u>		
STATUTORY RESERVE		
(Under section 45-IC of the RBI ACT,1934)		
As per last Balance Sheet	4248986.95	
ADD : Transfer from P&L A/c	736123.90	
	4985110.85	4248986.95
REVENUE RESERVE		
As per last Balance Sheet	20751558.13	
Add : Transfer from P&L A/c	2944495.60	
	23696053.73	20751558.13
	26681164.58	25000545.08
<u>SCHEDULE 3 SECURED LOANS</u>		
O D against fixed deposits(The Navrman Bank)	129972.43	
UCO Bank	3141767.45	
	3271739.88	2896224.25
<u>SCHEDULE 3A Unsecured Loans</u>		
1 Relatives	5270666.00	
2 Directors	1028879.00	
3 Security Deposit	427000.00	
	6726545.00	4400926.00

SCHEDULE 4

SCHEDULE OF FIXED ASSETS TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2007.

SR NO	PARTICULAR	OPENING BALANCE	ADDIT	DEDUCTION	DEDUCTION ADJUSTMENT	TOTAL ON 31/03/2007	DEPR. UP TO 31/03/2006	FOR THE YEAR	TOTAL DEPR. 31/03/07	NET WDV
1	Furniture	366461	-	-		366461	125488	15412	140900	225561
2	Computer	131001	34150	-		165151	66004	15767	81771	83380
5	Office Building	558200	-	-		558200	93753	9068	102851	455349
	Total	1055662	Nil	Nil	Nil	1089812	285245	40277	325522	764290

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SCHEDULE 5 INVESTMENT

Quoted		
1000 shares of Rs 10 each in Akshar Finance Ltd	10000 00	10000.00
1500 shares of Rs 10 each in Well Pack Paper & Cont Ltd	18000 00	18000 00
100 shares of Rs.10 each in S N S Diagnostics Ltd.	2000 00	2000.00
100 shares of Rs.10 each in S N S Laboratories Ltd	1000 00	1000 00
250 shares of Rs 10 each in H B Stock holding Ltd	750.00	1500 00
125 shares of Rs 10 each in H B Portfolio Leasing Ltd	375.00	0 00
125 shares of Rs.10 each in H B Estate Developers Ltd	375.00	0 00
600 shares of Rs.10 each in Indag Product Ltd	600.00	600.00
150 shares of Rs 10 each in Sharda Plywood Ind Ltd	1920.00	1920 00
100 shares of Rs 10 each in Mac Charles (I) Ltd	1000 00	1000 00
200 shares of Rs 10 each in Modern Insulator Ltd	1000 00	1000.00
97 shares of Rs.10 each in Organic Chemol Ltd	121 00	121 00
50 shares of Rs 10 each in United Leasing Ltd	262 00	262 00
152 shares of Rs 10 each in Centurion Bank Ltd	0.00	2375 00
126 shares of Rs 10 each in Ispat Alloys Ltd	756 00	756 00
1170 shares of Rs 10 each in Apple Finance Ltd	25740.00	25740.00
100 shares of Rs 10 each in Apple Credit Corp Ltd.	4825 00	4825 00
1196 shares of Rs.10 each in Parasrampuriah Synth. Ltd.	2392.00	2392 00
1500 shares of Rs.10 each in National Steel Ind Ltd	5700.00	5700 00
10 shares of Rs 10 each in Tirupati Ind. (I) Ltd	285 00	285.00
70 shares of Rs.10 each in Anil Chemical & Ind Ltd	420 00	420 00
400 shares of Rs 10 each in K M F Ltd.	1600 00	1600.00
100 shares of Rs.10 each in Surya Protein Ltd	350.00	350.00
300 shares of Rs.10 each in Q S T Ltd	1950 00	1950 00
1000 shares of Rs 10 each in Global Trust Bank	19000 00	19000 00
300 shares of Rs 10 each in TV Today	28500 00	28500 00
37341 shares of Rs. 10 each in Uco Bank	1021015 82	1021015.82
78009 shares of Rs. 10 each in Bank of Maharashtra	2890784 25	808838.50
232 shares of Rs 10 each in Indoco Remedies Ltd	68521 20	68521.20
943 shares of Rs 10 each Punjab National Bank	416210.00	367770 00
14899 shares of Rs. 10 each in Gujarat N R I Crock Ltd	582220 40	232625 00
796 shares of Rs. 10 each HT Media Ltd	0 00	393560 00
560 shares of Rs 10 each Jet Airways (I) Ltd	560500 00	560500.00
24000 shares of Rs. 10 each in R N R L	546925.00	0.00
6500 shares of Rs 10 each in Reliance Petroleum Ltd	479700 00	0.00
<u>Un quoted</u>		
2640 shares of Rs 25 each in The Navrurman Co Op Bank Ltd	66000 00	66000.00
1 shares of Rs.100 each in Standard Co. Op. Bank Ltd.	100 00	100.00
10 shares of Rs.100 each in The Royal Co Op Bank Ltd.	1000.00	1000 00
Mutual Fund	1904506 06	1654505.06
RBI Capital Gain Bond	373827.23	373827.23
	9040229.96	5679558.81

Total market value of Quoted Investment Rs 6402879.79
 Total market value of unquoted investment Rs. 2481372 65

K. Z. LEASING & FINANCE LIMITED

SCHEDULE 6 CASH & BANK BALANCE

CASH ON HAND		2263.00	10914 00
BALANCE WITH SCHEDULED BANKS			
In Current A/c (Union Bank of India)	0 00		4339 06
In Fixed Deposit (UCO Bank)	40000000 00	40000000 00	25200000 00
BALANCE WITH NON SCHEDULE BANKS			
In Current A/c (The NNC Bank Ltd)	0 00		14906 08
In Fixed Deposit A/c (The NNC Bank Ltd)	2500000 00	2500000 00	2500000 00

42502263.00	27730159.14
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SCHEDULE 7 LOAN & ADVANCES

Hire Purchase		18455 00	23455 00
Housing loans		22484 00	30984.00
Current unsecured loans		16281618.00	28409961.00
Dividend Receivable		0 00	86047 88
Inter corporate Loan A/c		181725.00	0.00

16504262.00	28550427.88
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SCHEDULE 7 A

T D S		1230833 50	781279.50
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SCHEDULE 8

(A) CURRENT LIABILITIES

Security Deposits		0.00	110000.00
Other Liabilities (Exps)		330154 00	286555 00
T D S Payable		55556 00	45099 00
Income Tax Provision (A Y 2006-2007)		581203.00	368161 00
Fringe Benefit Tax Payable		4888 00	16800 00

971801.00	826415.00
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SCHEDULE 9 MISCELLANEOUS EXPENDITURE

Preliminary Exp (24268-2696)		21572 00	24268 00
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SCHEDULE 10 INCOME FROM OPERATION

Loan Interest Income		2475321.00	3415382.00
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SCHEDULE 11 OTHER INCOME

dividend Income		490945 71	589420.90
Interest Received on deposits		2054456 00	1000662.00
Share profit A/c.		2922789 92	2328417 29
Mutual Fund Profit		0 00	236230 68

5468191.63	4154730.87
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SCHEDULE 12 ADMINISTRATIVE AND OTHER

Office exp	73336 06	68760 00
Printing & Stationery exp	13927.00	9760 00
Postage & Tele Exp.	42859.00	81599 00
Legal & Professional exp	25100 00	40000 00
Rates & Taxes (Municipal)	18238 00	22011.00
Petrol exp.	9005.00	20079 00
Electric power exp	42339.00	42859 00
Salary wages & Bonus	433000.00	763700 00
Director Remuneration	264000 00	264000 00
Traveling exp	✓ 2515.00	102826 00
Registration filing fee Exp	1530.00	2000.00
Stamp exp	0.00	50 00
Professional tax	1000 00	1000.00
Advertise exp	✓ 8800 00	8800.00
Membership & Subscription	9173.00	9161.00
Audit fee	✓ 22000 00	29000.00
Company Secretary Fees	15000 00	0 00
Commission & Brokerage	✓ 54746 47	170481 72
Computer maintenance exp	1175 00	11438 00
Car Maintenance	2350 00	0 00
Bank charges	2040 00	2950 00
Stock Exchange listing fees	10000 00	10000.00
Staff Welfare exp	16653 00	71470.00
Office maintenance exp.	0.00	12362 00
Godown rent	✓ 48000 00	48000 00
Bussiness Promotion Exp	7700 00	0 00
Scooter repairing exp	2846 00	7845 00
Bank Interest exp	1671207 00	842387 92
Demat Delivery charges	90 00	0 00
Demate Charges	21000.00	25458 00
Transaction Tax	272 63	72.91
Annual Custodian Charges	9271 00	9312 00
Securities Transaction Tax	56450 89	16823 00
Service Tax	6709 29	2267.66
Annual General Meeting Exp	0 00	18575.00
Collection Expenses	0 00	180000.00
Stamp Duty Exp.	5771 81	1311.55
Misc Expenses	4984 98	0 00
Convayance Allowances Exp	57600 00	0 00
Staff Training Expenses	0.00	4950 00
	2960690.13	2901309.76

SCHEDULE : 13

NOTES ON ACCOUNT

(A) SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of Accounting:

Accounting are prepared under historical cost convention. Revenues are recognised and the expenses are accounted for on an accrual basis with provision for all known liabilities and losses except to the extent that (1) Income in respect of Non Performing Assets is recognised only when received as prescribed by the prudential norms issued by the Reserve Bank of India for Non Banking Financial Companies and (2) There were no provision for lower market value of securities(investments) as there were frequent change in market prices

(b) Revenue Recognition :

1. Interest Income on accrual basis except N.P.A. accounts if any.
2. Service charges on accrual basis
3. Rent Income on accrual basis except lease Income.
4. Dividend income is accounted for on receipt basis

(c) EXPENSES :

- (1) All Expenditure are on mercantile basis
- (2) Interest rates on unsecured loans are decided by the Directors

K. Z. LEASING & FINANCE LIMITED

- (3) Hire Purchase advances also includes the other type of advances guaranteed either on fixed assets or personal guarantee of the loanee
(4) Bad & Doubtful advances written off as and when no recovery instead NPA of provision

(d) FIXED ASSETS .

- (A) 1 Fixed Assets are stated at cost
2 Machinery are lying with lessee and used by them
3 Depreciation has been charged on S L.M. as per rate prescribed in companies Act
4 Depreciation has been charged for the full year irrespective of the date of purchase/sale
(B) Preliminary Expenses will be written off at the rate of 10% of WDV

(B) NOTES ON ACCOUNT :

- (1) All the Balances of loans and Advances, lessee, depositors, and security depositors are subject to their balances confirmation
(2) In the opinion of the Board of Director, Current Assets loans and Advance of Business at least equal to the amount at which they are stated
(3) Additional Information Pursuant to paragraphs 3(i) (ii), 4B and 4C of Part-II of schedule VI of the companies Act 1956 These clause are not applicable to company as company is lease finance company

(4) AUDITORS REMUNERATION

	<u>31/3/2007</u>	<u>31/3/2006</u>
1 Audit Fees	5000/-	5000/-
2 Other Matter fees (Tax Audit)	4000/-	4000/-
	<u>9000/-</u>	<u>9000/-</u>

- (5) The Board of Director have accepted deposits from close relatives of Directors. The company has filed annual return with R B I in time. The company at present maintained liquidity ratio as required by non banking financial, companies rules (1971) of R B.I. There is no default of repayment of deposits together with interest. Prospectus in lieu of advertisement have not been produced before us

- (6) Previous year figures and Security Deposits are regrouped

SUBJECT TO OUR AUDIT REPORT OF EVEN DATE

FOR J M Patel & Bros.
Chartered Accountants

1 Keshavlal Zaverchand Patel

Chairman

(J M Patel)
M.COM F.C.A

2 Pravinkumar Keshavlal Patel

Place Ahmedabad
Date 15/07/2007

Managing Director

3 Rameshkumar Narandas Patel

Director

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SCHEDULE 17 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

State Code	04
Registration No.	8864
Balance Sheet Date	31ST MARCH, 2007

2. Capital Raised during the year (Amount in Rs. Lacs)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

3. Position of Mobilisation and Deployment of Funds(Amount in Rs.Lacs)

Total Liabilities	690.91
Total Assets	690.91

Source of Funds

Paid up Capital	304.12
Reserves & Surplus	286.81
Secured Loans	32.72
Unsecured Loans	67.27

Application of Funds

Net fixed Assets	7.64
Investment	90.40
Net current Assets	592.65
Misc Expenditure	0.22
Accumulated Losses	0.00

4. Performance of Company (Amount in Rs. Lacs)

Turnover	79.44
Total Expenditure	36.77
Profit & Loss Before Tax	42.67
Profit & Loss After Tax	36.81
Earning per share in Rs	1.21
Dividend Rate	NIL

5. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Items Code No	N A
Product Description	Hire Purchase
Items Code No	N A
Product Description	Leasing
Items Code No	N A
Products Description	Bill Discounting

The company undertakes the financial services activities like Hire Purchase, Lease Financing, Bills Discounting

Place Ahmedabad
Date : 15/07/2007

For & On Behalf of Board of Directors
For, K. Z. LEASING & FINANCE LTD.

CHAIRMAN
(KESHAVLAL Z. PATEL)

K. Z. LEASING & FINANCE LIMITED

K. Z. LEASING & FINANCE LTD. CASH FLOW STATEMENT FOR PERIOD ENDED 31/03/2006

PARTICULAR	YEAR ENDED Rupees	FOR THE YEAR ENDED 31/03/2007	FOR THE YEAR ENDED 31/03/2006
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax And Extra Ordinary Items		3680619 50	4133489 11
ADD BACK :			
(A) Depreciation	40277 00		34741.00
(B) Preliminary Exp. w/off	2696 00		2696 00
		42973.00	37437.00
Deduct :			
(A) Dividend Income	490945.71		589420 90
(B) Share/M Fund Profit	2922789.92		2564647.97
Operating profit before working Capital changes		3413735.63 309856.87	3154088 87 1016857 24
Adjustment for Working Capital Changes			
Decrease/(-) Increase in Loans & Advances		11596811.88	-15216321 30
Increase in Current Assets		0.00	0 00
Increase in Current Liabilities		145386 00	342966 00
CASH FLOW FROM OPERATION		12052054 75	-14873355.30
Deduct :			
Direct Tax paid		0 00	0.00
Cash inflow/(outflow) before extraordinary items & prior year adjustment		12052054.75	-14873355 30
Extra ordinary items and prior year adjustments		0 00	0.00
Net Cash inflow in course of operating Activities		12052054.75	-14873355.30
B. Cash flow from Investing Activities .			
Inflow			
(A) Aquisition of fixed assets		-34150.00	0.00
(B) Purchase of Shares		-29658944 92	-6084339 89
(C) Sale of Shares/M Funds		29221063 69	22128462.45
(D) Dividend Received		490945 71	589420 90
(E) Investment in Fixed Deposits		-14800000.00	5000000.00
Net cash inflow in course of investing activities		-14781085.52	21633543.46
C. Cash Flow Arising from Financing Activities			
(A) Proceeds from borrowings/(repayment of Borrowings)		2701134 63	-6764903 94
Net cash outflow in course of financing activities		2701134.63	-6764903.94

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Net increase/ (decrease) in cash & Bank equivalents during the year	-27896.14	-4715.78
Add Cash & Bank equivalents at the beginning of the year	30159.14	34874.92
Cash & Bank equivalents at the end of the year	2263.00	30159.14

On behalf of the board
FOR, K Z Leasing & Finance Ltd

Place Ahmedabad
Date 15/07/2007

Keshavlal Z Patel
(Chairman)

AUDITOR REPORT

We have verified the above cash flow statements of K Z. Leasing & Finance Ltd derived from the audited financial Statements for the year ended on March 31, 2007 found the same to be drawn in accordance with and also with the requirements of clause 32 of the listing agreement with the stock exchange.

PLACE Ahmedabad
DATE 15/07/2007

For, J M. Patel & Bros.,
Chartered Accountants

(J. M. Patel)
M.Com F.C.A

K Z LEASING & FINANCE LTD
SCHEDULE TO THE
BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY
(As required in terms of Paragraph 9BB of
Non-Banking Financial companies Prudential Norms
(Reserve Bank) Directors, 1998 As on dated 31/03/2007)

PARTICULARS

LIABILITIES SIDE

	Amount outstanding	Amount overdue
1 Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures		
Secured	NIL	NIL
Unsecured (other than falling within the meaning of public deposits)	NIL	NIL
(b) Deferred credits	NIL	NIL
(c) Terms Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits	NIL	NIL
(g) Other Loans (specify nature) (Director, Friends and Relatives Depo * Please see Note 1 below	67.26	NIL
2 Break up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)		
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of party secured debenture i.e. debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other public deposits * Please see Note 1 below	NIL	NIL

K. Z. LEASING & FINANCE LIMITED

Assets Side :

Amount Outstanding

3	Break up of Loans and advances including bills receivable (other than those included in (4) below)	
	(a) Secured	NIL
	(b) Unsecured	164.85
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	
(i)	Lease assets including lease rents under sundry debtors	
	(a) financial Lease	NIL
	(b) Operating Lease	NIL
(ii)	Stock on hire including hire charges under sundry debtors	
	(a) Assets on hire	0.18
	(b) Repossessed Assets	-
(iii)	Hypothecation loans counting towards EL/HP activities	
	(a) Loans where assets have been repossessed	-
	(b) Loans other than (a) above	-
5	Break-up of Investments	
	Current Investments:	
	1 Quoted	
	(i) shares . (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debenture and bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Other (Please specify)	NIL
	2 Unquoted	
	(i) shares (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debenture and bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Other (Please specify)	NIL
	Long Term Investments :	
	1 Quoted	
	(i) shares . (a) Equity	68.95
	(b) Preference	NIL
	(ii) Debenture and bonds	NIL
	(iii) Units of mutual funds	19.04
	(iv) Government Securities	NIL
	(v) Other (Please specify)	NIL
	2 Unquoted .	
	(i) shares . (a) Equity	0.67
	(b) Preference	-
	(ii) Debenture and bonds	3.73
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Other (Please specify)	NIL

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6 Borrower groupwise classification of all leased assets, stock-on-hire and loans and advances Please see note 2 below

Category	Amount net of provision		
	Secured	Unsecured	Total
1 Related Parties	NIL	NIL	NIL
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	0.40	164.64	165.05
Total	0.40	164.64	165.05

7 Investor group-wise classification of all investments(current and long term) in shares and securities(both quoted and unquoted)

Please see note 3 below

Category	Market value/ Break up of fair value of NAV	Book Value (net of provisions)
1 Related Parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2 Other than related parties	88.84	90.40
Total	88.84	90.40

* Fair value of unquoted investments taken at cost as management expected to realise the said investment fully

** As per Accounting Standard of CAI(Please see note 3)

8 Other Informations

Particular	Amount
(i) Gross Non Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(ii) Net Non Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

Notes .

- 1 As defined in Paragraph 2 (1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- 2 Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- 3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt However, market value in respect of quoted investments and break up/fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

K. Z. LEASING & FINANCE LIMITED**ATTENDANCE SLIP****K. Z. LEASING & FINANCE LTD.****1st floor, Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad-380014.**

(Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the 21st Annual General Meeting held on Saturday, 29th September, 2007 at Regd Office :- 1st Floor, Deshna Chambers, B/h Kadva Palidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380 014. (Gujarat).

NAME OF SHARE HOLDER/PROXY _____

ADDRESS _____

NO OF SHARES HELD _____

FOLIO NO _____

SIGNATURE OF SHARE HOLDER / PROXY

* Strike out whichever is not applicable

PROXY FORM**K. Z. LEASING & FINANCE LTD.****1st floor, Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad-380014.**

FOLIO NO _____

I/WE _____
of _____being a member/members of K. Z. LEASING & FINANCE LTD. hereby appoint
_____ of _____ or failing

him/her

of _____ as my/our proxy
to attend vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held
on Saturday 29th, September, 2007.

Signed this _____ day of 2007.

Signature

Affix Rs 1/-
Revenue Stamp**Note :** The proxy must be returned so as to reach at the Registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.