

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 **27th Annual General Meeting of the members of K.Z. Leasing & Finance Ltd.**, will be held on **30th September, 2013** Regd. Office:- 1st Floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014 (Gujarat) at **10.00A.M.** to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as on **31st March 2013** 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. Rameshkumar N. Patel, who retires by rotation, and being eligible offers himself for re appoint.
3. To Appoint a Director in place of Mr. Kantibhai J. Patel, who retires by rotation, and being eligible offers himself for re appoint.
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 – 380014.
Date : 31-07-2013

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 **24/09/2013 to 30/09/2013**(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.

DIRECTORS REPORT

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

Your Directors have pleasure in presenting the 27th Annual Report of your company together with the Audited Accounts for the year ended 31st March 2013,

FINANCIAL RESULT

Income	2012-2013	2011-2012
Profit before depreciation & tax	1,381,644.27	1,266,308.95
Less : Depreciation	32,530.00	43,752.00
Provision for Taxation	272,694.00	345,119.00
NET PROFIT/LOSS AFTER TAX	1,076,420.27	877,437.95
Less : Transfer to statutory Reserve A/c 20% Balance of Previous Year	215,284.05	175,487.59
Transfer to Revenue Reserve	861,136.22	701,950.36

OPERATION

The company has earned the net Profit after tax of Rs 1,076,420.27 as against the last year's net Profit after tax of Rs. 877,437.95

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.

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, 2013**, 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, 2013** on a " going concern " basis

DIRECTORATE

In accordance with the provisions of The Companies Act, 1956 and the Article of Association of the Company, Mr. Rameshkumar N. Patel and Kantibhai J. Patel will be retired by rotation at the ensuing Annual General Meeting.

RBI GUIDELINES

The company has complied with the regulations of the Reserve Bank of India as on **March 31st, 2013** as are applicable to it as a systemically important non banking finance company.

CAPITAL ADEQUACY

The company's capital adequacy ration was 193.95% as on March 31st 2013, Which is significantly above the threshold limit of 10% as prescribed by the reserve bank of India.

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

Pursuant to the requirements of the Listing Agreements with Stock Exchanges, your Directors are pleased to annex the following:

1. Management Discussions and Analysis Report.
2. A report on Corporate Governance along with Auditor's Certificate relating to compliance of conditions thereof.

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 : Ahmadabad

Date : 31-07-2013

By Order Of The Board Of Director

Pravinbhai K Patel
(Chairman/ Managing Director)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report covers the operations and financial performance of the Company and part forms of the Directors' Report

1. OVER VIEW :

During the year under the review Financial Health of the market is not so good but due to the efforts of the Management Company maintained its growth.

2. INDUSTRY STRUCTURE AND DEVELOPMENT :

Indian Economy has face Certain difficulties due to the all over global slow down in world economy and try to sustained growth rate.

3. OPPORTUNITIES AND THREATS :

The whole world face Slow Down in economies of the Developed and Developing Counties and its affected to our economy also. However, the Company face competition from the Unorganized financial sector.

4. SEGMENT REVIEW AND ANALYSIS :

The Company has Finance segment and Investment. The Company is mainly Finance.

5. RISK AND CONCERNS:

The significant increase in the Non Performing Assets in financial sector create fear for the whole market.

6. OUTLOOK:

The Company has put thrust on development of new markets.

7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

The Company has proper and adequate internal control system to safeguard the assets against loss from unauthorized use or disposition. These systems also ensure that all the transactions are recorded and reported correctly. The Management continuously reviews the internal control system and procedure to ensure efficient conduct of the business.

8. HEALTH AND SAFETY MEASURES:

The due care is being taken to ensure the good health of the employees of the Company. All due care is being taken to keep the clean environment in the Office premises of the Company.

9. HUMAN RESOURCES:

The relation with the employees of the Company during the year under review were cordial.

CORPORATE GOVERNANCE REPORT

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.

1. Board of Directors :

The Company has a balance Board, comprising of Executive and Non Executive Directors. The Company is in compliant with requirement of clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (As specified in clause 49), across all the Companies in which they are Directors.

The following is the details of the composition of the Board as on 31st March, 2013.

Sr. no.	Name of Director	Executive/ Non Executive / Independent	No. of outside Directorship held	No. of Membership/ Chairmanship in Board Committee
1	Shri Pravinbhai K. Patel	Executive	1	2
2	Shri Rameshbhai N. Patel	Non Executive & Independent	1	2
3	Shri Keshavlal K. Patel	Non Executive & Independent	1	-
4	Shri Gandalal A. Patel	Non Executive & Independent	2	3
5	Shri Kantilal J Patel	Non Executive & Independent	-	2
6	Shri Ankit P Patel	Executive	1	-

During the Year 2012-13, 7 (seven) Board Meeting were Held i.e. on 12.05.2012, 30.07.2012, 01.08.2012, 14.08.2012, 11.10.2012, 31.12.2012, 31.01.2013

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	Attend		
Shri Pravinbhai K. Patel	7	7	Yes	Nil
Shri Rameshbhai N. Patel	7	4	Yes	Nil
Shri Keshavlal K. Patel	7	5	Yes	Nil
Shri Gandalal A. Patel	7	5	Yes	Nil
Shri Kantilal J Patel	7	5	Yes	Nil
Shri Ankit P Patel	7	7	Yes	Nil

2. AUDIT COMMITTEE

The audit Committee comprise of 3 members, The committee consists of Two independent directors and one Executive Director.

Name	Designation	Nature of Directorship
Shri Gandalal A. Patel	Chairman	Independent Director
Shri Kantilal J Patel	Member	Independent Director
Shri Pravinbhai K. Patel	Member	Executive Director

The terms of reference of our Audit Committee are given below:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;
 2. Changes, if any, in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing internal audit reports and adequacy of the internal control systems.
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses
- Review statement of significant related party transactions
- Review of management discussion and analysis of financial condition and results of operations
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

Meetings and attendances:

During the year, 4 Audit Committee Meetings were held on 12.05.2012, 14.08.2012, 11.10.2012, 31.01.2013

The Attendance of Members at meetings was as follows:

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri Gandadal A. Patel	4	3	Yes
Shri Kantilal J Patel	4	3	Yes
Shri Pravinbhai K. Patel	4	4	Yes

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

3. REMUNERATION COMMITTEE :

The Remuneration Committee has been constituted with the following Directors:

Name	Designation	Nature of Directorship
Shri Kantilal J Patel	Chairman	Independent Director
Shri Rameshbhai N. Patel	Member	Independent Director
Shri Gandalal A. Patel	Member	Independent Director

The terms of reference of the Remuneration Committee are as follows:

- To decide and approve the terms and conditions for appointment of executive directors and remuneration payable to other directors and matters related thereto.
- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment.

Meetings and Attendances:**Particulars of Remuneration Committee's meetings:**

Name of Director	No. of Meetings	
	Held	Attended
Shri Kantilal J Patel	1	1
Shri Rameshbhai N. Patel	1	1
Shri Gandalal A. Patel	1	1

Remuneration of Directors:

(Rs. In Lacs)

Name	Salary	Perquisites & allowances	Sitting fees	Commission/ bonus	Total
Shri Pravinbhai K. Patel	1.80	0.096	-	-	1.896
Shri Rameshbhai N. Patel	-	-	-	-	-
Shri Keshavlal K. Patel	-	-	-	-	-
Shri Gandalal A. Patel	-	0.096	-	-	0.096
Shri Kantilal J Patel	-	0.096	-	-	0.096
Shri Ankit P Patel	1.80	0.096	-	-	1.896

4. SHAREHOLDERS / INVESTOR'S GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee has been constituted in compliance with Clause 49 of the Listing Agreement with the following Directors: -

Name	Designation	Nature of Directorship
Shri Rameshbhai N. Patel	Chairman	Independent Director
Shri Gandalal A. Patel	Member	Independent Director
Shri Pravinbhai K. Patel	Member	Executive Director

The terms of reference of the Shareholders' / Investors' Grievances Committee is as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Meetings and Attendance:**Particulars of Shareholders'/Investors' Grievances Committee's meetings:**

During the year, 10 Shareholders' / Investors' Grievances Committee Meetings were held on, 14.08.2012, 31.01.2013,

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri Rameshbhai N. Patel	2	2	Yes
Shri Gandalar A. Patel	2	2	Yes
Shri Pravinbhai K. Patel	2	2	Yes

No Remuneration / sitting fees are paid to the members of the investor grievance committee.

SHAREHOLDERS' INFORMATION

Name of Compliance Officer: Shri Hardik P. Patel

General Body Meeting

Last 3 General Meeting of the Company were held as under

AGM Date	AGM Time	AGM Venue
29.09.2012	10:00 a.m.	1 st Floor, Deshna Chamber, UshmanPura, Ashram Road, Ahmedabad - 380014
27.09.2011	10:00 a.m.	1 st Floor, Deshna Chamber, UshmanPura, Ashram Road, Ahmedabad - 380014
27.09.2010	10:00 a.m.	1 st Floor, Deshna Chamber, UshmanPura, Ashram Road, Ahmedabad - 380014

DISCLOSURES :

- Related party transaction have already been given in the Note No. 5 (b) and (c) of the Annual Accounts of the Company for the year 2012-13.
- There was neither been any non compliance of any legal provision of applicable law nor any penalty, structure imposed by the Stock Exchange or SEBI or any other authorities on any matters related to Capital Market during last three years.
- No money was raised by the Company through any Public Issue, Right Issue, Preferential Issue, etc. in the last financial Year.
- Management discussions and analysis forms part of Annual Report to shareholders and it includes discussion on matters as required under the Provision of Clause 49 of the Listing Agreement with Stock Exchange.
- There were no material financial & Commercial transaction by Senior Management as defined in Clause 49 of the Listing Agreement where they have any personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.

Means of Communications

- Quarterly Results :
The quarterly results were published in the News Papers as required pursuant to the Listing Agreement.
- The Results were normally Published in Free press journal Western Times (English & Gujarati) daily

General Shareholder's Information

Annual General meeting	: 27 th
Date & Time	: Monday , 30th September, 2013 & 10.00a.m.
Venue	K. Z. Leasing & Finance Ltd. 1 st floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad – 380014.

Financial Calendar

The Financial Year of the Company is for a period of 12 months from 1st April, 2013 to 31st March 2014

1st Quarterly Result	:	July, 2013.
2nd Quarterly Result	:	November, 2013
3rd Quarterly Result	:	February, 2014
4 th Quarterly Result	:	June, 2014

Book Closure Date : **24rd September, 2013 To 30th September, 2013**
(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 2013-14 have been paid.

Demat of shares : **24,78,390** Equity shares which is around **81.49%** of the paid up capital as on March 31, 2013 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 2012 to March 2013

Financial Year - 2012-13	Bombay Stock Exchange	
	Highest (Rs.)	Lowest (Rs.)
Apr - 12	6.84	5.80
May - 12	6.50	4.85
Jun - 12	5.89	4.66
Jul - 12	5.82	4.85
Aug - 12	5.11	4.21
Sep - 12	4.62	3.90
Oct - 12	4.53	3.81
Nov - 12	4.32	3.70
Dec - 12	4.74	4.01
Jan - 13	5.95	4.08
Feb - 13	6.10	4.79
Mar - 13	4.56	3.41

(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 as at 31st March, 2013.

No of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-500	590941	19.43	3880	89.24
501-1000	205644	6.76	243	5.59
1001-2000	140441	4.62	98	2.25
2001-3000	63171	2.08	25	0.57
3001-4000	88332	2.90	25	0.57
4001-5000	56697	1.86	12	0.28
5001-10000	179329	5.90	27	0.62
10001 and Above	1716645	56.45	38	0.87
Total	3041200	100.00	4348	100.00

Share Holding Pattern Of K. Z. Leasing & Finance Ltd. As On 31st March, 2012

Category	No of shares held	% to paid up capital
Promoter	457310	15.04
Bodies Corporate	342645	11.27
Individuals	2241245	73.69
TOTAL	3041200	100.00

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 Privet 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, 2013, 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 : 22-05-2013.

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

(Proprietor)
FRNO.107707W

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 31/03/2013 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, 2004 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 31/03/2013 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31/03/2012 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, 2013 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 : 22-05-2013

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

J. M. Patel
(Proprietor)
FR NO.107707W

ANNEXURE TO AUDITORS REPORT AS ON 31/03/2013**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 Profit 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 : 22-05-2013.

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

(J. M. Patel)
M.com, F.C.A.
FRNO. 107707W

K. Z. Leasing & Finance Ltd
Balance Sheet as at 31 March, 2013

Particulars	Notes	2012-2013	2011-2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	3	30,412,000.00	30,412,000.00
(b) Reserves and Surplus	4	42,770,357.77	38,858,841.50
(c) Money received against share warrants		-	-
		73,182,357.77	69,270,841.50
2 Share Application Money Pending Allotment		-	-
3 Non-current liabilities			
(a) Long-term Borrowings	5	7,263,751.10	24,070,558.53
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other long-term Liabilities		-	-
(d) Long-term provisions		-	-
		7,263,751.10	24,070,558.53
4 Current liabilities			
(a) Short-term Borrowings	6	0	92,093.00
(b) Trade Payables	7	504,912.00	681,464.00
(c) Other Current Liabilities	8	48,503.00	137,594.00
(d) Short-term Provisions	9	296,446.00	23,752.00
		849,861.00	934,903.00
TOTAL		81,295,969.87	94,276,303.03
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	10.A	536,450.00	568,980.00
(ii) Intangible Assets	10.B	-	-
(iii) Capital Work-in-progress	-	-	-
(iv) Intangible assets under Development	-	-	-
		536,450.00	568,980.00
(b) Non-current Investments	11	19,343,358.37	20,403,217.82
(c) Deferred Tax Assets (Net)	22	-	-
(d) Long-term Loans and Advances	12	59,126,338.50	71,451,110.50
(e) Other non-current assets	13	5,096.00	7,792.00
		78,474,792.87	91,862,120.32
2 Current assets			
(a) Current Investments	14	883,500.00	229,500.00
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Cash equivalents	15	5,160.00	3,714.71
(e) Short-term loans and advances	16	1,396,067.00	1,611,988.00
(f) Other current assets	-	-	-
		2,284,727.00	1,845,202.71
TOTAL		81,295,969.87	94,276,303.03

See accompanying notes forming part of the financial statements

In terms of our report attached.

FOR J M PATEL & Bros.

CHARTERED ACCOUNTANTS

CA. J M PATEL

M.COM, F.C.A

Place : Ahmedabad

Date : 22/05/2013

Director

1. Pravinkumar Keshavlal Patel

2. Ankit Pravinbhai Patel

3. Kantibhai Joitaram Patel

Profit and Loss for the year ended 31 March, 2013

Particulars	Notes	2012-2013	2011-2012
A CONTINUING OPERATIONS			
Income			
1 Revenue From Operations (Gross)	17	232,072.00	1,247,871.00
Less: Excise duty		-	-
Revenue From Operations (Net)		232,072.00	1,247,871.00
2 Other income	18	7,649,803.19	4,319,339.95
3 Total revenue		7,881,875.19	5,567,210.95
4 Expenses			
(a) Cost of Materials Consumed			-
(c) (Increase)/ decrease inventories of finished goods, work-in-progress and stock-in-trade			-
(d) Employee Benefits Expense	19	1,714,275.00	1,449,918.00
(e) Other Expenses	20		
Manufacturing Expense			-
Administrative & Office Expense	20.a	4,133,376.40	778,420.00
Selling & Distribution Expense	20.b	14,560.00	8,520.00
5 Total		5,862,211.40	2,236,858.00
6 Earning Before Interest, tax, depreciation and amortization (EBITDA) (3 - 5)		2,019,663.79	3330352.95
Depreciation and Amortisation expense	11	32,530.00	43,752.00
Finance costs	22	638,019.52	2,064,044.00
7 Total		670,549.52	2,107,796.00
8 Profit / (Loss) before tax (6 + 7)		1,349,114.27	1222556.95
9 Tax expense:			
(a) Current tax expense for current year		272,694.00	345,119.00
(b) (Less): MAT credit (where applicable)		0.00	0.00
(c) Current tax expense relating to prior years			
(d) Net current tax expense		0.00	0.00
(e) Deferred tax Assets/ (Liabilities)	27.a	0.00	0.00
		272,694.00	345,119.00
10 Profit / (Loss) from continuing operations (8 +9)		1,076,420.27	877,437.95
B DISCONTINUING OPERATIONS			
11.i Profit / (Loss) from discontinuing operations (before tax)		-	-
11.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
11.iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
12 Profit / (Loss) from discontinuing operations (11.i + 11.ii + 11.iii)		-	-
C TOTAL OPERATIONS			
13 Profit / (Loss) for the year (10 + 12)		1,076,420.27	877,437.95

In terms of our report attached.

Director

For. J.M. Patel & Bros.

CHARTERED ACCOUNTANTS

1. Pravinkumar Keshavlal Patel

CA. J M PATEL

2. Ankit Pravinbhai Patel

M.COM, F.C.A

Place : Ahmedabad

Date : 22/05/2013

3. Kantibhai Joitaram Patel

K. Z. Leasing & Finance Ltd**Notes forming part of the Financial Statements and Significant Accounting Policies****Note Particulars****1) Corporate information**

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.

2) Significant Accounting Policies**a) Basis of Accounting**

Accounts are prepared under historical cost convention. Revenues are recognized 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 recognized 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.

b) Recognition of Income & Expenditure**Revenue Recognition :**

1. The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and provision of the Companies Act, 1956.
2. The Company generally follows mercantile system of accounting and recognizes significant items of Income and expenditure on accrual basis.

Expenses :

- 1 All Expenditure is on mercantile basis.
- 2 Interest rates on unsecured loans are decided by the Directors.
- 3 Hire Purchase advances also include 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.

c) Fixed Assets

Fixed Assets are stated at cost. Cost comprises the purchase price or acquisition cost and any Attributable cost of bringing the assets to working condition for its intended use.

d) Depreciation

1. Depreciation has been provided on the Straight Line Method as per the rates prescribed in Companies Act, 1956.
2. Depreciation on addition during the year has been provided on pro rata basis i.e. from the date of its purchase or it is actually put to use whichever is late and with reference to the method of Depreciation.

e) Inflation

The assets and liabilities are recorded at historical cost in the company. These costs are not Adjusted to reflect the changing value in the purchasing power of money.

Note 3 Share capital

Particulars	2012-2013		2011-2012	
	Number of shares		Number of shares	
(a) Authorised Equity shares of ₹ 10 (F.V) each with voting rights	3,200,000.00	32,000,000.00	3,200,000.00	32,000,000.00
	3,200,000.00	32,000,000.00	3,200,000.00	32,000,000.00
(b) Issued, Subscribed and fully paid up Equity shares of ₹ 10 each with voting rights	3,041,200.00	30,412,000.00	3,041,200.00	30,412,000.00
Total	3,041,200.00	30,412,000.00	3,041,200.00	30,412,000.00

* The company has only one class of Equity share having Per Value of Rs.10 per share. Each holder of Equity shares is entitled to vote one per share

Notes: 3.a

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	If, Any other	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2012				
- Number of shares	3,041,200.00	-	-	3,041,200.00
- Amount (₹)	30,412,000.00	-	-	30,412,000.00
Year ended 31 March, 2011				
- Number of shares	3,041,200.00	-	-	3,041,200.00
- Amount (₹)	30,412,000.00	-	-	30,412,000.00

Note 3.b

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	2012-2013		2011-2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
No shareholders are having the holding of shares more than 5%	NIL	NIL	NIL	NIL

Note 3.c

There were no instances of shares being issued/allotted by way of bonus shares or for consideration other than cash and no shares have been bought back by the company during the period of five years immediately preceding the date of balance sheet.

Note 4 Reserves and surplus

Particulars	2012-2013	2011-2012
(a) Revenue reserve	-	-
Opening Balance	31,144,873.15	29,533,045.79
Add : Addition During the Year	861,136.22	1,611,827.36
	32,006,009.37	31,144,873.15
(b) Statutory reserve	-	-
Opening Balance	7,713,968.35	7,538,480.76
Add : Addition During the Year	215,284.05	175,487.59
	7,929,252.40	7,713,968.35
(c) NPA Provision	2,835,096.00	0.00
	10,764,348.40	7,713,968.35
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,076,420.27	877,437.95
Add: Profit / (Loss) for the year		-
Less: Interim dividend		
Tax on dividend		
Transferred to:		
General Reserve		
Statutory Reserve	215,284.05	175,487.59
Revenue Reserve	861,136.22	701,950.36
	0.00	0.00
Total	42,770,357.77	38,858,841.50

Note 5 Long-term Borrowings

Particulars	2012-2013	2011-2012
(a) Term loans		
From banks		
Secured		
The Navnirman Co op Bank Ltd.	348,197.07	273,596.16
Uco Bank	3,321,341.03	15,601,597.37
Unsecured		
	3,669,538.10	15,875,193.53
From other parties		
Secured		
Unsecured		
	3,669,538.10	15,875,193.53
(b) Loans and Advances From Directors		
Secured	76,153.00	2,805,652.00
Unsecured		
	76,153.00	2,805,652.00
(c) Loans and Advances From Others		
Secured		
Unsecured	3,518,060.00	5,389,713.00
	3,518,060.00	5,389,713.00
	7,263,751.10	24,070,558.53

Notes: 5.a

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.

Note 6 Short-term Borrowings

Particulars	2012-2013	2011-2012
I Unsecured		
(a) Term loans from related parties K.Z Cotspin India Ltd.	0.00	85,093.00
(b) Advance from other parties Housing Loan - Rajesh Balkrishna Thakkar	0.00	7,000.00
(c) Deposits		
Total	0.00	92,093.00

Nature of Security

(i) Loans are guaranteed against the Fixed deposit (Asset) of the company

(iii) Terms of Re-payment of Loan

Particulars

The Navnirman Co Op Bank Ltd

UCO Bank

Repayment Terms

Note 7 Trade Payables

Particulars	2012-2013	2011-2012
Trade Payables:		
Dues to MSMED Creditors#		
Dues to Others		
Creditors for goods		97,360.00
Creditors for Expenses	504,912.00	584,104.00
Total	504,912.00	681,464.00

#Note for MSMED

The Company has not received the information and Certificate of Registration under MSMED from its Supplier and hence, the details are not available for disclosure

Note 8 Other Current Liabilities

Particulars	2012-2013	2011-2012
Statutory Liabilities		
TDS Payable on Interest	18,503.00	111,110.00
TDS Payable for Salary		
TDS Payable on Professional Fees	0.00	6,484.00
Short Term Payables		
Rajesh Khamchand		5,000.00
Audit Fees Payable	30,000.00	15,000.00
Electricity Expenses Payable		
Total	48,503.00	137,594.00

Note 9 Short-term Provisions

Particulars	2012-2013	2011-2012
(a) Provision for Employee Benefits (Refer Note: 2 (g))		-
(b) Provision - Others:		
Provision for Income Tax F.Y 2012-13	272,694.00	
Provision for TDS Payable F.Y. 2005-06	23,752.00	23,752.00
Total	296,446.00	23,752.00

Note 10 Fixed Assets

NAME OF ASSETS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		OPENING 01/04/2012	ADDITION/ACQ. THROUGH BUSINESS COMBINATIONS	SALE OR TRANSFER	TOTAL 31/03/2013	OPENING 01/04/2012	For the Year	DEPRECIATION W/OFF	TOTAL 31/03/2013	AS ON 31/03/2013	AS ON 31/03/2012
A. Tangible Assets											
Office Building		558,200			558,200	148,141	9,048		157,189	401,011	410,059
Furniture		366,461			366,461	217,960	15,412		233,372	133,089	148,501
Computer		165,151			165,151	160,606	4,545		165,151	-	4,545
Air Condition		23,500			23,500	17,625	3,525		21,150	2,350	5,875
TOTAL-A		1,113,312	-	-	1113312	544,332	32,530	-	576842	536,450	568,980

Note 11 Non Current Investment

Particulars	2012-2013	2011-2012
Shares : Quoted		
3 I infotech Ltd	59,819.50	243,095.50
Akshar finance Ltd	10,000.00	10,000.00
Apple Credit Corp. Ltd Shares	4,825.00	4,825.00
Apple finance Ltd	2,306.90	25,740.00
Apt Packaging Ltd	336.00	336.00
Bank of Maharashtra	786,490.00	781,930.00
Central Bank of India	602,379.70	741,999.70
Empee Distileries Ltd-share	227,925.00	164,125.00
F D C Ltd	188,510.20	281,895.00
Gujarat NRI Coke	232,574.00	528,607.40
Indag Product Ltd Shares	600.00	600.00
Jet Airways (I)_Ltd. Shares	0.00	337,000.00
K.M.F Ltd Shares	1,600.00	1,600.00
Macchar Infrastructure Ltd	84.00	84.00
Meghmani Org. Ltd Shares	337,340.00	256,940.00
Modern Insulator Ltd	1,000.00	1,000.00
M T N L	80,650.00	60,000.00
National Steel Ind Ltd	5,700.00	5,700.00
NHPC	504,900.00	504,900.00
NMDC Ltd	48,000.00	80,300.00
North Gate	474.00	8,765.00
Organic Chemol Ltd shares	121.00	121.00
Parasrampuriah Synth Ltd	2,392.00	2,392.00
Power Grid Corporation of India Ltd	0.00	422,750.00
Q.S.T Ltd	1,950.00	1,950.00
Reliance Industries Ltd	2,709,999.25	2,500,829.25
Reliance Power Ltd	248,850.00	402,753.35
Satyam Computer	0.00	174,600.00
Shipping Corporation of India	54,300.00	54,300.00
Shobha Developers Ltd	10,400.00	93,400.00
S N S Diagnostics Ltd	3,000.00	3,000.00
Surya Protein Ltd	350.00	350.00
Sterlite Indestres Ltd	328,250.00	
TCSL Shares	9,868,337.00	9,597,337.00
Tirupati Ind (I) Ltd	285.00	285.00
T V Today Shares	21,600.00	21,600.00
UCO Bank	1,560,327.82	1,560,327.82
Unitech Ltd	221,420.00	311,517.80
United Leasing Ltd	262.00	262.00
	18,127,358.37	19,187,217.82
Shares : Unquoted		
The Navnirman Co op Bank Ltd	66,000.00	66,000.00
	66,000.00	66,000.00
Mutual Fund		
Birla Sunlife Frunt lint Eq. Fund	250,000.00	250,000.00
Birla sunlife Basic Industries fund	100,000.00	100,000.00
DSP Blackrock Top 100 Eq. Fund	250,000.00	250,000.00
D S P M L Oppurtunities fund	100,000.00	100,000.00
Reliance Growth Fund	200,000.00	200,000.00
Sundaram selected.Midcap	250,000.00	250,000.00
	1,150,000.00	1,150,000.00
Total	19,343,358.37	20,403,217.82

Note 12 Long Term Loans and Advances

Particulars	2012-2013	2011-2012
Current Loan	15,765,981.00	29,764,564.00
Inter Corporate Loan	648,463.00	0.00
	16,414,444.00	29,764,564.00
Advance with Government Authority :		
T D S Recievable 2002-03	6,519.50	6,519.50
T D S Recievable 2004-05	180,291.00	180,291.00
T D S Recievable 2006-07	236,312.00	236,312.00
T D S Recievable 2007-08	18,206.00	18,206.00
T D S Recievable 2008-09	1,145,218.00	1,145,218.00
T D S Receivable 2009-10	262,586.00	262,586.00
T D S Receivable 2011-12	362,762.00	0.00
	2,211,894.50	1,849,132.50
Deposits		
The Navnirman Co Op Bank Ltd F D	500,000.00	100,000.00
UCO Bank FD	40,000,000.00	40,000,000.00
	40,500,000.00	40,100,000.00
Total	59,126,338.50	71,451,110.50

Notes: 12.a

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.

Note 13 Other Non-Current Assets

Particulars	2012-2013	2011-2012
Misc. Expenses (ASSET)		-
Preliminary Expn	5,096.00	7,792.00
Total	5,096.00	7,792.00

Note 14 Current Investment

Particulars	2012-2013	2011-2012
Shares		
MCX LTD.	280,000.00	0.00
Punjab National Bank Shares	603,500.00	0.00
Sterlite Industries	0.00	229,500.00
Total	883,500.00	229,500.00

Note 15 Cash and Cash Equivalents

Particulars	2012-2013	2011-2012
(a) Cash on hand	5,159.00	2,612.00
(b) Balances with banks		
Current A/c		
(i) Dhanlaxmi Bank Ltd	0.00	76.04
(ii) HDFC Bank Ltd	1.00	1,026.67
Total	5160.00	3,714.71

Note 16 Short-term loans and advances

Particulars	2012-2013	2011-2012
(a) Prepaid expenses	-	-
(b) Others	-	-
Unsecured, considered good	-	-
Deposit Interest Recievable :	-	-
U C O Bank F D	-	78,904.00
Advance with Government Authority :	-	-
Income Tax Refund Recievable	-	362,762.00
T D S Recievable 2012-13	440,074.00	-
Dividend Receivable	59,242.00	-
Mat Credit Recievable	896,751.00	896,751.00
Pravinkumar Keshavlal HUF	-	10,985.00
Total	1,396,067.00	1,349,402.00

Note 17 Revenue From Operations

Particulars	2012-2013	2011-2012
Loan Interest	232,072.00	1,247,871.00
Total	232,072.00	1,247,871.00

Note 18 Other Income

Particulars	2012-2013	2011-2012
Dividend Income	863,274.18	647,809.95
Interest Received on Deposits (Net)	4,284,383.24	3,594,841.00
Long term Profit on sale of shares	1,932,212.95	-
Short term Profit on sale of shares	479,741.82	21,538.00
Share trading profit	90,191.00	55,151.00
Total	7,649,803.19	4,319,339.95

Note 19 Employee Benefits Expense

Particulars	2011-2012	2010-2011
Salary Expenses	1,005,800.00	871,000.00
Remuneration to Director	360,000.00	312,000.00
Bonus Expenses	263,600.00	248,000.00
Staff Welfare	84,875.00	18,918.00
Total	1,714,275.00	1,449,918.00

Note 20 Other expenses

Particulars	2012-2013	2011-2012
20.a Administrative & Office Expenses		
Annual Custodian Charges	20,578.00	15,352.00
Annual Genral Meeting Expenses	0.00	18,000.00
Audit Fees	15,000.00	15,000.00
Advocate fees		-
Brockrage & Commission Exp	15,353.27	6,444.00
Car Maintanance	26,245.00	50,920.00
Company Secretary Fees	11,236.00	11,236.00
Computer maintenance Expenses		-
Convayance Allounces Exp.	115,200.00	115,200.00
Collection Charges	-	60,000.00
Electric Power Expenses	68,612.00	58,091.00
Gujarat Finanance Asso. membership fees	3,000.00	3,000.00
Gujarat Chamber of Commerce & industries.	1,348.00	1,324.00
Gift Expense		-
Internal Audit fees	15,000.00	15,000.00
Legal & Professional Expenses	25,000.00	25,000.00
Lions club membership fees	4,000.00	4,000.00
Medical Expenses	6,211.00	4,951.00
Misc Expenses	0.00	296.00
Municipaly tax	39,396.00	37,677.00
Office Expenses	72,670.00	60,918.00
Office Repairing Expenses	14,250.00	0.00
Petrol	150,358.00	150,372.00
Postage & Tele. Expenses	3,306.00	1,282.00
Printing & Stationery Expenses	6,405.00	9,555.00
Professional Tax	2,000.00	2,000.00
Preliminary Expenses	2,696.00	2,996.00
Registration Filing Fees Expenses	1,500.00	1,500.00
Refreshment Exps	107,001.00	21,280.00
Securities Transaction Tax	22,937.00	11,596.00
Securities Transaction Tax (F & O)	1,874.00	3,061.00
Service Tax	1,991.49	732.00
Stamp Duty Expenses	2,116.47	922.00
Telephone	22,859.00	35,715.00
Traveling Expenses	519,444.00	35,000.00
Other charges	693.17	0.00
NPA Provision	2,835,096.00	0.00
Total-A	4,133,376.40	778,420.00
20.b Selling & Distribution Expense		
Sales Promotion Exp.		
Travelling & Conveyance Expenses		
Advertisement Expenses	14,560.00	8,520.00
Total-B	14,560.00	8,520.00
Total= A+B	4,147,936.00	786,940.00

#Notes: Auditors Remuneration

Particulars	2012-2013	2011-2012
Payments to the auditors comprises		
For Audit Fees	15,000.00	15,000.00
Total	15,000.00	15,000.00

Note 21 Finance costs

Particulars	2012-2013	2011-2012
Interest Expense	593,693.00	1,429,140.00
Bank Charges & Commission	3,007.52	2,819.00
Demate Charges	870.00	240.00
Share Registrar & Transfers Agent Fees	23,595.00	23,163.00
Stock Exchange Listing Fees	16,854.00	16,854.00
Long term loss on sale of shares	0.00	591,828.00
Total	638,019.52	2,064,044.00

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**1. Registration Details**

State Code	: 04
Registration No.	: 8864
Balance sheet Date	: 31st March, 2013.

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	812.72
Total Assets	812.72

Source of Funds

Paid Up Capital	304.12
Reserves & Surplus	427.70
Secured Loans	36.69
Unsecured Loans	35.94

Application Of Funds

Net fixed Assets	5.36
Investment	202.26
Net current Assets	605.03
Misc. Expenditure	0.50
Accumulated Losses	0.00

4. Performance of Company (Amount In Lacs)

Turnover	100.00
Total Expenditure	65.32
Profit & Loss Before Tax	10.76
Earning Per Share In Rs.	0.35
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, Unsecured.

Place : Ahmedabad.
Date : 22-05-2013.

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

(Pravinbhai K. Patel)
Chairman

K. Z. Leasing & Finance Ltd.
Cash Flow Statement for The Year Ended on 31/03/2013

Particular	For The Year Ended 31/03/2013	For The Year Ended 31/03/2012
A. Cash Flow From Operating Activities		
Net profit before tax and extra ordinary item	1,349,114.00	1,222,556.95
Add Back :		
(A) Depreciation	32,530.00	43,752.00
(B) Preliminary Exp. W/off	2,696.00	2,996.00
(C) Long Term Capital Loss	-	591,828.00
(D) NPA Provision	2,835,096.00	
	4,219,436.00	1,861,132.95
Deduct :		
Dividend Income	863,274.00	647,809.95
Bank Int. Income	4,284,383.00	3,594,841.00
Net of other income Cr. But not receiving/Exp. Dr. But Paid		0.00
Long term Capital Gain	1,932,213.00	0.00
Short Term Capital Gain	479,742.00	21,538.00
Speculation Gain	90,191.00	55,151.00
	7,649,803.00	4,319,339.95
Operating profit before working Capital Changes	-3,430,367.00	-2,458,207.00
Adjustment for working capital changes		
(-)Increase in Loans and advances	13,254,042.00	6,538,411.00
(+)Increase in current assets	-499,316.00	-504,589.00
(-)Increase in Current Liabilities	-260,643.00	-1,221,312.00
Cash Flow From Operation	9,063,716.00	2,354,303.00
Direct Tax Paid	-	345,119.00
Cash Inflow before extraordinary items & prior year adjustment	9,063,716.00	2,009,184.00
Extraordinary items and prior year adjustment	-	0.00
Net cash from Operating activities	9,063,716.00	2,009,184.00
B. Cash Flow From Investing Activities		
Acquistition of fixed assets		
Shares sold	28,080,207.00	
Shares Purchased	-27,674,348.00	
Investment in Shares		-294,622.00
Dividend Income	863,274.00	647,809.95
Bank Int. Income	4,284,383.00	3,594,841.00
Short term Share	479,742.00	21,538.00
Long term share	1,932,213.00	0.00
Speculation profit	90,191.00	55,151.00
Less:		
Long Term Capital Loss	-	591,828.00
Net cash from Investing activities	8,055,662.00	3,432,889.95
C. Cash Flow Arising From Financing Activities		
Increase in Stuatutory Reserve		909,877.00
Increase in Reserve & Surpluse		0.00
Increase in bank OD because of change in grouping	-12,206,669.00	0.00
Increase in Security deposit		0.00
Decrease in Security Deposit (Repayment)		90,000.00
Increase in Intercompany Deposit		-90,000.00
Decrease in relative deposit		0.00
Increase in Unsecured Loans.	-4,590,167.00	0.00
Increasing In Total Loan		-6,905,965.95
Net cash from Financing activities	-16,796,836.00	-5,996,088.95
Net increase in cash and Bank equivalents during the year	322,542.00	-554,015.00
Add: Cash and Bank equivalents at the beginning of the year	40,182,618.00	40,736,633.18
Cash and Bank equivalents at the end of the year	40,505,160.00	40,182,618.18

On Behalf of the board
For K. Z. Leasing & Finance Ltd.

Place : Ahmedabad
Date : 22 -05 - 2013

Pravinbhai K 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 31st, 2013 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 : 22-05-2013

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

(J. M. Patel)
M. Com. F. C. A
FRN. 107707 W

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 31/03/2013

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.)	35.94	Nil
*please see note 1 below		
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	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	164.14
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	202.26
(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	164.14	164.14
Total	Nil	164.14	164.14

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	359.41	202.26
Total	359.41	202.26

* 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	28.35
(ii) Net Non Performing Assets	
(a) Related Parties	Nil
(b) Other than related parties	28.35
(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.

