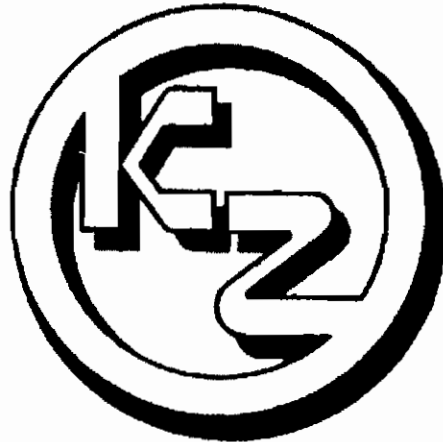


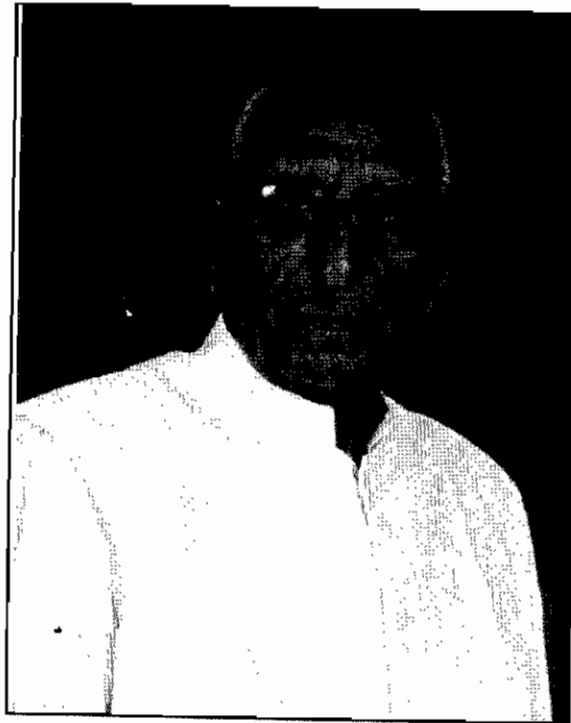
24th
Annual Report
2009-2010



K. Z. LEASING & FINANCE LTD.

1st Floor, Deshna Chamber, Ashram Road, Usmanpura,

Ahmedabad - 380014.



Keshavlal Zaverchand Patel
(19th June, 1933 -5th December, 2009)
K. Z. Group –Founder and Visionary

K. Z. Leasing & Finance Ltd.

Board Of Directors

Shri Pravinbhai K. Patel	Chairman/ Managing Director
Shri Rameshkumar N. Patel	Director
Shri Keshavlal K. Patel	Director
Shri Gandabhai A. Patel	Director
Shri Kantibhai J Patel	Director
Shri Ankit P Patel	Director

Auditors

J. M. Patel & Bros. (M.Com., F.C.A.)
402, Harsh Avenue,
Navjivan Press Road,
Navrangpura,
Ahmedabad - 380014

Bankers

The Navnirman Co-Op. Bank Ltd.
Uco Bank
HDFC Bank

Registerd Office

1St Floor, Deshna Chamber,
B/h. Kadva Patidar Wadi,
Ahram Road, Usmanpura,
Ahmedabad - 380014

NOTICE

NOTICE is hereby given that 24th Annual General Meeting of the members of **K.Z. Leasing & Finance Ltd.** , will be held on **27th September 2010** at Regd. Office:- 1st Floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014 (Gujarat) at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2010 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 Mr. Ramehbhai N. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint a Director in place of Mr. Keshavlala K. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Ankit P. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Kantibhai J. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation."

REGISTERED OFFICE:

1st Floor, Deshna Chamber,
B/h., Kadva Patidar Wadi,
Ashram Road, Usmanpura,
Ahmedabad - 380014
Date : 16-08-2010

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

Pravinbhai K Patel
(Chairman/ Managing Director)

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 **23/09/2010 to 27/09/2010**(both days inclusive). For the purpose of the annual General Meeting 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.

Explanatory Statement pursuant to provision of Section 173(2) of the Companies Act, 1956:**Item No 5.**

The board of Directors of the Company (the Board) under Section 260 of the Companies Act 1956, (the Act) and the Articles of Association of the Company, appointed Shri Ankit P. Patel as an Additional Director of the Company with effect from January 30, 2010.

In terms of Section 260 of the Act, Shri Ankit P. Patel holds office upto the date of this Annual General meeting.

Shri Ankit P. Patel is not disqualified from being appointed as Director under 274(1)g of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266a of the Act.

The Board commends the resolution for his appointment as Director of the Company.

Except Shri Ankit P. Patel, no Director of the Company is, in any way, concerned or interested in this resolution.

Item No 6.

The board of Directors of the Company (the Board) under Section 260 of the Companies Act 1956, (the Act) and the Articles of Association of the Company, appointed Shri Kantilal J. Patel as an Additional Director of the Company with effect from January 30, 2010.

In terms of Section 260 of the Act, Shri Kantilal J. Patel holds office upto the date of this Annual General meeting.

Shri Kantilal J. Patel is not disqualified from being appointed as Director under 274(1)g of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266a of the Act.

The Board commends the resolution for his appointment as Director of the Company.

Except Shri Kantilal J. Patel, no Director of the Company is, in any way, concerned or interested in this resolution.

DIRECTORS REPORT

To,
The Shareholders
K. Z. Leasing & Finance Ltd.

Your Directors have pleasure in presenting the 24th Annual Report of your company together with the Audited Accounts for the year ended 31st March 2010,

FINANCIAL RESULT

Income	2009-2010	2008 – 2009
Profit before depreciation & tax	3254507.00	-4144816.59
Less : Depreciation	43752.00	43752.00
Provision for Taxation including FBT	177000.00	10920.00
	3033776.00	-4199488.59
NET PROFIT/LOSS AFTER TAX		
Less : Transfer to statutory Reserve A/c 20%	642155.00	Nil
Balance		
Transfer to Revenue Reserve	0.00	-4199488.59

OPERATION

The company has earned the net Profit after tax of Rs3033776.00 as against the last year's losst after tax of Rs4199488.59.

DIVIDEND

There is tough competition in finance Business, it is in the interest of the company not to declare dividend and invest that amount in 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 himself for re appointment.

Your directors regret to inform about the sad demise of Shri Keshavlal Z Patel Chairman of the Company on 5.12.2009, who was associated with the Company since 7.08.1986 / incorporation. The invaluable services and guidance rendered by him to the Company will be greatly missed.

"RESOLVED THAT Mr. Ankit P. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation."

"RESOLVED THAT Mr. Kantibhai J. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation."

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.

RBI GUIDELINES

The company has complied with the regulations of the Reserve Bank of India as on March 31st, 2010, as are applicable to it as a systemically important non banking finance company.

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, 2010, 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 provision 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, 2010 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 advances outstanding.

CORPORATE GOVERNANCE

Report on Corporate Governance as required under Clause 49 of the Listing Agreement with the stock exchanges, forms part of the Annual Report.

A certificate from the Auditor of the company M/s J.M.Patel & Co. Chartered Accountants, conforming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, forms part of the Annual Report.

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 relation to conservation of energy or technology absorption. There was neither inflow nor out go of foreign exchange during the year.

APPRECIATION

The Director record the 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.

Place : Ahmedabad
Date : 16-08-2010

By Order Of The Board Of Director

Pravinbhai K. Patel
(Chairman/ Managing Director)

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 **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 six directors as on 31/03/2010. 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 31/03/2010

Shri Pravinbhai K Patel
Executive Chairman and Managing Director

Non Executive & Independent Directors

Shri Pravinbhai K. Patel	Chairman/ Managing Director
Shri Rameshkumar N. Patel	Director
Shri Keshavlal K. Patel	Director
Shri Gandabhai A. Patel	Director
Shri Kantibhai J Patel	Director
Shri Ankit P Patel	Director

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 Pravinbhai K. Patel	14	14	Yes	Nil
Shri Rameshbhai N. Patel	14	10	Yes	Nil
Shri Keshavlal K. Patel	14	8	Yes	Nil
Shri Gandahal A. Patel	14	11	Yes	Nil
Shri Kantilal J Patel	14	3	Yes	Nil
Shri Ankit P Patel	14	3	Yes	Nil

3. AUDIT COMMITTEE**Managing Director**

Shri P. K. Patel

Other Members

Shri K. K. Patel

Shri G. A. Patel

The audit Committee presently consists of Mr. P.K.Patel, Mr. K.K.Patel Mr. G.A.Patel All non Non Executive independent Directors and is headed by Mr. P.K.Patel The statutory auditors and the internal auditors are also invited to the meeting.

The committee met four times on 24th July, 2009, 29th September, 2009 20th October, 2009, and 23th January, 2010. During the Financial year 2009-10 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	4	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 redress 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 :

- Transfer / transmission / transposition of shares, issue of duplicate shares, consolidation of shares / subdivision of shares.
- Review of Dematerialization of shares.
- 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 following Directors.

Chairman

Shree P.K. Patel

Other members

Shri R. N. Patel

Shri G. A. Patel

The Compliance Officer

Shri Hardik P Patel is the Compliance officer

The committee met on 20th June, 2009, 31th August, 2009, 31th December, 2009 and 31th March, 2010 during the financial year 2009 - 2010

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri P. K. Patel	4	4	Yes
Shri R. N. Patel	4	4	Yes
Shri G. A. Patel	4	4	Yes

During the year ended 31/03/2010 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 2010, 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.
25 / 09 / 2009	2008-09	10.00 am	1st floor, Deshna Chamber B/h, Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014	23rd
06 / 09 / 2008	2007-08	11.15 am	As Above	22 nd
29 / 09 / 2007	2006-07	11.15 am	As Above	21 st

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 31/03/2010
- B) There was 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.

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

Annual General meeting : **Monday, 27th September, 2010**
 Date and Time : 10.00 a.m.
 Venue : **K. Z. Leasing & Finance Ltd.**
 1st floor, Deshna Chambers,
 B/h. Kadva Patidar Wadi,
 Usmanpura, Ashram Road,
 Ahmedabad - 380014

Financial Calender

1st Quarterly Result : July, 2010.
 2nd Quarterly Result : November, 2010
 3rd Quarterly Result : February, 2011
 4th Quarterly Result : June 2011

Book Closure Date : **23rd September, 2010 To 27th September, 2010**
 (Both days inclusive)
 Dividend Payment Date : Not Applicable

List of Stock Exchanges

The Stock Exchange, Mumbai
 Phiroze jeejeebhoy Towers
 Dalal Street
 Mumbai-400021

Listing Fees : Listing fees of stock Exchanges for the year 2009-10 have been paid.

Demat of shares : **24,43,690** Equity shares which is around **80.35%** of the paid up capital as on March 31, 2010 has been dematerialized

Stock Exchange Codes

Equity Shares
 BSE
 ISIN NO. : INE006C01015

Market Price data : Stock performance in comparison with BSE sensex
Script Code : **511728**

For the period from April 2009 to March 2010

Date	Market Price		Volume (Nos.)
	High Rs.	Low Rs.	
Apr-09	60.00	29.50	84389
May-09	28.05	13.30	202244
Jun-09	15.01	09.15	487231
Jul-09	11.30	07.80	366404
Aug-09	09.52	07.13	139264
Sep-09	12.71	09.80	363705
Oct-09	17.77	12.28	139885
Nov-09	10.72	08.86	73675
Dec-09	10.17	08.55	82948
Jan-10	13.00	08.65	186627
Feb-10	10.70	08.10	61315
Mar-10	09.87	07.28	90281

(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 transferee 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 Demate Request and send it to the company along with the option letter. on the receipt of the same, the company dematerializes the shares. Incase the transferee is not interested in dematerialization 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

Rang (in Rs)	Total Holders	Total holdings (in Rupees)	% of Total
1 – 5000	4357	9519240	31.30
001 – 10000	107	1635310	5.38
10001 – 20000	70	1439320	4.73
20001 – 30000	22	982230	3.23
30001 – 40000	13	814230	2.68
40001 – 50000	7	331440	1.09
50001 – 100000	19	1935160	6.36
100001 - as above	22	13755070	45.23
Total	4617	30412000	100.00

Share Holding Pattern Of K. Z. Leasing & Finance Ltd. As On 31st March, 2010

Category	No of shares held	% to paid up capital
Promoter	337292	11.09
Bodies Corporate	593902	19.53
Individuals	2110006	69.38
TOTAL	3041200	100.00

Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion date and Likely impact on equity : N.A.

Address for Correspondence : **K. Z. Leasing & Finance Ltd.**
Deshna Chambers, B/h. Kadva Patidar Wadi,
Usmanpura, Ahmedabad - 380014.

Registrar and Transfer Agent : **Link Intime India Privat Limited.**
(Formerly, Intime Spectrum Registry limited)
C - 13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup(W)
Mumbai - 400078. Phone; 022-2594 6970/78

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, 2010, as stipulated in clause 49 of the Listing agreement of the said Company with the Stock Exchanges, which 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 that 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 : 16-08-2010

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

(Proprietor)

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 31/03/2010 and also the Profit & loss A/c / Cash Flow Statement of the company for the year ended on that date annexed there to. There is financial statement are the responsibility of the company management. our responsibility is to express an opinion on these financial statement 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 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 include 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 if 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 31/03/2010 and taken on record by the board of directors, we report that hone of the directors are disqualified as on 31/03/2010 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:

- 1) In case of the balance sheet, of the state of affairs of the company as at March 31, 2010 and
- 2) In case of Profit & loss account of the Profit(Previous year's loss) for the year ended on that date.
- 3) In case of cash flow Statement of the company for the year ended on that date.

Place : Ahmedabad
Date : 16-08-2010

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

J. M. Patel
(Proprietor)

ANNEXURE TO AUDITORS REPORT AS ON 31/03/2010**1. In Respect of Fixed Assets**

- a. The Company is 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 disposed off a part of fixed assets during the year. Which will affect the going concern of the company.

2. In Respects 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 Maintain 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 regular 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 amount 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.

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 made therein. All shares, debentures and other investments 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 objects 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 and 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. 30/08/2002 for the non acceptance of public deposits.
23. 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. Capital Adequacy
 - (a) The capital adequacy ratio as disclosed in the return submitted to the bank in from (NBS -7) has been an correctly arrived at and find ratio is in compliance with the minimum CRAR Prescribed by the bank.
 - (b) The Company has furnished to the bank the annual statement as capital funds, risk assets/exposures and risk asset ratio (NRS-7) within the stipulated period.
26. The company has received registration as provided in section 45IA of the Reserve bank Of India Act. 1934.

Place : Ahmedabad
Date : 16-08-2010

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

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

K Z Leasing & Finance Limited
Balance Sheet As At 31/03/2010

Particular	Schedule	2009-2010	2008-2009
SHARE HOLDERD FUNDS			
(A) Share Capital	1	30412000.00	30412000.00
(B) Reserve & Surplus	2	33262831.93	32620676.93
LOAN FUNDS			
(A) Sucured Loan	3	2148232.55	17991236.23
(B) Un Secured Deposits	3A	9055479.00	10879652.00
		<u>74878543.48</u>	<u>91903565.16</u>
Application OF Funds			
Fixed Assets			
(A) Gross Block	4	1113312.00	1113312.00
(B) Less : Depreciation		456828.00	413076.00
		<u>656484.00</u>	<u>700236.00</u>
NET BLOCK		656484.00	700236.00
Investment	5	20365410.72	20297132.22
Current Assets Loans & Advances			
(A) Cash On Hand & Bank Balance	6	42505669.67	42505335.85
(B) Loans & Acvances	7	7873754.00	23096980.00
(C) Other Current Assets	7A	2224855.50	1562794.50
		<u>52604279.17</u>	<u>67165110.35</u>
Less : Current Liabili. & Provision	8	568982.00	474582.00
Net Current Assets		<u>52035297.17</u>	<u>66690528.35</u>
Profit and Loss account		1807867.59	4199488.59
Misc. Expenditure			
To The Extent Not Written Off	9	13484.00	16180.00
		<u>74878543.48</u>	<u>91903565.16</u>

subject to our audit report of even date

Director

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

1. Pravinkumar Keshavlal Patel

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

2 Ankit Pravinbhai Patel

Place : Ahmedabad
Date : 16 / 08 / 2010

3. Kantibhai Joitaram Patel

**K. Z. Leasing & Finance Ltd
Profit & Loss A/c For The Year Ended As 31/03/2010**

Particular	Schedule	2009-2010	2008-2009
Income			
Income From Operation	10	772443.00	1285894.00
Other Income	11	5801557.18	3872390.41
		6574000.18	5158284.41
Expenditure			
Interest		1210712.00	1689391.00
Administrative and other expenses	12	2106064.18	2207863.95
Depreciation		43752.00	43752.00
1/10 Preliminary expenses		2696.00	2696.00
Fringe benefit tax		0.00	10920.00
Sort Term capital loss of the year		0.00	5403150.05
		3363224.18	9357773.00
Net Profit For The Year		3210776.00	-4199488.59
Less : Income Tax Provision		177000.00	0.00
Fringe Benefit Tax Payable		0	0.00
		3033776.00	-4199488.59
Balance of Previous year		-4199488.59	
Less : Transfer To Statutory Reseved Fund		642155.00	0.00
Transfer To Revenue Reserve		-1807867.59	-4199488.59

subject to our audit report of even date

Director

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

1. Pravinkumar Keshavlal Patel

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

2 Ankit Pravinbhai Patel

Place : Ahmedabad
Date : 16 / 08 / 2010

3. Kantibhai Joitaram Patel

SCHEDULES FORMING PART OF THE BALANCE SHEET

Perticulars	As At 31.3.2010	As At 31.3.2009
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SCHEDULE 1 AUTHORISED CAPITAL

3200000 Equity Shares Of Rs 10/- each	32000000.00	32000000.00
	32000000.00	32000000.00
Issued Subscribed & Paid Up Capital		
3041200 Equity Shares Of Rs. 10 Each	30412000.00	30412000.00
	30412000.00	30412000.00

SCHEDULE 2 RESERVE & SURPLUS**Statutory Reserve
(Under Section 45/IC Of The RBI Act,
1934)**

As per last Balance Sheet	5773013.32	5773013.32
Addition during the year	642155.00	
Revenue Reserve		
As per last Balance Sheet	26847663.61	26847663.61
	33262831.93	32620676.93

SCHEDULE 3 SECURED LOANO.D. against fixed deposits

The navniraman co.op.bank	-41568.84	2090183.01
Uco Bank	2189801.39	15901053.22
	2148232.55	17991236.23

SCHEDULE 3A UNSECURED LOAN

1. Relatives	8141245.00		
2. Directors	909234.00		
3. Security Deposit	5000.00		
4. Inter corporate Diposit			
	9055479.00	9055479.00	10879652.00

SCHEDULE 4

Schedule of Fixed Assets To And Forming Part Of the Balance sheet As At 31st march 2010

Sr. No.	Perticular	Oppning Balance (GB)	Addition	Deduction	Deduction Adjustment	Total On 31/03/2010	Depr.Up to 31/03/2009	For The Year	Total Depr. 31/03/2010	Net. WDV
1	Furniture	366461	-	-	-	366461	171724	15412	187136	179325
2	Computer	165151	-	-	-	165151	113305	15767	129072	36079
3	Office Building	558200	-	-	-	558200	120997	9048	130045	428155
4	Air Condi-tiones	23500	-	-	-	23500	7050	3525	10575	12925
		1113312				1113312	413076	43752	456828	656484

SCHEDULE 5 INVESTMENT

Quoted

	As At 31.3.2010	As At 31.3.2009
1000 Shares Of Rs. 10 each in Akshar Finance Ltd	10000.00	10000.00
50 Shares Of Rs. 10 each in S N S Dignostics Ltd	2000.00	2000.00
50 Shares Of Rs. 10 each in S N S Laboratories Ltd.	1000.00	1000.00
600 Shares Of Rs. 10 each in Indag Product Ltd.	600.00	600.00
100 Shares Of Rs. 10 each in Mac Charles (I) Ltd.	0.00	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
1170 Shares Of Rs. 10 each in Apple Finance Ltd.	25740.00	25740.00
100 Shares Of Rs. 10 each in Apple Cradit Corpo. 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
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
200 Shares Of Rs. 5 each in TV Today	21600.00	28500.00
45341 Shares Of Rs. 10 each in Uco Bank	1540177.82	1524703.82
23200 Shares Of Rs 10 each in Bank Of Maharastra	781930.00	642570.00
232 Shares Of Rs. 10 each in Indoco Remedies Ltd.	68521.20	68521.20
25 Shares Of Rs. 10 each in Punjab National Bank	0.00	9000.00
11060 Shares Of Rs. 10 each in Gujarat N.R.I. Crock Ltd.	398007.40	414632.40
550 Shares Of Rs. 10 each in Jet Airways (I) Ltd.	534400.00	560500.00
27300 Shares Of Rs. 10 each in Reliance Petrolium Ltd.	0.00	3790790.25
3964 Shares Of Rs. 10 each in Reliance industries Ltd.	4491737.25	0.00
3460 Shares Of Rs. 10 each in Reliance Power Ltd	402753.35	402753.35
200 Shares Of Rs. 10 each in Shobha Developers	93400.00	93400.00
24352 Shares Of Rs. 1 each in T C S Ltd	5932602.00	7084988.00
4047 Shares Of Rs. 10 each in 3 I infotech Ltd	347515.50	513700.00
3460 Shares Of Rs. 10 each in Central Bank Of India	224649.70	360196.70
6200 Shares Of Rs. 1 each in F D C Ltd	303450.00	446250.00
75000 Shares Of Rs. 10 each in Himachal Future Ltd	2050373.70	2050373.70
11900 Shares Of Rs. 1 each in Meghmani Organics Ltd	256940.00	256940.00
700 Shares Of Rs. 10 each in M T N L Ltd	60000.00	30250.00
5000 Shares Of Rs. 10 each in Power Grid Corpo. Ind. Ltd	515500.00	125100.00
1100 Share of Rs. 10 each in Empee Distiller ltd	164125.00	180950.00
1100 Shares Of Rs. 2 each in satyam computer ltd	105300.00	180650.00
1500 Shares Of Rs. 2 each in Unitec ltd	256017.80	256017.80
28 Shares Of Rs. 10 each in APT pakesing ltd	336.00	336.00
7 Shares Of Rs. 10 each in Macchhar infrastuctur ltd	84.00	84.00
100 Shares Of Rs.10 each in NMDC Ltd	28500.00	0.00
300 Shares Of Rs.10 each in North Gate Ltd	8765.00	0.00
15000 Shares Of Rs.10 each in NHPC Ltd	504900.00	0.00

Un Quoted

2640 Shares Of Rs. each in The Navnirman Co.Op.Bank	66000.00	66000.00
1 Shares Of Rs. 100 each in Standard Co.Op.Bank Ltd.	0.00	100.00
10 Shares Of Rs.100 each in The Royal Co.Op.Bank Ltd.	0.00	1000.00
Mutual Fund	1150000.00	1150000.00

20365410.72	20297132.22
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Total Market Value Of Quoted Investment Rs. **32526927.05**Total Market Value Of Un Quoted Investment Rs. **1216000.00****33742927.05**

SCHEDULE 6 CASH & BANK BALANCE

Cash On Hand	4379.00	4650.00
Bank (HDFC bank)	1290.67	685.85
Balance With Schedule Banks		
In Fixed Deposit(Uco Bank)	40000000.00	40000000.00
Balance With Non Schedule Bank		
In current A/c(The NNC Bank Ltd)	0.00	34197.00
In Fixed Deposit A/c(The NNC Bank Ltd)	2500000.00	2500000.00
	<u>42505669.67</u>	<u>42539532.85</u>

SCHEDULE 7 LOANS & ADVANCES

Hire Purchase	0.00	0.00
Housing Loans	0.00	1964.00
Current Unsecured Loans	221358.00	23087319.00
Dividend Receivable	9621.00	7697.00
Inter corporate Loan A/c	7642775.00	0.00
	<u>7873754.00</u>	<u>23096980.00</u>

SCHEDULE 7A

T.D.S.	<u>2224855.50</u>	<u>1562794.50</u>
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SCHEDULE 8**A. Current Liabilities**

Othe Liabilities (Exp)	237207.00	256063.00
T.D.S. Payable	102575.00	207599.00
Income Tax Provision (A.Y. 2009 - 2010)		0.00
Income Tax Provision (A.Y. 2010 - 2011)	177000.00	
Fringe Benifit Tax Payable		10920.00
Sundry Creditors	52200.00	
	<u>568982.00</u>	<u>474582.00</u>

SCHEDULE 9 MISC. EXPENDITURE

Preliminary Exp. (16180-2696)	<u>13484.00</u>	<u>16180.00</u>
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SCHEDULE 10 INCOME FROM OPERATION

Loan Interest Income	<u>772443.00</u>	<u>1285894.00</u>
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SCHEDULE 11 OTHER INCOME

Dividend income	625175.92	429499.55
Interest Received On Deposits (Net)	3103005.76	2841853.09
Share Profit A/c	1998007.50	457583.00
Mutual Fund Profit	0.00	0.00
Bound intrest income	0.00	101729.77
Share Trading Profit A/c	75368.00	41725.00
	<u>5801557.18</u>	<u>3872390.41</u>

SCHEDULE 12 ADMINISTRATIVE AND OTHER EXPENSES

Advertise Expenses	31784.00	9920.00
Annual Custodian Charges	15098.00	17731.00
Annual General Meeting Expenses	12000.00	21535.00
Audit Fees	30000.00	22000.00
Bad & Debts	0.00	37455.00
Bank Charges	2687.18	2415.18
Brokerage & Commission Exp (F&O)	0.00	180.00
Brokerage & Commission Exp	12572.00	87541.00
Business Promotion Exp.	1320.00	7225.00
Car & Scooter Repairing Expenses	6427.00	8774.00
Company Secretary Fees	11030.00	15000.00
Computer maintenance Expenses	0.00	2813.00
Conveyances Alliances Exp.	100800.00	76800.00
Demat Delivery Charges	744.00	0.00
Director Remuneration	231000.00	264000.00
Electric Power Expenses	65116.00	51788.00
Fringe Benefit Tax interest	0.00	528.00
Godown Rent	0.00	48000.00
Income Tax Exp.	0.00	97624.00
Legal & Professional Expenses	24250.00	41500.00
Medical Expenses	257889.00	12063.00
Membership & Subscription	18677.00	12230.00
Misc Expenses	976.00	7311.40
Office Expenses	165455.50	82674.00
Petrol Exp	67796.50	0.00
Postage & Tele. Expenses	54043.00	40557.00
Printing & Stationery Expenses	7173.00	10419.00
Professional Tax	2000.00	2000.00
Rates & Taxes	30598.00	28162.00
Registration Filing Fees Expenses	5000.00	1000.00
Salary Wages & Bonus	842010.00	853000.00
Securities Transaction Tax	25532.00	104705.00
Securities Transaction Tax (F & O)	0.00	57.00
Service Tax	1385.50	10973.32
Service Tax (F & O)	0.00	24.97
shares Registrar & transfers Agent	23163.00	23163.00
Staff welfare Expenses	34808.00	83789.00
Stamp Duty Expenses	1808.50	9130.08
Stamp Duty Expenses (F & O)	0.00	12.00
Stock Exchange Listing Fees	11030.00	12114.00
Traveling Expenses	11891.00	101650.00
	<u>2106064.18</u>	<u>2207863.95</u>

SCHEDULE : 13 NOTES ON ACCOUNT

(A) Significant accounting Policies :

1 Basis of Accounting :

Accounts 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 i. 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 ii. There were no provision for lower market value of securities (investments) as there were frequent change in market prices.

2 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.

3 Expenses.

- 1 All Expenditure are on mercantile basis.
- 2 Interest rates on unsecured loans are decided by the Directors.
- 3 Hire Purchase advances also includes the other type of advances guaranteed either on fixed assets or personal guarantee of the loan.
- 4 Bad & Doubtful advances written off as and when no recovery instead NPA of provision.

4 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 date of purchase / sale

(b) Preliminary Expenses will be written off at the rate of 10 % of SLM.

(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

	31/03/2010	31/03/2009
Audit Fees	15000.00	15000.00
- 5 The Board of Director have accepted deposits from closely related 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 any 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. Pravinkumar Keshavlal Patel

2. Ankit Pravinkumar Patel

Chairman/ Managing Director

(J. M. Patel)

M.Com. F.C.A.

3. Kantibhai Jotaram Patel

Place : Ahmedabad

Date : 16-08-2010

Director

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, 2010

2. Capital Reised During The Year (Amount In Rs. 1 lacs)

Public Issue	: Nil
Rights Issue	: Nil
Bonus Issue	: Nil
Private Placement	: Nil

3. Position Of Mobilisation and Deployment of Fund (Amount In Rs. Lacs)

Total Liabilities	748.78
Total Assets	748.78

Source of Funds

Paid Up Capital	304.12
Reserves & Surplus	326.26
Secured Loans	21.48
Unsecured Loans	90.55

Application Of Funds

Net fixed Assets	6.56
Investment	203.65
Net current Assets	520.35
Misc. Expenditure	0.13
Accumulated Losses	18.07

4. Performance of Company (Amount In Lacs)

Turnover	65.74
Total Expenditure	33.63
Profit & Loss Before Tax	32.10
Profit & Loss After Tax	30.33
Earning Per Share In Rs.	0.99
Dividend Rate	Nil

5. Generic Names Of three Principal Products/Services of Company (As Per Monetary Terms)

Items Code No.	: N.A
Product Description	: Hier Purchase
Items Code No.	: N.A
Product Description	: Leasing
Items Code No.	: N.A
Product Description	: Bill Discounting

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

Place : Ahmedabad
Date : 16-08-2010

For & On Behalf Of Board Of Directors
For, K. Z. Leasing & Finance Ltd.

(Pravinbhai K. Patel)
Chairman/ Managing Director

**K. Z. Leasing & Finance Ltd.
Cash Flow Statement for The Year Ended on 31/03/2010**

Particular	Year Ended Rupees	For The Year Ended 31/03/2010	For The Year Ended 31/03/2009
<u>A. Cash Flow From Operating Activities</u>			
Net profit before tax and extra ordinary item		2568600.00	-4199488.50
Add Back :			
(A) Depreciation		43750.00	
(B) Preliminary Exp. W/off		2696.00	
		2615046.00	46448.00
Deduct :			
Dividend Income		625175.00	
Bank Int. Income		3103005.00	
Net of other income Cr. But not receiving/Exp. Dr. But Paid		-1409.00	0.00
Long term Capital Gain		1300058.00	
Short Term Capital Gain		697949.50	
Speculation Gain		75368.00	-1632489.30
		5800146.50	
Operating profit before working Capital Changes		-3185100.50	-2520550.00
Adjustment for working capital changes			
Decrease/(-)Increase in Loans and advances		1824173.00	2604240.00
Increase in current assets		15223226.00	512512.00
Increase in Current Liabilities		94400.00	660163.00
Cash Flow From Operation		17141799.00	3776915.00
Direct Tax Paid		0.00	0.00
Cash Inflow before extraordinary items & prior year adjustment		17141799.00	3776915.00
Extraordinary items and prior year adjustment			
Net cash from Operating activities		13956698.50	-921607.00
<u>B. Cash Flow From Investing Activities</u>			
Acquistition of fixed assets			0.00
Mutual Fund sale			0.00
Shares sold		14249186.00	3528912.00
Shares Purchased		-14317646.00	0.00
Mutual Fund Purchase/sale			0.00
Investment in Shares			0.00
Dividend Income		625175.00	429499.00
Bank Int. Income		3103005.00	2841853.00
Short term Share		697949.50	-5403150.00
Long term share		1300058.00	457583.00
Speculation profit		75368.00	41725.00
Net cash from Investing activities		5733095.50	1896422.00
<u>C. Cash Flow Arising From Financing Activities</u>			
Proceeds from borrowings / (Repayment of Borrowings		0.00	0.00
Security Deposits			4144850.00
Net cash from Financing activities		0.00	4144850.00
Net increase in cash and Bank equivalents during the year		19689794.00	5119665.00
Add: Cash and Bank equivalents at the beginning of the year		24514099.00	19394434.00
Cash and Bank equivalents at the end of the year		44203893.00	24514099.00

Place : Ahmedabad
Date : 16-08-2010

On Behalf Of Board
For, K. Z. Leasing & Finance Ltd.
(Pravinbhai K. Patel)
Chairman/ Managing Director

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 31st, 2010 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 : 16-08-2010

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 31/03/2010

PARTICULARS**LIABILITIES SIDE :**

1. Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
(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 Deposit	Nil	Nil
(G) Other Loans (specify nature) (Director, Friends and Relatives Depo.)	90.50	Nil

*please see note 1 below

2. Break up of (1) (f) above (outstanding public deposits inclusive or 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	Nil	Nil

* Please see Note 1 below

Assets Side :

	Amount Outstanding
3. Break up of Loans and advances including bills receivable (other than those included in (4)	
(a) Secured	00.00*
(b) Unsecured	78.64
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	Nil
(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	191.49
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	11.50
(iv) Government Securities	Nil
(v) Other (Please Specify)	Nil
2 Unquoted	
(i) Shares : (a) Equity	0.66
(b) Preference	
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Other (Please Specify)	Nil

6. Borrower group wise 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	Nil	78.64	78.64
Total	Nil	78.64	78.64

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	Nil	Nil
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	337.43	203.65
Total	337.43	203.65

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

- ** As per Accounting Standard of ICAI (please see note 3)

8. Other Information

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 :

- As defined in paragraph 2(1) (xii) of the non Banking Financial companies Acceptance of Public Deposit (Reserve Bank) Directions, 1998
- Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms (Reserve Bank) directions, 1998
- 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.

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 24th Annual General Meeting held on Monday 27th September 2010 at Regd. Office: 1st floor Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad – 380014 (Gujarat)

NAME OF SHAREHOLDER /PROX _____

ADDRESS: _____

NO. OF SHAREHELD _____

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 _____ as my /our proxy to attend vote for Me/our behalf at the 24th Annual General Meeting of the Company to be held on Monday 27th September 2010

Signed this _____ day of 2010

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

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1st Floor, Deshna Chamber, Ashram Road, Usmanpura,
Ahmedabad – 380014.