

## **K Z Leasing and Finance Limited**

### **Board Of Directors**

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

### **Auditors**

J. M. Patel & Bros. (M.Com., F.C.A. )  
204, 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,  
Ahran Road, Usmanpura,  
Ahmedabad - 380014

**NOTICE**

NOTICE is hereby given that **28<sup>th</sup> Annual General Meeting of the members of K.Z. Leasing & Finance Ltd.**, will be held on **30<sup>th</sup> September, 2014** 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 Statement of Profit and Loss Account ended on 31<sup>st</sup> March, 2014 and the Balance Sheet as at that date together with the Report of Board of Directors and the Auditors' Report thereon and to pass with or without modification the following resolution as Ordinary Resolution:**

**"RESOLVED** that the Directors' Report to the Shareholders dated 22<sup>nd</sup> May, 2014, Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014, and the Balance Sheet as at that date, the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014, together with the Auditors' Report thereon be and are hereby received and adopted."

- 2. To appoint a director in place of Mr. Ankit P. Patel (holding DIN 02901371), Director who retires by rotation and being eligible, offers himself for reappointment and to pass with or without modification the following resolution as Ordinary Resolution:**

**"RESOLVED** that Mr. Ankit P Patel, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed Director of the Company."

- 3. To appoint a director in place of Mr. Gandalal A. Patel (holding DIN 02848956), Director who retires by rotation and being eligible, offers himself for reappointment and to pass with or without modification the following resolution as Ordinary Resolution:**

**"RESOLVED** that Mr. Gandalal A Patel, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed Director of the Company."

- 4. To appoint auditors of the Company and to fix their remuneration and to pass, with or without modification, the following Resolution as Ordinary Resolution:**

**"RESOLVED** that subject to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. J.M. Patel & Brothers, Chartered Accountants (ICAI Registration No.107707W), the retiring auditors, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting up to the conclusion of the next Annual General Meeting of the Company and to audit the accounts of the Company for the financial year ending 31<sup>st</sup> March, 2015, or any extension thereof at such remuneration as may be mutually agreed upon between the Board of Directors and the auditors, plus out of pocket and travelling expenses."

**SPECIAL BUSINESS:**

- 5. To appoint Mr. Keshavlal K Patel as Independent Director and to pass, with or without modification, the following Resolution as Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Keshavlal K Patel, DIN 00851725, a non-executive director of the company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the company with effect from 30th September, 2014, upto 30th September, 2019."

- 6. To appoint Mr. Kantibhai J Patel as Independent Director and to pass, with or without modification, the following Resolution as Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Kantibhai J Patel, DIN 02933840, a non-executive director of the company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the company with effect from 30th September, 2014, upto 30th September, 2019."

- 7. To appoint Mr. Rameshbhai N Patel as Independent Director and to pass, with or without modification, the following Resolution as Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Rameshbhai N Patel, DIN 00841664, a non-executive director of the company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the company with effect from 30th September, 2014, upto 30th September, 2019."

- 8. To appoint Mr. Gandadal A Patel as Independent Director and to pass, with or without modification, the following Resolution as Ordinary Resolution:**

"**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("Act") and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Gandadal A Patel, DIN 02848956, a non-executive director of the company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the company with effect from 30th September, 2014, upto 30th September, 2019."

- 9. To consider and if though fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

"**RESOLVED THAT** pursuant to Section 160 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, and any other applicable provisions of any other law and subject to the provisions of Memorandum and Articles of Association of the Company, Smt. Chaitali Bharatbhai Patel, (DIN: 06957559) in respect of whom the company has, received a notice in writing proposing his candidature for the office of Director along with the deposit, be and is hereby appointed as a director of the Company, "

**REGISTERED OFFICE :**

1st Floor, Deshna Chamber,  
B/h., Kadva Patidar Wadi,  
Ashram Road, Usmanpura,  
Ahmedabad – 380014.  
Date : 22-05-2014

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

**Pravinbhai K Patel  
(Chairman & Managing Director)**

**NOTES :**

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1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE AT 1<sup>ST</sup> FLOOR, DESHNA CHAMBER, B/H. KADVA PATIDAR WADI, ASHRAM ROAD, USMANPURA, AHMEDABAD-380014 NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.**
2. An explanatory statement pursuant to Section 102 of Companies Act, 2013, in respect of special business in the notice is annexed hereto. The relevant details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), in respect of Directors seeking re-appointment as directors Item Nos. 2, 3, 5, 6,7,8 and 9 above, are also annexed hereto.
3. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Sundays, between 11 a.m. and 1 p.m. up to the date of meeting.
4. The Register of Members and Share Transfer Book of the Company will remain closed from **22/09/2014 to 30/09/2014** (both days inclusive). For the purpose of the annual General Meeting of the company.
5. The equity shares of the company are available for dematerialization, as the company has entered into an agreement with **National Securities Depository Limited (NSDL)** and the **Central Depository Services Limited (CDSL)**. Those shareholders who wish to hold the company's share in electronic form may approach their depository participants.
6. Section 72 of the Companies Act, 2013, extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form SH 13, which may be sent on request. However, in case of demat holdings, the shareholders should approach to their respective depository participants for making nominations.
7. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members are requested to intimate the change, if any, in their registered addresses.
9. Members are requested to bring their copies of Annual Report at the meeting. Shareholders seeking any information with regard to account are requested to write to the Company early so as to enable the Management to keep the information ready.
10. Members / Proxies are requested to bring with them the attendance slip duly filled in and hand it over at the entrance.

**11) Voting through electronic means:**

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their right to vote at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**The instructions for members for voting electronically are as under:-****In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field.</b></li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (I) to sl. no. (xvii) Above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**REGISTERED OFFICE :**

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Date : 22-05-2014

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

**Pravinbhai K Patel  
(Chairman & Managing Director)**

**ANNEXURE TO THE NOTICE IS MENTIONED HERE**

Notes on Directors seeking appointment / re-appointment at the annual general meeting as required under the revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

**Profile of Retiring Directors:****Item No. 2**

Name	<b>Ankit P Patel</b>
Qualification	B.Com
Experience	Over 7 years of wide ranging experience in Finance Area
Other Directorship	1. K.Z. Cotspin India Limited
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	No Shares
Disclosure of the relationships	Shri. Ankit P Patel is son of Shri. Pravinbhai P. Patel, Chairman and Managing Director of the Company.

**Item No. 3**

Name	<b>Gandalal A Patel</b>
Qualification	H.S.C. Pass
Experience	Over 25 years of wide ranging experience in Finance Area
Other Directorship	1. Visnagar Lease Finance Ltd. 2. K.Z. Cotspin India Ltd.
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	91,100 Equity shares of Rs. 10 each
Disclosure of the relationships	Shri. Gandalal A Patel is not, in any way, concerned / interested / related with any of the other directors of the company

**Profile of Independent Directors:****Item No. 5**

Name	<b>Keshavlal K Patel</b>
Qualification	Commerce Graduate
Experience	Over 30 years of wide ranging experience in Finance Area
Other Directorship	1. Keshavlal Leasing and Finance Ltd
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	No Shares
Disclosure of the relationships	Shri. Keshavlal K Patel is not, in any way, concerned / interested / related with any of the other directors of the company.

**Item No. 6**

Name	<b>Kantibhai J Patel</b>
Qualification	Commerce Graduate
Experience	Over 5 years of wide ranging experience in Finance Area
Other Directorship	Nil
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	No Shares
Disclosure of the relationships	Shri. Kantibhai J Patel is not, in any way, concerned / interested / related with any of the other directors of the company.

**Item No. 7**

Name	<b>Rameshbhai N Patel</b>
Qualification	B.Com
Experience	Over 15 years of wide ranging experience in Finance Area
Other Directorship	None
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	2,500 Equity shares of Rs. 10 each
Disclosure of the relationships	Shri. Rameshbhai N Patel is not, in any way, concerned / interested / related with any of the other directors of the company.

**Item No. 8**

Name	<b>Gandalal A Patel</b>
Qualification	H.S.C. Pass
Experience	Over 25 years of wide ranging experience in Finance Area
Other Directorship	3. Visnagar Lease Finance Ltd. 4. K.Z. Cotspin India Ltd.
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	91,100 Equity shares of Rs. 10 each
Disclosure of the relationships	Shri. Gandalal A Patel is not, in any way, concerned / interested / related with any of the other directors of the company

**Profile of Proposed Women Director:****Item No. 9**

Name	<b>Chaitali Bharatkumar Patel</b>
Qualification	MBA – Finance
Experience	Over 5 years of wide ranging experience in Finance Area
Other Directorship	None
Chairman / Member of the Committees of the Board of the other companies on which he is a director	No
No. of shares held in the company	8,500 Equity shares of Rs. 10 each
Disclosure of the relationships	Smt. Chaitali Bharatkumar Patel is wife of Ankit P. Patel, Director of the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The CSR Committee of Board: As prescribed by the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee on 25th March, 2014 including Shri Rameshbhai N Patel as Chairman of the Committee and two other members namely Shri. Kantibhai J Patel and Shri Gandalal A Patel. The Committee is reviewing from time to time the Company's CSR Policy and the Committee is searching for the proper avenues to fulfill the Social Responsibility of the Company by Utilization of the fund of CSR.

**Note:**

The Company would be aligning the CSR activities and programme during 2014-15 in line with requirements of Section 135 of the Companies Act, 2013 and will report in the format prescribed thereunder.

**REGISTERED OFFICE :**

1st Floor, Deshna Chamber,  
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Ahmedabad – 380014.  
Date : 22-05-2014

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

**Pravinbhai K Patel  
(Chairman & Managing Director)**

**DIRECTORS REPORT**

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

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of your company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2014,

**FINANCIAL RESULT**

<b>Income</b>	<b>2013-2014</b>	<b>2012-2013</b>
Profit before depreciation & tax	3,244,390.41	13,81,644.27
Less : Depreciation	29,252.00	32,530.00
Provision for Taxation	6,12,164.00	272,694.00
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>2,602,974.41</b>	<b>1,076,420.27</b>
Less : Transfer to statutory Reserve A/c 20% Balance of Previous Year		
<b>Transfer to Revenue Reserve</b>	520,594.88	215,284.05
	<b>2,082,379.53</b>	<b>861,136.22</b>

**REVIEW OF FINANCIAL PERFORMANCE, OPERATIONS AND FUTURE PROSPECTS:**

During the year under report, the company has made profit after Tax of Rs.26.02 Lac during the year as against profit of Rs. 10.76 lac in the previous year. The directors are hoping better performance in coming years.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report, which forms part of this report.

**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 **31<sup>st</sup> March, 2014**, 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 **31<sup>st</sup> March, 2014** on a " going concern " basis

#### **BOARD OF DIRECTORS:**

1. Mr. Ankit P Patel and Shri Gandadal A Patel Director of the Company retires by rotation and, being eligible, offers himself for re-appointment.
2. In accordance with the provisions of Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, it is proposed to appoint Mr. Rameshbhai N Patel, Mr. Kantilal J Patel, Mr. Gandadal A Patel and Mr. Keshavlal K Patel, who are currently non-executive independent directors of the company and who meet the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, as independent directors for a period of 5 years from the date of the ensuing Annual General Meeting.

#### **RBI GUIDELINES**

The company has complied with the regulations of the Reserve Bank of India as on **March 31<sup>st</sup>, 2014** as are applicable to it as a systemically important non banking finance company.

#### **CAPITAL ADEQUACY**

The company's capital adequacy ration was 110.75% as on march 31<sup>st</sup> March 2014, 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.

**ACCOUNTING STANDARDS AND FINANCIAL REPORTING:**

The Company incorporates the accounting standards as and when issued by the Institute of chartered Accountants of India. The Company Complied with the Stock Exchange and legal requirement concerning the Financial Statements at the time of preparing them for the Annual Report.

**LISTING:**

The equity shares of the company are listed in the Bombay Stock Exchange Limited which has the connectivity in most of the cities across the country.

**CORPORATE SOCIAL RESPONSIBILITY:**

During the year the Board constituted a Corporate Social Responsibility Committee comprising of three nonexecutive directors which stood as follows as on 31<sup>st</sup> March, 2014:

Mr. Rameshbhai N Patel (Non-executive and Independent director) - Chairman

Mr. Kantilal J Patel (Non-executive and Independent director) - Member

Mr. Gandadal A Patel (Non-executive and Independent director) - Member

The terms of reference and scope of work is same as prescribed in Section 135 of the Companies Act, 2013, and the Rules thereunder.

**INSURANCE:**

The company has made necessary arrangements for adequately insuring its insurable interests.

**INDUSTRIAL RELATIONS:**

The directors are happy to note that the industrial relations continued to remain cordial during the year. The directors express their appreciation towards the staffs and executive staffs for their coordination and hope for a continued harmonious relations.

**ACKNOWLEDGEMENT:**

Your directors would like to express their grateful appreciation for the assistance and co-operation received from the Government, Banks and Business associates during the year under review. The Directors also express their gratitude to the shareholders for the confidence reposed towards the Company. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable team work and enthusiastic contribution during the year.

**REGISTERED OFFICE :**

1st Floor, Deshna Chamber,  
B/h., Kadva Patidar Wadi,  
Ashram Road, Usmanpura,  
Ahmedabad – 380014.

Date : 22-05-2014

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

**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. AN INDUSTRY OVERVIEW :**

The management is confident of improvement in the company's working in the near future with fast growth.

The scenario of the finance industry and economy in general is buoyant even after the industry is exposed to competition with policy of the government. The process of development, increasing thrust of the government on the finance industry, the future of industry appears quite bright.

### **BUSINESS HIGHLIGHTS :**

#### **Turnover:**

Your Company has turnover of Rs. 9,85,257.00 as compared to Rs. 2,32,072.00 in the year 2013-2014.

#### **Employee Benefit Expenses:**

Employees emoluments (other than managerial remuneration) is Rs. 19,88,988/- during the year as against Rs. 17,14,275/- during the previous year.

#### **Administrative and Other Expenses:**

Major components of administrative and other expenses includes printing and stationary, audit fees, advertisement expenses, postage and stamps, listing fees, insurance premium etc. Administrative and other expenses for the year amounted to Rs.58.27 Lac as against Rs. 41.33 Lac during the previous year.

#### **Depreciation:**

Depreciation charge for the current year came to Rs. 29,252 as against Rs. 32,530 of the previous year.

#### **Provision for Tax:**

The Company has earned income during this year and hence made provision of Rs. 6,12,164 towards current tax wealth Tax. In the previous year the Company has made provision for tax of Rs. 2,72,694. As there is no dividend payable this year, the company has not provided any amount for dividend distribution tax.

#### **Profit/Loss after Tax:**

The Company has made profit after tax for the current year is Rs 26.02 Lac as against profit of Rs. 10.76 Lac during the previous year. The Directors are hopeful for the better and better performance in the future.

#### **Financial Condition:**

#### **Non Current Liabilities:**

The Company's Non Current Liabilities includes Long Term borrowings of Rs. 29,00,734.04 as at 31<sup>st</sup> March 2014 as against Long Term Borrowings of Rs. 72,63,751.10 as at 31<sup>st</sup> March 2013.

#### **Current Liabilities:**

Company's Current Liabilities includes Trade payables and Other Current Liabilities which are amounting to Rs. 13,37,903.00 as at 31<sup>st</sup> March 2014 against Rs. 8,49,861.00 of the previous year.

**Fixed Assets:**

Net block of the fixed assets at the end of the year is Rs. 5.58 Lac as against Rs. 5.36 Lac in the previous year.

**Long Term Loans and Advances:**

Non current investments of the company is Rs. 6,30,23,951.00 as at 31<sup>st</sup> March 2014 against Rs. 5,91,26,338.50 which was at 31<sup>st</sup> March 2013.

**2. SWOT ANALYSIS OF THE COMPANY :****Strength:**

- a. Management depth and ability to manage client / customer relationships
- b. Enhanced presence in the market through clientele basis

**Opportunities and Threats:**

The finance industry is subject to tough competition amongst various segments within and outside the country. The threat of competition is comparatively less in the area in which your company is operating. The increase in demand from business sector will provide opportunity to your company to increase more market share. Moreover, Indian finance industry witnessing changes in business dynamics.

**3. RISKS AND CONCERNS :**

Your company is mainly focusing on R & D and manpower and the intelligence. Apart from the risk on account of interest rate and regulatory changes, business of the company are exposed to certain operating business risks, which is mitigated by regular monitoring and corrective actions. The company has taken necessary measures to safe guard its assets and interest etc.

**4. 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.

**5. SEGMENT REVIEW AND ANALYSIS :**

The company is operating in only one segment i.e. Finance/Investment. Your company has adopted various marketing strategies for sustained growth including increase in number of clients / customers to reduce the dependency on any single client / customer.

**6. RISK AND CONCERNS:**

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

**7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :**

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly and to monitor internal business process, financial reporting and compliance with applicable laws.

The internal control system has been designed so as to ensure that the financial and other records are reliable and reflects a true and fair view of the state of the Company's business. A qualified and independent committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

**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 Company believes that human resource is the most important assets of the organization. It is not shown in the corporate balance sheet, but influences appreciably the growth, progress, profits and the shareholders' values. During the year your company continued its efforts aimed at improving the HR policies and processes to enhance its performance. The vision and mission of the company is to create culture and value system and behavioral skills to insure achievement of its short and long term objectives.

**Cautionary Statement:**

Statement made in the Management Discussion and Analysis Report describing the company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the markets in which the company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.

## CORPORATE GOVERNANCE REPORT

K. Z. Leasing and 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 and 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 31<sup>st</sup> March, 2014.

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	3
3	Shri Keshavlal K. Patel	Non Executive & Independent	1	1
4	Shri Gandalal A. Patel	Non Executive & Independent	2	3
5	Shri Kantilal J Patel	Non Executive & Independent	-	3
6	Shri Ankit P Patel	Executive	1	-

During the Year 2013-14, 6 (six) Board Meeting were Held i.e. on (15.05.013 – Adjourned) 22.05.2013, 31.07.2013, 31.08.2013 30.09.2013, 31.10.2013, 10.02.2014.

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	Attended		
Shri Pravinbhai K. Patel	6	6	Yes	Nil
Shri Rameshbhai N. Patel	6	2	Yes	Nil
Shri Keshavlal K. Patel	6	2	Yes	Nil
Shri Gandalal A. Patel	6	5	Yes	Nil
Shri Kantilal J Patel	6	5	Yes	Nil
Shri Ankit P Patel	6	6	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, 5 Audit Committee Meetings were held on (15.05.2013 – Adjourned) 22.05.2013, 31.07.2013, 31.08.2013, 31.10.2013, 10.02.2014.

The Attendance of Members at meetings was as follows:

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri Gandadal A. Patel	5	4	Yes
Shri Kantilal J Patel	5	4	Yes
Shri Pravinbhai K. Patel	5	5	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 Gandadal 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 Gandadal A. Patel	1	1

#### Remuneration of Directors:

(Rs. In Lacs)

Name	Salary	Perquisites & allowances	Sitting fees	Commission/ bonus	Total
Shri Pravinbhai K. Patel	2.40	0.096	-	-	2.496
Shri Rameshbhai N. Patel	-	-	-	-	-
Shri Keshavlal K. Patel	-	-	-	-	-
Shri Gandadal A. Patel	-	0.096	-	-	0.096
Shri Kantilal J Patel	-	0.096	-	-	0.096
Shri Ankit P Patel	2.40	0.096	-	-	2.496

### 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 Gandadal 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, 2 Shareholders' / Investors' Grievances Committee Meetings were held on, 31.08.2013, 10.02.2014,

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri Rameshbhai N. Patel	2	2	Yes
Shri Gandlal 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
30.09.2013	10:00 a.m.	1 <sup>st</sup> Floor, Deshna Chamber, UshmanPura, Ashram Road, Ahmedabad – 380014
27.09.2012	10:00 a.m.	1 <sup>st</sup> Floor, Deshna Chamber, UshmanPura, Ashram Road, Ahmedabad – 380014
27.09.2011	10:00 a.m.	1 <sup>st</sup> Floor, Deshna Chamber, UshmanPura, Ashram Road, Ahmedabad – 380014

#### DISCLOSURES :

- A) 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 2013-14.
- B) 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.
- C) No money was raised by the Company through any Public Issue, Right Issue, Preferential Issue, etc. in the last financial Year.
- D) 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.
- E) 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**

i) Quarterly Results :

The quarterly results were published in the News Papers as required pursuant to the Listing Agreement.

ii) The Results were normally Published in Free press journal Western Times (English & Gujarati) daily

**General Shareholder's Information**

<b>Annual General meeting</b>	: <b>28<sup>th</sup></b>
Date & Time	: <b>Monday, 30th September, 2013 &amp; 10.00 a.m.</b>
Venue	: K. Z. Leasing & Finance Ltd. 1 <sup>st</sup> 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 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March 2014

1st Quarterly Result	: July, 2014.
2nd Quarterly Result	: November, 2014
3rd Quarterly Result	: February, 2015
4 <sup>th</sup> Quarterly Result	: May, 2015

Book Closure Date : **22<sup>rd</sup> September, 2014 To 30th September, 2014**  
( 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 2014-15 have been paid.

Demat of shares : **24,80,290** Equity shares which is around **81.56%** of the paid up capital as on March 31, 2014 has been dematerialized

**Stock Exchange Codes**

Equity Shares  
BSE  
ISIN NO. : INE006C01015

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

For the period from April 2013 to March 2014

Financial Year – 2013-14	Bombay Stock Exchange	
	Highest (Rs.)	Lowest (Rs.)
Apr	4.00	3.30
May	4.16	3.43
Jun	4.22	3.32
Jul	4.46	3.50
Aug	4.21	3.62
Sep	4.38	3.62
Oct	3.99	3.57
Nov	4.11	2.91
Dec	3.20	2.50

Jan	3.48	2.75
Feb	3.15	3.15
Mar	3.15	2.86

(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 31<sup>st</sup> March, 2014.

No of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-500	3855	89.21	583359	19.18
501-1000	243	5.62	204299	6.72
1001-2000	98	2.27	141023	4.64
2001-3000	23	0.54	59044	1.94
3001-4000	22	0.51	78481	2.58
4001-5000	12	0.27	55692	1.83
5001-10000	31	0.72	210452	6.92
10001 and Above	37	0.86	1708850	56.19
<b>Total</b>	<b>4321</b>	<b>100.00</b>	<b>3041200</b>	<b>100.00</b>

#### Share Holding Pattern Of K. Z. Leasing & Finance Ltd. As On 31<sup>st</sup> March, 2014

Category	No of shares held	% to paid up capital
Promoter	546964	17.99
Bodies Corporate	369483	12.15
Individuals	2124753	69.86
<b>TOTAL</b>	<b>3041200</b>	<b>100.00</b>

Address for Correspondence : **K. Z. Leasing & Finance Ltd.**  
1<sup>st</sup> Floor, Dshna 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

**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 31<sup>st</sup> March, 2014, 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 : 22-05-2014.

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 31/03/2014 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 31/03/2014 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31/03/2013 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, 2014 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 : 22-05-2014

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

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

**ANNEXURE TO AUDITORS REPORT AS ON 31/03/2014****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 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, company's has made trading in shares.
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 -1,2,3) 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 ( NBS 1,2,3 ) 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 : 22-05-2014.

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

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

<b>K. Z. Leasing &amp; Finance Ltd</b>				
<b>Balance Sheet as at 31 March, 2014</b>				
<b>Particulars</b>	<b>Notes</b>	<b>2013-2014</b>	<b>2012-2013</b>	
<b>A EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share Capital	3	30,412,000.00	30,412,000.00	
(b) Reserves and Surplus	4	50,318,050.18	42,770,357.77	
(c) Money received against share warrants		-	-	
		<b>80,730,050.18</b>	<b>73,182,357.77</b>	
<b>2 Share Application Money Pending Allotment</b>		-	-	
<b>3 Non-current liabilities</b>				
(a) Long-term Borrowings	5	2,900,734.04	7,263,751.10	
(b) Deferred Tax Liabilities (Net)		-	-	
(c) Other long-term Liabilities		-	-	
(d) Long-term provisions		-	-	
		<b>2,900,734.04</b>	<b>7,263,751.10</b>	
<b>4 Current liabilities</b>				
(a) Short-term Borrowings	6	0	0.00	
(b) Trade Payables	7	85,740.00	504,912.00	
(c) Other Current Liabilities	8	628,411.00	48,503.00	
(d) Short-term Provisions	9	623,752.00	296,446.00	
		<b>1,337,903.00</b>	<b>849,861.00</b>	
<b>TOTAL</b>		<b>84,968,687.22</b>	<b>81,295,969.87</b>	
<b>B ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets				
(i) Tangible Assets	10.A	558,588.00	536,450.00	
(ii) Intangible Assets	10.B	-	-	
(iii) Capital Work-in-progress	-	-	-	
(iv) Intangible assets under Development	-	-	-	
		<b>558,588.00</b>	<b>536,450.00</b>	
(b) Non-current Investments	11	19,721,250.82	19,343,358.37	
(c) Deferred Tax Assets (Net)	22	-	-	
(d) Long-term Loans and Advances	12	63,023,951.00	59,126,338.50	
(e) Other non-current assets	13	2400.00	5096.00	
		<b>82,747601.82</b>	<b>78,474,792.87</b>	
<b>2 Current assets</b>				
(a) Current Investments	14	682,000.00	883,500.00	
(b) Inventories		-	-	
(c) Trade Receivables		273,450.00	-	
(d) Cash and Cash equivalents	15	2,577.40	5,160.00	
(e) Short-term loans and advances	16	704,470.00	1,396,067.00	
(f) Other current assets	-	-	-	
		<b>1,662,497.40</b>	<b>2,284,727.00</b>	
<b>TOTAL</b>		<b>84,968,687.22</b>	<b>81,295,969.87</b>	

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 : 22/05/2014

1,2

Director

1. Pravinkumar Keshavlal Patel

2. Ankit Pravinbhai Patel

3. Kantibhai Joitaram Patel

<b>Profit and Loss for the year ended 31 March, 2014</b>				
	<b>Particulars</b>	<b>Notes</b>	<b>2013-2014</b>	<b>2012-2013</b>
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
	<b>Income</b>			
1	Revenue From Operations (Gross)	17	985,257.00	232,072.00
	Less: Excise duty		-	-
	Revenue From Operations (Net)		985,257.00	232,072.00
2	Other income	18	10,683,411.49	7,649,803.19
3	<b>Total revenue</b>		<b>11,668,668.49</b>	<b>7,881,875.19</b>
4	<b>Expenses</b>			
	(a) Cost of Materials Consumed			
	(c) (Increase)/ decrease inventories of finished goods, work-in-progress and stock-in-trade			
	(d) Employee Benefits Expense	19	1,988,988.30	1,714,275.00
	(e) Other Expenses	20		
	Manufacturing Expense	20.a	5,827,057.58	4,133,376.40
	Administrative & Office Expense	20.a	19,970.00	14,560.00
	Selling & Distribution Expense	20.b		
5	<b>Total</b>		<b>7,836,015.88</b>	<b>5,862,211.40</b>
6	<b>Earning Before Interest, tax, depreciation and amortization ( EBITDA) (3 - 5)</b>		<b>3,832,652.61</b>	<b>2,019,663.79</b>
	Depreciation and Amortisation expense	11	29,252.00	32,530.00
	Finance costs	22	588,262.20	638,019.52
7	<b>Total</b>		<b>617,514.20</b>	<b>670,549.52</b>
8	<b>Profit / (Loss) before tax (6 ± 7)</b>		<b>3,215,138.41</b>	<b>1,349,114.27</b>
9	<b>Tax expense:</b>			
	(a) Current tax expense for current year		600,000.00	272,694.00
	(b) (Less): MAT credit (where applicable)		0.00	0.00
	(c) Current tax expense relating to prior years		12,164.00	
	(d) Net current tax expense		0.00	0.00
	(e) Deferred tax Assets/ (Liabilities)	27.a	0.00	0.00
10	<b>Profit / (Loss) from continuing operations (8 + 9)</b>		<b>612,164.00</b>	<b>272,694.00</b>
			<b>2,602,974.41</b>	<b>1,076,420.27</b>
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>			
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	<b>Profit / (Loss) from discontinuing operations (11.i + 11.ii + 11.iii)</b>		-	-
<b>C</b>	<b>TOTAL OPERATIONS</b>			
13	<b>Profit / (Loss) for the year (10 ± 12)</b>		<b>2,602,974.41</b>	<b>1,076,420.27</b>

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 : 22/05/2014

Director

1. Pravinkumar Keshavlal Patel

2. Ankit Pravinbhai Patel

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	2013-2014		2012-2013	
	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
	<b>3,200,000.00</b>	<b>32,000,000.00</b>	<b>3,200,000.00</b>	<b>32,000,000.00</b>
(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
<b>Total</b>	<b>3,041,200.00</b>	<b>30,412,000.00</b>	<b>3,041,200.00</b>	<b>30,412,000.00</b>

\* 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, 2014				
- Number of shares	3,041,200.00	-	-	3,041,200.00
- Amount (`)	30,412,000.00	-	-	30,412,000.00
Year ended 31 March, 2013				
- 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	2013-2014		2012-2013	
	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	2013-2014	2012-2013
(a) Revenue reserve		-
Opening Balance	32,006,009.37	31,144,873.15
Add : Addition During the Year	2,082,379.53	861,136.22
	34,088,388.90	32,006,009.37
(b) Statutory reserve		
Opening Balance	7,929,252.40	7,713,968.35
Add : Addition During the Year	520,594.88	215,284.05
	8,449,847.28	7,929,252.40
(c) NPA Provision	7,779,814.00	2,835,096.00
	15,709,066.40	10,764,348.40
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	2,602,974.41	1,076,420.27
Add: Profit / (Loss) for the year		
Less: Interim dividend		
Tax on dividend		
Transferred to:		
General Reserve	520,594.88	215,284.05
Statutory Reserve	2,082,379.53	861,136.22
Revenue Reserve	0.00	0.00
<b>Total</b>	<b>50,318,050.18</b>	<b>42,770,357.77</b>

**Note 5 Long-term Borrowings**

Particulars	2013-2014	2012-2013
(a) Term loans		
From banks		
Secured		
The Navnirman Co op Bank Ltd.	300,007.55	348,197.07
Uco Bank	139,730.49	3,321,341.03
Unsecured		
	439,738.04	3,669,538.10
From other parties		
Secured		
Unsecured		
	439,738.04	3,669,538.10
(b) Loans and Advances From Directors		
Secured	136,575.00	76,153.00
Unsecured		
	136,575.00	76,153.00
(c) Loans and Advances From Others		
Secured		
Unsecured	2,324,421.00	3,518,060.00
	2,324,421.00	3,518,060.00
	<b>2,900,734.04</b>	<b>7,263,751.10</b>

**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.

**Related Party Disclosures :**

List of Related Parties with whom transactions have taken place during the year.

**5.b) Key Management Personnel**

Mr. Pravinbhai K. Patel

Mr. Ankitbhai P. Patel

**5.C) Relatives of Key Management Personnel**

<b>Name of Party</b>	<b>Related party Relationship</b>
A.Patel & co	Key Management personnel is Proprietor
Keshavlal Z Patel(HUF)	Key Management personnel is Karta
Pravinkumar & co.	Key Management personnel is Proprietor
Chaitali Patel	Relative of Key Management Personnel
Hardik P.Patel (HUF)	Relative of Key Management Personnel
Hardik P.Patel	Relative of Key Management Personnel
Kailashben P.Patel	Relative of Key Management Personnel
Kenaben H.Patel	Relative of Key Management Personnel
Kapilaben B. Patel	Relative of Key Management Personnel
Mihir B.Patel	Relative of Key Management Personnel
Amratlal K. Patel	Relative of Key Management Personnel
Babulal K.Patel	Relative of Key Management Personnel

**Details of Transactions are as follows:**

<b>Sr. No.</b>	<b>Nature of Transactions</b>	<b>Key Management Personnel</b>	<b>Relative of Key Management Personnel</b>	<b>Total</b>
<b>1</b>	<b>Expenses</b>			
	Remuneration & Perquisites	499,200	249,600	748,800
	Interest Paid	87,408	201,442	288,850
<b>2</b>	<b>Unsecured Loan</b>			
	Loan taken during the year	15,457,331	7,020,172	22,477,503
	Loan repaid during the year	15,396,909	8,213,811	23,610,720
<b>3</b>	<b>Inter corporate Loan</b>			
	Loan given during the year	0	55,963,435	55,963,435
	Loan repaid during the year	0	48,997,137	48,997,137

**Note 6 Short-term Borrowings**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
<b>I Unsecured</b>		
(a) Term loans from related parties	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**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**

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-2013</b>
Trade Payables:		
Dues to MSMED Creditors#		
Dues to Others		
Creditors for goods		
Creditors for Expenses	85,740.00	504,912.00
<b>Total</b>	<b>85,740.00</b>	<b>504,912.00</b>

#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	2013-2014	2012-2013
Statutory Liabilities		
TDS Payable on Interest	24,381.00	18,503.00
TDS Payable for Salary		
TDS Payable on Professional Fees	0.00	0.00
Short Term Payables		
Professional Tax Payable	2,000.00	
Others	602,030.00	30,000.00
<b>Total</b>	<b>628,411.00</b>	<b>48,503.00</b>

**Note 9 Short-term Provisions**

Particulars	2013-2014	2012-2013
(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 Income Tax F.Y 2013-14	600,000.00	
Provision for TDS Payable F.Y. 2005-06	23,752.00	23,752.00
<b>Total</b>	<b>623,752.00</b>	<b>296,446.00</b>

**Note 10 Fixed Assets**

NAME OF ASSETS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		OPENING 01/04/2013	ADDITION/ACQ. THROUGH BUSINESS COMBINATIONS	SALE OR TRANSFER	TOTAL 31/03/2014	OPENING 01/04/2013	For the Year	DEPRECIATION W/OFF	TOTAL 31/03/2014	AS ON 31/03/2014	AS ON 31/03/2013
<b>A. Tangible Assets</b>											
Office Building		558,200			558,200	157,189	9,048		166,237	391,963	401,011
Furniture		366,461			366,461	233,372	15,412		248,784	117,677	133,089
Computer			29,900		29,900		470		470	29,430	-
Air Condition		23,500			23,500	21,150	2,350		23,500		2,350
Mobile			21,490		21,490		1,972		1,972	19,518	
<b>TOTAL-A</b>		<b>948,161</b>	<b>51,390</b>	<b>-</b>	<b>999,551</b>	<b>411,711</b>	<b>29,252</b>	<b>-</b>	<b>440,963</b>	<b>558,588</b>	<b>536,450</b>

**Note 11 Non Current Investment**

Particulars	2013-2014	2012-2013
<b>Shares : Quoted</b>		
3 I infotech Ltd	59,819.50	59,819.50
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	2,306.90
Apt Packaging Ltd	336.00	336.00
Bank of Maharashtra	788,415.00	786,490.00
Central Bank of India	494,479.70	602,379.70
Empee Distilleries Ltd-share	63,800.00	227,925.00
F D C Ltd	0.00	188,510.20
Gujarat NRI Coke	135,074.00	232,574.00
Indag Product Ltd Shares	600.00	600.00
Jet Airways (I)_Ltd. Shares	256,000.00	0.00
K.M.F Ltd Shares	1,600.00	1,600.00
Macchar Infrastructure Ltd	84.00	84.00
Meghmani Org. Ltd Shares	86,910.00	337,340.00
Modern Insulator Ltd	1,000.00	1,000.00
M T N L	19,740.00	80,650.00
National Steel Ind Ltd	5,700.00	5,700.00
NHPC	263,250.00	504,900.00
NMDC Ltd	48,000.00	48,000.00
North Gate	474.00	474.00

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	0.00
Q.S.T Ltd	1,950.00	1,950.00
Reliance Industries Ltd	3,031,499.25	2,709,999.25
Reliance Power Ltd	248,850.00	248,850.00
Satyam Computer	0.00	0.00
Shipping Corporation of India	24,100.00	54,300.00
Shobha Developers Ltd	10,400.00	10,400.00
S N S Diagnostics Ltd	3,000.00	3,000.00
Surya Protein Ltd	350.00	350.00
Sterlite Indestres Ltd	0.00	328,250.00
TCSL Shares	11,329,587.00	9,868,337.00
Tirupati Ind (I) Ltd	285.00	285.00
T V Today Shares	0.00	21,600.00
UCO Bank	1,669,265.47	1,560,327.82
Unitech Ltd	40,775.00	221,420.00
United Leasing Ltd	262.00	262.00
	<b>18,127,358.37</b>	<b>18,127,358.37</b>
<b>Shares : Unquoted</b>		
The Navnirman Co op Bank Ltd	66,000.00	66,000.00
	<b>66,000.00</b>	<b>66,000.00</b>
<b>Mutual Fund</b>		
Birla Sunlife Frunt lint Eq. Fund	250,000.00	250,000.00
Birla sunlife Basic Industries fund	0.00	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
	1,050,000.00	1,150,000.00
<b>Total</b>	<b>19,721,250.82</b>	<b>19,343,358.37</b>

**Note 12 Long Term Loans and Advances**

Particulars	2013-2014	2012-2013
<b>Current Loan</b>	41,961,043.00	15,765,981.00
<b>Inter Corporate Laon</b>	7,614,761.00	648,463.00
	49,575,804.00	<b>16,414,444.00</b>
<b>Advance with Government Authority :</b>		
T D S Recievable 2002-03	0.00	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	362,762.00
T D S Receivable 2012-13	347,497.00	0.00
T D S Receivable 2013-14	395,275.00	0.00
	<b>2,948,147.00</b>	<b>2,211,894.50</b>
<b>Deposits</b>		
The Navnirman Co Op Bank Ltd F D	500,000.00	500,000.00
UCO Bank FD	10,000,000.00	40,000,000.00
	<b>10,500,000.00</b>	<b>40,500,000.00</b>
<b>Total</b>	<b>63,023,951.00</b>	<b>59,126,338.50</b>

**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	2013-2014	2012-2013
Misc. Expenses (ASSET) Preliminary Expn		-
	2,400.00	5,096.00
<b>Total</b>	<b>2,400.00</b>	<b>5,096.00</b>

**Note 14 Current Investment**

Particulars	2013-2014	2012-2013
<b>Shares</b>		
MCX LTD.	0.00	280,000.00
Punjab National Bank Shares	682,000.00	603,500.00
<b>Total</b>	<b>682,000.00</b>	<b>883,500.00</b>

**Note 15 Cash and Cash Equivalents**

Particulars	2013-2014	2012-2013
(a) Cash on hand	666.00	5,159.00
(b) Balances with banks Current A/c (i)HDFC Bank Ltd	1911.40	1.00
<b>Total</b>	<b>2577.40</b>	<b>5160.00</b>

**Note 16 Short-term loans and advances**

Particulars	2013-2014	2012-2013
<b>Advance with Government Authority :</b>		
T D S Recievable 2012-13	-	440,074.00
Dividend Receivable		59,242.00
Mat Credit Recievable	704,470.00	896,751.00
	-	-
<b>Total</b>	<b>704,470.00</b>	<b>1,396,067.00</b>

**Note 17 Revenue From Operations**

Particulars	2013-2014	2012-2013
Loan Interest	985,257.00	232,072.00
<b>Total</b>	<b>985,257.00</b>	<b>232,072.00</b>

**Note 18 Other Income**

Particulars	2013-2014	2012-2013
Dividend Income	883,150.86	863,274.18
Interest Received on Deposits (Net)	2,941,332.59	4,284,383.24
Long term Profit on sale of shares	6,474,681.00	1,932,212.95
Short term Profit on sale of shares	187,596.03	479,741.82
Share trading profit	240,429.75	90,191.00
Long Term Profit On Sale of Mutual Fund	-43,779.14	0.00
<b>Total</b>	<b>10,683,411.49</b>	<b>7,649,803.19</b>

**Note 19 Employee Benefits Expense**

Particulars	2013-2014	2012-2013
Salary Expenses	1,133,600.00	1,005,800.00
Remuneration to Director	480,000.00	360,000.00
Bonus Expenses	298,400.00	263,600.00
Staff Welfare	76,988.30	84,875.00
<b>Total</b>	<b>1,988,988.30</b>	<b>1,714,275.00</b>

**Note 20 Other expenses**

Particulars	2013-2014	2012-2013
<b>20.a Administrative &amp; Office Expenses</b>		
Annual Custodian Charges	14,930.00	20,578.00
Legal & Professional Expenses	40,000.00	25,000.00
Audit Fees	22,472.00	15,000.00
Brockrage & Commission Exp	26,877.26	15,353.27
Car Maintanance	58,097.00	26,245.00
Company Secretary Fees	11,236.00	11,236.00
Convayance Allounces Exp.	115,200.00	115,200.00
Electric Power Expenses	7,5004.00	68,612.00
Gujarat Finanance Asso. membership fees	3,000.00	3,000.00
Gujarat Chamber ofCommerce & industries.	3,708.00	1,348.00
Internal Audit fees	15,000.00	15,000.00
Office Repairing Expenses	0.00	14,250.00
Lions club membership fees	4,000.00	4,000.00
Medical Expenses	15,238.00	6,211.00
Municipaly tax	42,848.00	39,396.00
Office Expenses	34,374.00	72,670.00
Petrol	225,381.51	150,358.00
Postage & Tele. Expenses	25,484.00	26,165.00
Printing & Stationery Expenses	2,205.00	6,405.00
Professional Tax	2,000.00	2,000.00
Preliminary Expenses	2,696.00	2,696.00
Registration Filing Fees Expenses	2,000.00	1,500.00
Refreshment Exps	38,900.00	107,001.00
Securities Transaction Tax	37,574.00	22,937.00
Securities Transaction Tax ( F & O )	65.97	1,874.00
Service Tax	3,896.00	1,991.49
STT On Speculation	3,045.00	0.00
Transection Charges	64.64	0.00
Stamp Duty Expenses(F & O)	83.24	0.00
Stamp Duty Expenses	5,370.34	2,116.47
Other charges	5,776.46	693.17
Traveling Expenses	18,662.00	519,444.00
NPA Provision	4,944,718.00	2,835,096.00
Bad Debts	6,519.50	0.00
Auc Difference	584.00	0.00
Car Insuarance	8,170.00	0.00
Charges On Deposite	1,220.00	0.00
Income Tax Filling Fees	6,741.00	0.00
<b>Total-A</b>	<b>5,827,057.58</b>	<b>4,133,376.40</b>
<b>20.b Selling &amp; Distribution Expense</b>		
Advertisement Expenses	19,970.00	14,560.00
<b>Total-B</b>	<b>19,970.00</b>	<b>14,560.00</b>
<b>Total= A+B</b>	<b>5,847,027.58</b>	<b>4,147,936.00</b>

**#Notes: Auditors Remuneration**

Particulars	2013-2014	2012-2013
Payments to the auditors comprises		
For Audit Fees	22,472.00	15,000.00
<b>Total</b>	<b>22,472.00</b>	<b>15,000.00</b>

**Note 21 Finance costs**

Particulars	2013-2014	2012-2013
Interest Expense	558,128.00	593,693.00
Bank Charges & Commission	4,942.60	3,007.52
Demate Charges	1,596.00	870.00
Share Registrar & Transfers Agent Fees	23,595.60	23,595.00
Stock Exchange Listing Fees		16,854.00
<b>Total</b>	<b>588,262.20</b>	<b>638,019.52</b>

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

State Code	: 04
Registration No.	: 8864
Balance sheet Date	: 31st March, 2014.

**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	849.68
Total Assets	849.68

**Source of Funds**

Paid Up Capital	304.12
Reserves & Surplus	503.18
Secured Loans	4.39
Unsecured Loans	24.60

**Application Of Funds**

Net fixed Assets	5.58
Investment	204.03
Net current Assets	639.80
Misc. Expenditure	0.24
Accumulated Losses	0.00

**4. Performance of Company ( Amount In Lacs )**

Turnover	9.85
Total Expenditure	84.54
Profit & Loss Before Tax	26.02
Earning Per Share In Rs.	0.86
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 : 22-05-2014.**

**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 31/03/2014**

Particular	For The Year Ended 31/03/2014	For The Year Ended 31/03/2013
<b><u>A. Cash Flow From Operating Activities</u></b>		
Net profit before tax and extra ordinary item	2,602,974.00	1,349,114.00
Add Back :		
(A) Depreciation	29,252.00	32,530.00
(B) Preliminary Exp. W/off	2,696.00	2,696.00
(C) Long Term Capital Loss	43,779.00	-
(D) NPA Provision	4,944,718.00	2,835,096.00
	<b>7,623,420.00</b>	<b>4,219,436.00</b>
<b>Deduct :</b>		
Dividend Income	883,151.00	863,274.00
Bank Int. Income	2,941,333.00	4,284,383.00
Long term Capital Gain	6,474,681.00	1,932,213.00
Short Term Capital Gain	187,596.00	479,742.00
Speculation Gain	240,430.00	90,191.00
	<b>10,727,191.00</b>	<b>7,649,803.00</b>
Operating profit before working Capital Changes	<b>-3,103,771.00</b>	<b>-3,430,367.00</b>
<b>Adjustment for working capital changes</b>		
(Increase)/ Decreasing in Current asset	619,647.00	12,754,726.00
Increase/ (Decrease) in Current Liabilities	488,042.00	-260,643.00
<b>Cash Flow From Operation</b>	<b>-1,996,082.00</b>	<b>9,063,716.00</b>
Direct Tax Paid	-	
Cash Inflow before extraordinary items & prior year adjustment	-1,996,082.00	9,063,716.00
Extraordinary items and prior year adjustment	-	-
<b>Net cash from Operating activities</b>	<b>-1996082.00</b>	<b>9,063,716.00</b>
<b><u>B. Cash Flow From Investing Activities</u></b>		
Acquisition of fixed assets	-51,390.00	
Shares sold	31,758,237.00	28,080,207.00
Shares Purchased	-32,136,130.00	-27,674,348.00
Intercorporate Loan Given	-55,963,435.00	
Payment Receive & Adjustment in Intercorporate Loan Given	48,997,137.00	
Current Loan Given	-38,035,522.00	
Payment Receive & Adjustment in Current Loan	11,840,460.00	
Increase in TDS Receivable	-736,253.00	
Dividend Income	883,151.00	863,274.00
Bank Int. Income	2,941,333.00	4,284,383.00
Short term Share	187,596.00	479,742.00
Long term share	6,474,681.00	1,932,213.00
Speculation profit	240,430.00	90,191.00
<b>Less:</b>		
Long Term Capital Loss	<b>-43,779.00</b>	-
<b>Net cash from Investing activities</b>	<b>-23,643,483.00</b>	<b>8,055,662.00</b>
<b><u>C. Cash Flow Arising From Financing Activities</u></b>		
Director Loan Taken	15,457,331.00	
Director Loan Repayment & Adjustment	-15,396,909.00	
Unsecured Loans Taken.	7,020,172.00	23,580,919.00
Unsecured Loans Repayment & Adjustment	-8,213,811.00	-28,171,086.00
Bank O/D Taken	139,302,790.00	78,835,622.00
Bank O/D Rapayment	-142,532,590.00	-91,042,291.00
<b>Net cash from Financing activities</b>	<b>-4,363,017.00</b>	<b>-16,796,836.00</b>
<b>Net increase in cash and Bank equivalents during the year</b>	<b>-30,002,583.00</b>	<b>322,542.00</b>
Add: Cash and Bank equivalents at the beginning of the year	40,505,160.00	40,182,618.00
<b>Cash and Bank equivalents at the end of the year</b>	<b>10,502,577.00</b>	<b>40,505,160.00</b>

Place : Ahmedabad  
Date : 22 -05 - 2014  
( Chairman

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

**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, 2014 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 : 22-05-2014

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 31/03/2014

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.)	24.60	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



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	495.75	495.75
<b>Total</b>	<b>Nil</b>	<b>495.75</b>	<b>495.75</b>

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	204.03
<b>Total</b>	<b>359.41</b>	<b>204.03</b>

\* 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.

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 28th Annual General Meeting held on Monday 30th September 2014 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 &amp; FINANCE LTD. Hereby appoint \_\_\_\_\_

Of \_\_\_\_\_ as my /our proxy to attend vote for Me/our behalf at the 28th Annual General Meeting of the Company to be held on Monday 30th September 2014.

Signed this \_\_\_\_\_ day of 2014.

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