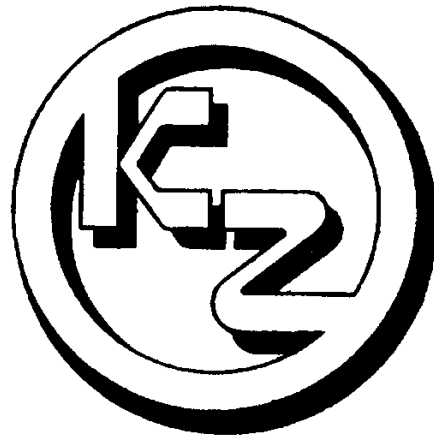


30th
Annual Report
2015-2016



K. Z. LEASING & FINANCE LTD.

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

Ahmedabad – 380014.

SAFE HARBOUR STATEMENT

In this Annual Report we have disclosed forward-looking information [within the meaning of various laws] to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements—written and oral—that we periodically make, contain forward-looking statements that set out anticipated results based on the Management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise

Important Communication to Shareholders
“Green Initiative in the Corporate Governance”

Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement or any other communication in electronic mode, and register the said form with Link Intime India Private Limited.

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors’ report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives.

Email Address Registration Form

(For members who holds shares in Physical Forms)

K Z LEASING AND FINANCE LIMITED

Registered Office: 1st Floor, Deshana Chamber, B/h. Kadwa pattidar Wadi, Ashram Road, Ahmedabad-380014

Ledger Folio No. _____ No. of Share(s) held: _____

NAME OF THE SHAREHOLDER / JOINT HOLDER : _____

Email Address: i) _____ ii) _____

Contact No. (R) _____ (M) _____

I hereby give my / our consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this _____ day of _____, 2016.

Note :

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd. Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad-380009 Tele: 07926465179 Tele fax : 079-26465179
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.

FORM A

Format of covering letter of the Annual Audit Report to be filed with the stock exchanges

1.	Name of the Company	K Z LEASING AND FINANCE LIMITED
2.	Annual Financial statements for the year ended	31 st March, 2016
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by	
	<ul style="list-style-type: none"> Managing Director- Pravinkumar Keshavlal Patel	<ul style="list-style-type: none"> Director- Ankit Pravinkumar Patel
	<ul style="list-style-type: none"> Audit Committee Chairman- Gandalal Ambalal Patel	Statutory Auditor of the Company — J. M. Patel & Bros.

Founder : Late Keshavlal Zaverchand Patel

Board of Directors

Shri Pravinkumar Keshavlal Patel	Chairman & Managing director
Shri Rameshbhai Narandas Patel	Independent Director
Shri Keshavlal Kashiramdas Patel	Independent Director
Shri Gandalal Ambalal Patel	Independent Director
Shri Ankit Pravinkumar Patel	Director & CFO
Shri Kantibhai Joytiram Patel	Independent Director
Smt. Chaitali Bharatbhai Patel	Woman Director

Audit Committee

Shri Gandalal Ambalal Patel, Chairman
Shri Kantilal Joytiram Patel, Member
Shri Pravinbhai Keshavlal Patel, Member
Smt. Chaitaliben B Patel, Member

Shareholders / Investor's Grievance Committee

Shri Rameshbhai Narandas Patel, Chairman
Shri Gandalal Ambalal Patel, Member
Shri Pravinbhai Keshavlal Patel, Member
Smt. Chaitaliben B Patel, Member

Corporate Social Responsibility Committee

Shri Rameshbhai Narandas Patel, Chairman
Shri Kantilal Joytiram Patel, Member
Shri Gandalal Ambalal Patel, Member

Nomination & Remuneration Committee

Shri Kantilal Joytiram Patel, Chairman
Shri Rameshbhai Narandas Patel, Member
Shri Gandalal Ambalal Patel, Member

COMPANY SECRETARY – Mrs. Hinal Anish Shah

Registered Office

1st Floor, Deshana Chamber,
B/h Kadwa Pattidar Wadi,
Ashram Road,
Ahmedabad-380014

Tel.: 079-27542298

Fax: 079-27543200

CIN: L65910GJ1986PLC008864

Email Id: kzleasing@yahoo.com

Statutory Auditor

J. M. Patel & Bros.

Internal Auditor

Marmik G. Shah & Associates

Secretarial Auditor

Mr. Amit Patel

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Bankers

- The Navnirman Co-Op. Bank Ltd.
- UCO Bank
- HDFC Bank
- Shree Kadi Nagrik Sahakari Bank Ltd.

Registrars and Transfer Agents

Link Intime India Private 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

Notice to the Shareholders

NOTICE is hereby given that the **30th** Annual General Meeting of the Members of K Z Leasing And Finance Limited will be held on Wednesday, 14th September, 2016 at 11.00 a.m. at the registered office of the Company at 1st Floor, Deshana Chamber, B/h. Kadva Patidar Wadi, Ashram Road, Ahmedabad -380014. to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Statement of Profit and Loss Account ended on 31st March, 2016 and the Balance Sheet as at that date together with the Cash flow Statement, 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, Statement of Profit and Loss for the year ended 31st March, 2016, and the Balance Sheet as at that date, the Cash Flow Statement for the year ended 31st March, 2016, together with the Auditors' Report thereon be and are hereby received and adopted."

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

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

- 3. To consider the Ratification of M/s J. M. Patel & Brothers, Chartered Accountants as the Statutory auditors of the Company and to pass, with or without modification, the following Resolution as Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the appointment of M/s J. M. Patel & Brothers, Chartered Accountants, (FRN- 107707W) from whom Certificate pursuant to section 139 of the Companies Act, 2013 has been received, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2017."

REGISTERED OFFICE:

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

ON BEHALF OF THE BOARD FOR, K Z LEASING AND FINANCE LTD.

Pravinkumar K Patel
(Chairman and Managing Director)
(DIN: 00841628)

Ankit P. Patel
(Director)
(DIN: 02901371)

Date: 30/07/2016

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF, SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than ten (10) per cent of the total share capital of the Company. In case proxies proposed to be appointed by a Member holding more than ten(10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any such other person or shareholder.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting i.e.by 11.00 a.m. on Monday, 12th September, 2016. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.
- 2. The relevant details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking re-appointment as directors Item Nos. 2 above, is 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 the Share Transfer Books of the Company will remain closed for a period of Nine (9) days from Tuesday, 6th day of September, 2016 to Wednesday, 14th day of September, 2016 (both days inclusive).**

5. Members are requested to contact Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd. Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad-380009 for recording any change of address, bank mandate, ECS or nominations, and for redressal of complaints contact the Compliance Officer at the Registered Office of the Company.
6. 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.
7. 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.
8. 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.
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. Members, who have multiple accounts in identical names or joint names in same order are requested to intimate M/s. Link Intime (India) Pvt. Ltd., the Ledger Folios of such accounts to enable the Company to consolidate all such share holdings into one account.
12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

13. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 10th September, 2016 at 9.00 a.m. and ends on 13th September, 2016 at 5.00 p.m. 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 6th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (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 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:

	For Members holding shares in Demat Form and Physical Form
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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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"> 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 the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach 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 K Z Leasing And Finance Limited 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 same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- i) Mr. Amit K. Patel, Practicing Company Secretary (C.O.P – 15068) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- ii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iii) The Results declared along with the report of the Scrutinizer shall be placed on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Explanatory Statements pursuant to section 102[1] of the Companies Act, 2013.

The following statements set out all material facts relating to Special Businesses mentioned in the accompanying Notice.

Profile of Retiring Directors:

Item No. 2

Name	Ankit Pravinkumar Patel
Qualification	Bcom. , M.com.
Experience	Over 10 years of wide ranging experience in Finance Area
Other Directorship	K Z Cotspin Limited
Chairman / Member of the Committees of the Board of the other companies on which he is a director	None
No. of shares held in the company	5551 Equity shares of Rs. 10 each
Disclosure of the relationships	Ankit P. Patel is the son of Mr. Pravinbhai K Patel, Chairman and Managing Director and husband of Mrs. Chaitali A. Patel, Director of the Company.

REGISTERED OFFICE:

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

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

Date: 30/07/2016

Pravinkumar K Patel
(Chairman and Managing Director)
(DIN: 00841628)

Ankit P Patel
(Director)
(DIN: 02901371)

Directors' Report

Your Directors are pleased to present the Company's 30th Annual Report and the audited accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS FOR THE YEAR 2015-16:

(Amount in Rs.)

PARTICULARS	2015-16	2014-15
Income From Operation	17,28,448.00	10,61,294.00
Other Income	57,08,587.00	71,83,207.27
Total Income	74,37,035.00	82,44,501.27
Less: Operational Expenses	39,07,035.00	36,54,205.80
Profit before Interest, Depreciation	35,30,000.00	45,90,295.47
Less :Depreciation and Finance Cost	1,11,371.00	32,624.00
Profit/ Loss Before Tax	11,89,437.00	31,40,586.52
Less: Tax expenses	0.00	7,13,881.50
Profit/ Loss After Tax	11,89,437.00	24,26,705.02

PERFORMANCE REVIEW:

During the year under review, the Company has generated total revenue of Rs. 74,37,035 as against Rs 82,44,501.27 of the previous financial year. The net profit for the year under review has been Rs. 11,89,437 as against Rs. 24,26,705.02 during the previous financial year. Your Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in future period.

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

DIVIDEND & APPROPRIATIONS:

In order to conserve the resources, in the year 2015-16, the Directors do not recommend any dividend for the year under review.

BOARD OF DIRECTORS:

1. Mr. Ankit Pravinkumar Patel (DIN: 02901371), Director of the Company retires by rotation and, being eligible, offers himself for re-appointment.
2. **Independent Directors:**
The Independent Directors have submitted their declarations of independence, as required pursuant to the provisions of section 149(7) of the Act, stating that they meet the criteria of independence.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:

The company has no subsidiary company, Joint Venture Company or Associate Company.

PUBLIC DEPOSIT:

During the year under review your Company has not accepted deposit form public as envisaged by Chapter V of the Companies Act, 2013 and as per rules and regulations framed by Reserve Bank of India for Non Banking Finance Companies.

CHANGE IN THE NATURE OF BUSINESS:

There is no Change in the nature of the business of the Company done during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO:

As required by the provisions of Section 134(3)(m) of the Companies Act,2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 the relevant data pertaining to conservation of energy, technology absorption are not applicable and hence, not given. The Company has no Foreign Exchange earnings and outgo during the year under review.

PARTICULARS OF EMPLOYEES:

There are no employees drawing the remuneration in excess of limits prescribed under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No such material changes and commitments, affecting the financial position of the company have occurred and hence no comments required.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

CHANGES IN SHARES CAPITAL:

The Company has not made any changes in the share capital of the company during the year under review.

INSURANCE:

All the assets of the company are adequately insured and the Company has developed proper system for taking insurance on all its assets in order to mitigate the risk.

AUDITORS:

I. STATUTORY AUDITORS & AUDITORS' REPORT:

In view of the internal process of re-alignment at the Statutory Auditors' firm, M/s. J. M. Patel & Bros., (FRN: 107707W), Chartered Accountants, Ahmedabad has been re-appointed as the Statutory Auditors of the Company.

The Statutory Auditors of the Company, M/s. J. M. Patel & Bros., (FRN: 107707W), Chartered Accountants, Ahmedabad hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. J. M. Patel & Bros. to the effect that their appointment, will be as per the requirements laid down under Section 139 and 141 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014. The Statutory Auditors have expressed its intention to hold office from the conclusion of the 29th Annual General Meeting of the Company, up to the conclusion of the 34th Annual General Meeting pursuant to the provisions of the said sections, subject to ratification of the appointment at every Annual General Meeting.

Accordingly, a resolution is being submitted to the Members for the ratification of appointment of M/s. J. M. Patel & Bros., Chartered Accountants and to allow the Board to fix their remuneration for the current year.

II. Auditors' Report:

The Auditors' Report does not contain any adverse remark(s) and hence no comments required. The notes of accounts referred to in the auditors' report are self explanatory and therefore do not require any further comments.

III. INTERNAL CONTROL SYSTEM

Pursuant to the provisions of section 138 of the Companies Act and rules made there under, the company has proper system of Internal Control and it has also appointed internal auditor to look after the matters of internal control.

IV. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of section 204 of the Act and The Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, the Company has appointed Mr. Amit K. Patel, Practicing Company Secretary to undertake Secretarial Audit for the financial year ended on 31st March, 2016. Secretarial Audit Report is attached to this report as **Form MR-3**. The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Board of your Company has constituted a CSR Committee. As on 31 March, 2016, the Committee comprises three Directors. CSR Committee has recommended to the Board, a CSR Policy, indicating the activities to be undertaken by the Company, which is approved by the Board and carried to the Annual Report.

The company's net profit, turnover and net worth are outside the criteria of Section 135 of the Companies Act, 2013, therefore, it is not required to spend any amount under CSR Activity.

ENVIRONMENT, HEALTH AND SAFETY:

The Company is a Non banking finance company hence it is not in such activity which affects the environment adversely, however, it accords the highest priority to Environment, Health and Safety. The management is constantly reviewing the safety standards of the employees and the management believes in the concept of sustainable development.

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

i. Vigil Mechanism / Whistle Blower Policy:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.

ii. Business Conduct Policy:

The Company has framed “Business Conduct Policy”. Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

AUDIT COMMITTEE:

The Audit Committee comprises of 4 members namely, Chairman Shri Gandlal Ambalal Patel, Shri Kantilal Joytiram Patel, Smt. Chaitaliben B. Patel and Shri Pravinbhai Keshavlal Patel. The audit committee duly met at regular intervals during the mentioned financial year and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Meetings of Audit committee was held four times on during the financial year and further details of attendance of directors in the Committee meeting are mentioned in Corporate Governance Report.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company’s Financial Statements. Before presenting the audited accounts to the members of the Board, the Audit Committee recommended the appointment of the statutory auditors, subject to the Board’s approval. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

The company has not declared dividend in any of the previous seven years and hence there is no fund lying as unclaimed/unpaid dividend and hence it is not required to transfer to IEPF Account.

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.

CORPORATE GOVERNANCE:

Your Company follows the principles of effective Corporate Governance. The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the erstwhile Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 executed with the Stock Exchange(s).

A separate section on Corporate Governance is included in the Annual Report and Certificate from Company’s Auditors confirming the compliance with the code of Corporate Governance as enumerated in prescribed in the erstwhile Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is annexed hereto.

MANAGEMENT’S DISCUSSION AND ANALYSIS REPORT:

Management’s Discussion and Analysis Report for the year under review, as stipulated under erstwhile Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 executed with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

DEMATERIALISATION OF EQUITY SHARES:

As per direction of the SEBI and Bombay Stock Exchange Limited, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited and the demat activation number allotted to the Company is ISIN: INE 006C01015. Presently shares are held in electronic and physical mode (81.84% of shares in demat, 18.16% in physical mode).

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.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors duly met at regular intervals during the mentioned financial year and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The details regarding the meetings of board of directors and the attendance of the directors in the same is mentioned in Corporate Governance Report.

NUMBER OF MEETINGS OF THE AUDIT COMMITTEE:

The Audit Committee duly met at regular intervals during the mentioned financial year and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The details regarding the meetings of Audit Committee and the attendance of the directors in the same is mentioned in Corporate Governance Report.

NUMBER OF MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee duly met at regular intervals during the mentioned financial year and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The details regarding the meetings of Nomination and Remuneration Committee and the attendance of the directors in the same is mentioned in Corporate Governance Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (Prevention, Prohibition and Redressal Act, 2013):

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of section 134[3] [c] of the Act, your Directors state that:

- a) in the preparation of the annual financial statements for the year ended on 31st March, 2016, applicable accounting standards read with requirements set out under schedule III of the Act, have been followed along with proper explanation relating to material departures, if any,
- b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit of the company for the year ended on that date,
- c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities,
- d) the annual financial statements are prepared on a going concern basis,
- e) proper internal financial controls are in place and that the financial controls are adequate and are operating effectively and
- f) the systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:

During the period under report, the Company has not provided guarantee to any person or Body Corporate. It has given current Loans to some parties in its ordinary course of business and as it is an NBFC company, it is outside the purview of Section 186 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of annual return is annexed herewith as **MGT-9** and forming part of the report.

RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

The Particulars of contracts or arrangements with related parties are given in the prescribed Form AOC-2 appended herewith as **Annexure-A**.

ACKNOWLEDGMENT:

Your Directors wish to place on record their sincere appreciation to the financial institutions, Company's bankers and customers, vendors and investors for their continued support during the year.

Your Directors are also pleased to record their appreciation for the dedication and contribution made by employees at all levels who through their competence and hard work have enabled your Company achieve good performance year after year and look forward to their support in future as well.

REGISTERED OFFICE:

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

Date: 30-07-2016

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

**Pravinkumar K Patel
(Chairman and Managing Director)
(DIN: 00841628)**

**Ankit P Patel
(Director)
(DIN: 02901371)**

ANNEXURE-A
FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length Basic:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/ transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length Basic:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts /arrangements /Transactions	Salient terms of the contracts of arrangements or transactions including value, if any:	Duration of Contracts/ arrangements/ Transactions	Date(s) of the approval by the Board and Audit Committee, if any	Amount paid as advances, If any
1	Mr. Pravinbhai Keshavlal Patel	Managing director	Salary of Rs. 20,000 per month & allowance of Rs. 1600 per month aggregating to Rs. 2,59,200	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
2	Mr. Ankit Pravinkumar Patel	Director	1) Salary of Rs. 29,166.67 per month & allowance of Rs. 1600 per month aggregating to Rs. 3,69,200. 2) Interest paid of Rs. 1,78,062	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
3	Mrs. Chaitali Bharatbhai Patel	Director	Salary of Rs. 29,166.67 per month & allowance of Rs. 1600 per month aggregating to Rs. 3,69,200	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
4	Mr. Gandadal Ambalal Patel	Director	allowance of Rs. 1600 per month aggregating to Rs. 19,200	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
5	Mr. Kantibhai Joytiram Patel	Director	allowance of Rs. 1600 per month aggregating to Rs. 19,200	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
6	Mr. Amratlal Kashiram patel	Relative	Interest paid of Rs. 4473	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
7	Mrs. Anandiben Vishnubhai Patel	Relative	Interest paid of Rs. 4793	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
8	Mr. Babulal K. Patel	Relative	Interest paid of Rs. 11651	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
9	Mrs. Bhagwatiben Gandlal Patel	Relative	Interest paid of Rs. 95352	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
10	Mr. Bharatbhai B. Patel	Relative	Interest paid of Rs. 3822	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
11	Dhyani Hardik Patel	Relative	Interest paid of Rs. 3640	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
12	Mr. Dipak Gandadal Patel	Relative	Interest paid of Rs. 4913	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
13	Mr. Gandadal Ambalal Patel	Director	Interest paid of Rs. 3430	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
14	Mr. Hardik P. Patel	Relative	Interest paid of Rs. 1,38,279	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
15	J.K. Patel & Company	Relative	Interest paid of Rs. 4812	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
16	Mrs. Kailashben Kirtikumar Patel	Relative	Interest paid of Rs. 4581	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
17	Mrs. Kailashben Pravinbhai Patel	Relative	Interest paid of Rs. 4,75,898	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
18	Mr. Kantilal Joitaram Patel	Director	Interest paid of Rs. 11,828	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
19	Mrs. Kapilaben B. Patel	Relative	Interest paid of Rs. 3,844	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
20	Mrs. Kena Hardik Patel	Relative	Interest paid of Rs. 4,18,938	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil

21	Mr. Kirtikumar Prahladbhai Patel	Relative	Interest paid of Rs. 4478	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
22	Mrs. Lataben N. Patel	Relative	Interest paid of Rs. 78,015	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
23	Mr. Manilal Joitaram Patel	Relative	Interest paid of Rs. 3059	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
24	Mrs. Manjulaben Kantilal Patel	Relative	Interest paid of Rs. 2640	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
25	Mr. Manubhai Joitaram Patel	Relative	Interest paid of Rs. 3611	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
26	Mr. Mihir Patel	Relative	Interest paid of Rs. 3822	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
27	Mrs. Mina R. Patel & Menaben R. Patel	Relative	Interest paid of Rs. 990	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
28	Mrs. Mitaben M. Patel & Menaben R. Patel	Relative	Interest paid of Rs. 990	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
29	Mrs. Mitaben Mukeshbhai Patel	Relative	Interest paid of Rs. 4201	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
30	Mr. Mohanbhai Joitaram Patel	Relative	Interest paid of Rs. 3697	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
31	Mrs. Parulben G Patel	Relative	Interest paid of Rs. 1716	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
32	Mrs. Sejal Kantilal Patel	Relative	Interest paid of Rs. 314	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
33	Mrs. Sejal Gandadal Patel	Relative	Interest paid of Rs. 4535	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
34	Mrs. Shardaben Manilal Patel	Relative	Interest paid of Rs. 3576	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
35	Mrs. Sushilaben Manubhai Patel	Relative	Interest paid of Rs. 4812	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
36	Mrs. Vidhyaben Sitaram Patel	Relative	Interest paid of Rs. 4719	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
37	Mr. Vishnubhai Prabhudas Patel	Relative	Interest paid of Rs. 4337	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
38	Keshavlal Z Patel HUF	Relative	Interest paid of Rs. 1,67,023	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil
39	Pravinkumar & Company	Director	Interest paid of Rs. 11,386	From 1 st April, 2015 to 31 st March, 2016	27/05/2015	Nil

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L65910GJ1986PLC008864
ii	Registration Date	07/08/1986
iii	Name of the Company	K Z LEASING AND FINANCE LIMITED
iv	Category/Sub-category of the Company	Non-Government Company
v	Address of the Registered office & contact details	1ST FLOOR DESHANA CHAMBER, B/H KADWAPATTIDAR WADI, ASHRAM ROAD AHMEDABAD-380001
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C-13, Pannalal Silk mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078 Phone No. 022-25946970/78

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	FINANCE AND FINANCIAL SERVICES	65	100

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/ GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1					
2					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	639444	0	639444	21.03	701253	0	701253	23.06	61809	2.03
b) Central Govt.or State Govt.	0	0	0	-	0	0	0	-	0	-
c) Bodies Corporates	0	0	0	-	0	0	0	-	0	-
d) Bank/Fl	0	0	0	-	0	0	0	-	0	--
e) Any other	0	0	0	-	0	0	0	-	0	-
SUB TOTAL:(A) (1)	639444	0	639444	21.03	701253	0	701253	23.06	61809	2.03
(2) Foreign										
a) NRI- Individuals	0	0	0	-	0	0	0	-	0	-
b) Other Individuals	0	0	0	-	0	0	0	-	0	-
c) Bodies Corp.	0	0	0	-	0	0	0	-	0	-
d) Banks/Fl	0	0	0	-	0	0	0	-	0	-
e) Any other...	0	0	0	-	0	0	0	-	0	-
SUB TOTAL (A) (2)	0	0	0	-	0	0	0	-	0	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	639444	0	639444	21.03	701253	0	701253	23.0	61809	2.03
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	0	0	-	0	0	0	-	0	-
b) Banks/Fl	0	0	0	-	0	0	0	-	0	-
c) Central Govt.	0	0	0	-	0	0	0	-	0	-
d) State Govt.	0	0	0	-	0	0	0	-	0	-
e) Venture Capital Fund	0	0	0	-	0	0	0	-	0	-
f) Insurance Companies	0	0	0	-	0	0	0	-	0	-
g) FIIS	0	0	0	-	0	0	0	-	0	-
h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	0	-
i) Others (specify)	0	0	0	-	0	0	0	-	0	-
SUB TOTAL (B)(1):	0	0	0	-	0	0	0	-	0	-
(2) Non Institutions										
a) Bodies corporate										
i) Indian	216044	6100	222144	7.30	158164	6100	164264	5.40	-57880	-1.90
ii) Overseas	0	0	0	-	0	0	0	-	0	-
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	630498	550910	1181408	38.85	568505	546110	1114615	36.65	-66793	-2.20
ii) Individualshareholders holding nominal share capital in excess of Rs. 1 lakhs	945360	0	945360	31.09	966290	0	966290	31.77	20930	0.69
Hindu Undivided Family	14765	0	14765	0.49	84693	0	84693	2.79	69928	2.30
Clearing Member	33392	0	33392	1.10	9445	0	9445	0.31	-23947	-0.79
NRI and Foreign Co.	4687	0	4687	0.15	640	0	640	0.02	-4047	-0.13
SUB TOTAL (B)(2):	1844746	557010	2401756	78.97	1787737	552210	2339947	76.94	-61809	-2.03
Total Public Shareholding (B)= (B)(1)+(B)(2)	1844746	557010	2401756	78.97	1787737	552210	2339947	76.94	-61809	-2.03
C. Shares held by Custodian for GDRs & ADRs	0	0	0	-	0	0	0	-	0	-
Grand Total (A+B+C)	2484190	557010	3041200	100.00	2488990	552210	3041200	100.00	0	0

(ii) SHARE HOLDING OF PROMOTERS

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Menaben Keshavlal Family Trust	1,50,000	4.93	0	1,50,000	4.93	0	-
2	Kailashben Pravinbhai Patel	1,50,000	4.93	0	1,50,000	4.93	0	-
3	Gandalal Ambalal Patel	91,100	3.00	0	91,100	3.00	0	-
4	Keshavlal Zaverchand Patel Family Trust	88,400	2.91	0	88,400	2.91	0	-
5	Hardik Pravinbhai Patel	39,100	1.29	0	39,100	1.29	0	-
6	Pravinbhai Keshavlal Patel	15,100	0.50	0	15,100	0.50	0	-
7	Patel Rameshbhai Narandas	2,500	0.08	0	2,500	0.08	0	-
8	Patel Kena Hardik	94,744	3.12	0	1,50,002	4.93	0	1.19
9	Chaitali Ankitbhai Patel	8500	0.28	0	9,500	0.31	0	0.03
10.	Ankit Pravinkumar Patel	0	0	0	5551	0.18	0	0.18
	Total	6,39,444	21.03	0	7,01,253	23.06	0	2.03

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	6,39,444	21.04		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	AS PER ANNEXURE-B			
	At the end of the year	7,01,253	23.06		

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

Sl. No	For Each of the Top 10 Shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	608216	20.00		
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	AS PER ANNEXURE -C			
	At the end of the year (or on the date of separation, if separated during the year)	712945	23.44		

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	117200	3.86	117200	3.86
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	AS PER ANNEXURE-D			
	At the end of the year	123751	4.07	123751	4.07

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment			
	Secured Loans excluding deposits	Deposit	Unsecured Loans
Indebtedness at the beginning of the financial year			
i) Principal Amount	4225944.43	0	1,49,67,107
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not due	0	0	0
Total (i+ii+iii)	4225944.43	0	1,49,67,107
Change in Indebtedness during the financial year			
Additions	0	0	0
Reduction	(328873.43)	0	(12,03,735)
Net Change	0	0	0
Indebtedness at the end of the financial year			
i) Principal Amount	38,97,071	0	1,37,63,372
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not due	0	0	0
Total (i+ii+iii)	38,97,071	0	1,37,63,372

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A Remuneration to Managing Director, Whole time director or Manager:

Sl.No	Particulars of Remuneration			
1	Gross salary	Pravinkumar K. Patel (MD)	Ankit P.Patel	Chaitali P. Patel
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,40,000	3,50,000	3,50,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit	0	0	0
	others : ALLOWANCE	19,200	19,200	19,200
5	Others, please specify	0	0	0
	Total (A)	2,59,200	3,69,200	3,69,200
	Ceiling as per the Act	1,30,838.07	-	-

B. Remuneration to other directors

Sl. No	Particulars of Remuneration		Name of the Directors
1	Independent Directors	Gandabhai A Patel	Kantibhai J. Patel
	(a) Fee for attending board committee meetings	0	0
	(b) Commission	0	0
	(c) Others, please specify (Allowance)	19200	19200
	Total (1)	19200	19200
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission	0	0
	(c) Others, please specify	0	0
	Total (2)	0	0
	Total (B)=(1+2)	19200	19200

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No	Particulars of Remuneration		Key Managerial Personnel
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		

NOT APPLICABLE

	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	others, specify			
5	Others, please specify			
	Total			

NOT APPLICABLE

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD /NCLT /Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NOT APPLICABLE

ANNEXURE-B

CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

SH.No	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding During the year (01/04/2015p to 31/03/2016)	
		No.of Shares at the beginning (01/04/2015)	% of shares of the Company				No.of Shares	% Of total Shares OF the Company
1.	Kena Hardik Patel	94744	3.12	28/04/15	15	Purchase	94759	3.12
				30/04/15	425	Purchase	95184	3.13
				05/05/15	100	Purchase	95284	3.13
				06/05/15	502	Purchase	95786	3.15
				08/05/15	2533	Purchase	98319	3.23
				14/05/15	4449	Purchase	102768	3.38
				15/05/15	553	Purchase	103321	3.39
				03/06/15	450	Purchase	103771	3.41
				04/06/15	200	Purchase	103971	3.42
				05/06/15	200	Purchase	104171	3.43
				08/06/15	300	Purchase	104471	3.44
				09/06/15	2200	Purchase	106671	3.51
				10/06/15	2162	Purchase	108833	3.57
				12/06/15	17	Purchase	108850	3.58
				10/07/15	26	Purchase	108876	3.58
				20/07/15	1500	Purchase	110376	3.63
				31/07/15	2	Purchase	110378	3.63
				06/08/15	19606	Purchase	129984	4.27
				07/08/15	9849	Purchase	139833	4.59
				25/08/15	552	Purchase	140385	4.62
				27/08/15	599	Purchase	140984	4.64
				28/08/15	200	Purchase	141184	4.64
				31/08/15	352	Purchase	141536	4.65
				01/09/15	3547	Purchase	145083	4.77
				02/09/15	2604	Purchase	147687	4.86

				03/09/15	800	Purchase	148487	4.88
				10/09/15	101	Purchase	148588	4.89
				11/09/15	2	Purchase	148590	4.89
				15/09/15	561	Purchase	149151	4.90
				16/09/15	850	Purchase	150001	4.93
				21/09/15	1	Purchase	150002	4.93
2.	Chaitali Ankitbhai Patel	8500	0.28	29/4/2015	1000	Purchase	9500	0.31
3.	Ankit P. Patel	0	-	09/10/15	201	Purchase	201	0.01
				19/10/15	11	Purchase	212	0.01
				20/10/15	1	Purchase	213	0.01
				17/12/15	212	Purchase	425	0.014
				21/12/15	943	Purchase	1368	0.04
				22/12/15	200	Purchase	1568	0.05
				31/12/15	402	Purchase	1970	0.06
				10/02/16	27	Purchase	1997	0.07
				21/03/16	3554	Purchase	5551	0.18

ANNEXURE C

(IV) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (other than Directors, Promoters & Holders of GDRs & ADRs)

Shareholding in the beginning of the year				Shareholding at the end of the year			
Sr. No.	Name of the Shareholder	No. Of Shares held	% of Shareholding	Sr. No.	Name of the Shareholder	No. Of Shares held	% of Shareholding
1.	Babubhai Kashiram Patel	71500	2.35	1.	Amrav Babulal Dugar	143940	4.73
2.	Chandrakant Mohanbhai Patel	71500	2.35	2.	Chandrakant Mohanbhai Patel	71500	2.35
3.	Lataben Natvarlal Patel	71500	2.35	3.	Lataben Natvarlal Patel	71500	2.35
4.	Rakeshkumar Ramanlal Patel	66500	2.19	4.	Babubhai Kashiram Patel	71500	2.35
5.	Shardaben Baldevbhai Patel	60800	1.99	5.	Rakeshkumar Ramanlal Patel	66500	2.19
6.	Mithani Investments Pvt. Ltd	56908	1.87	6.	Babulal Dugar	64397	2.12
7.	JM Financial Services Limited	55608	1.83	7.	Shardaben Baldevbhai Patel	60800	1.99
8.	Bhavesbhai Baldevbhai Patel	53800	1.77	8.	Mithani Investments Pvt. Ltd	56908	1.87
9.	Ramanbhai Joitaram Patel	52100	1.71	9.	Bhavesbhai Baldevbhai Patel	53800	1.77
10.	Amrav Babulal Dugar	48000	1.58	10.	Ramanbhai Joitaram Patel	52100	1.71
	Total	608216	20.00		Total	712945	23.44

ANNEXURE-D

(v) Shareholding of Directors & KMP

SH.No	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding During the year (01/04/2015 to 31/03/2016)	
		No.of Shares at the beginning (01/04/2015)	% of shares of the Company				No.of Shares	% Of total Shares OF the Company
1	Chaitali Ankitbhai Patel	8500	0.28	29/4/2015	1000	Purchase	9500	0.31
2	Ankit P. Patel	0	-	09/10/15	201	Purchase	201	0.01
				19/10/15	11	Purchase	212	0.01
				20/10/15	1	Purchase	213	0.01
				17/12/15	212	Purchase	425	0.014
				21/12/15	943	Purchase	1368	0.04
				22/12/15	200	Purchase	1568	0.05
				31/12/15	402	Purchase	1970	0.06
				10/02/16	27	Purchase	1997	0.07
				21/03/16	3554	Purchase	5551	0.18

MR-3
Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2016

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

To,
The Members,
K Z LEASING AND FINANCE LIMITED
(CIN: L65910GJ1986PLC008864)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **K Z LEASING AND FINANCE LIMITED (CIN: L65910GJ1986PLC008864)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure A for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, notified on 28th October, 2014;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) We further report that having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof, on test check basis, the company has generally complied with other laws identified by the management as applicable specifically to the company.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (d) to (i) of para (v) mentioned hereinabove during the period under review.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Ltd. read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

However, it was noted that compliance of secretarial standards issued by ICSI were not mandatory.

As per the explanation and representation received from the management, during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. The Company has not appointed any qualified Company Secretary as required by Section 203 of Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. The Company has not formed Audit Committee as required by Section 177 of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and the relevant provisions of the Listing Agreement and Listing Obligations and Disclosure Requirement) Regulations, 2015.

I further report that:

The Board of Directors of the Company is duly constituted but appointment of Independent Directors was not made by the Company. There were no changes in the composition of the Board of Directors during the period under.

In general, notice is given to all directors to schedule the Board Meetings. However the Agenda and detailed notes on agenda were sent seven days in advance. Further in some cases notice of Board meeting was not given to some of the Directors, and wherever shorter notices were given, the same was given with the consent of all the Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines however there is no system of submission of compliance reports to the Board.

I further report that during the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. however the members of the company has taken major decisions by passing resolutions for borrowing powers in pursuance to Section 180 of the Companies Act, 2013

Place: Ahmedabad
Date: July 30, 2016

Amit Patel
Practising Company Secretary
FCS: 8291
CP No. 15068

*This report is to be read with our letter of even date which is annexed as **Annexure B** and forms an integral part of this report.*

Annexure A

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under viz.
 - Register of Directors & KMP
 - Register of Directors' Shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Members
 - Periodical BENPOS, Registers of Demat/Remat and records made available from RTA
5. Agenda papers relating to the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013.
7. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the period under report.
8. Intimations/ documents/ reports/ returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the period under report.
9. Communications/ Letters issued to and acknowledgements received from the Independent directors for their appointment

Annexure B

To,
The Members,
K Z LEASING AND FINANCE LIMITED
(CIN: L65910GJ1986PLC008864)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: July 30, 2016

Amit Patel
Practising Company Secretary
FCS: 8291
CP No. 15068

Management Discussion and Analysis Report

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

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:

K Z Leasing and Finance Limited have turnover of Rs. 17,28,448 in 2015-16 as against Rs. 10,61,294 in 2014-15 .

Employee Benefit Expenses:

Employees emoluments (other than managerial remuneration) is Rs. 25,35,189/- during the year as against Rs. 23,07,822/- 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. 13,71,846 as against Rs. 13,46,383.80 during the previous year.

Depreciation:

Depreciation charge for the current year came to Rs. 1,11,371 as against Rs. 32,624 of the previous year.

Provision for Tax:

The Company has earned income during this year and hence made provision of Rs. 79,200 towards current tax which have been utilized against Mat credit. In the previous year the Company has made provision for tax of Rs. 7,13,882. 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. 11,89,437 as against profit of Rs. 24,26,705.02 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. 1,76,60,443 as at 31st March, 2016 as against Long Term Borrowings of Rs. 1,90,19,311.43 as at 31st March 2015.

Current Liabilities:

Company's Current Liabilities includes Trade payables and Other Current Liabilities which are amounting to Rs. 1,85,734 as at 31st March, 2016 against Rs. 13,97,287.37 of the previous year.

Fixed Assets:

Net block of the fixed assets at the end of the year is Rs. 4,29,841 as against Rs. 5,41,213 in the previous year.

Non Current Investments:

Non current investments of the company is Rs. 4,33,01,698 as at 31st March, 2016 against Rs. 4,28,10,626 which was at 31st March, 2015.

Long Term Loans and Advances:

Long Term Loans and advances of the company is Rs. 5,79,12,090.20 as at 31st March, 2016 against Rs. 5,98,40,967 which was at 31st March, 2015.

Current Assets:

The total Current Assets of the company as at 31st March, 2016 is Rs. 8,47,748 which was Rs 4,03,007 in the previous year.

SWOT ANALYSIS OF THE COMPANY:

Strength:

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

Opportunities and Threats:

The micro 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.

A. RISKS AND CONCERNS :

Your company is mainly focusing on 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.

B. INTERNAL CONTROL SYSTEMS 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.

C. HUMAN RESOURCE MANAGEMENT :

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.

OUR PHILOSOPHY

K Z Leasing And Finance Limited strives to adopt the highest standards of excellence in Corporate Governance. We strongly believe that corporate governance accompanies our long-term business success. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz., the Board of Directors, the senior management, employees, etc. The Company has consistently practiced good Corporate Governance norms for the past several years for the efficient conduct of its business and meeting its obligations towards all its stakeholders viz., the shareholders, customers, employees and the community in which the Company operates.

The Company has established procedures and systems to be fully compliant with the requirements stipulated by the Securities and Exchange Board of India (SEBI) from time to time, under the revised Clause 49 of the Listing Agreement and as contained in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the details of which are given below.

The Company's Corporate Governance philosophy is reflected in the following key areas of the Company's approach to business and its stakeholders:

1. Board of Directors :

Composition:

The present Board of Directors consists of half of Non-executive / Independent directors. As of date, the Board Comprises of 3 (three) whole time / executive directors and 4 (Four) non executive and independent directors.

The company has an executive chairman and the number of non-executive/independent directors is more than 50% of the total number of directors. The Company, therefore, meets with the requirements relating to the composition of the Board of Directors.

The composition and category of Directors are as follows:

CATEGORY	NAME OF DIRECTORS	
Promoter & Executive Directors	Shri. Pravinbhai K. Patel Shri. Ankit P. Patel Smt. Chaitali B Patel	(Chairman & Managing Director) (Director) (Woman Promoter Director)
Independent & Non-Executive Directors	Shri. Rameshbhai Narandas Patel Shri. Gandalal Ambalal Patel Shri. Keshavlal Kashiramdas Patel Shri Kantilal Joytiram Patel	(Independent Director) (Independent Director) (Independent Director) (Independent Director)

Disclosure of relationships between Directors inter-se:

Name of directors	Relationship with other Director
Shri. Pravinbhai K. Patel	Father of Shri. Ankit P. Patel ,Director of the Company.
Shri. Ankit P. Patel	Son of Shri. Pravinbhai K. Patel, Chairman & Managing Director.
Shri. Rameshbhai Narandas Patel	Not, in any way, concern / interested / related with any of the other directors of the company
Shri. Gandalal Ambalal Patel	Not, in any way, concern / interested / related with any of the other directors of the company
Shri. Keshavlal Kashiramdas Patel	Not, in any way, concern / interested / related with any of the other directors of the company
Shri Kantilal Joytiram Patel	Not, in any way, concern / interested / related with any of the other directors of the company
Smt. Chaitali B Patel	Mrs. Chaitali B Patel, is wife of Mr. Ankit P Patel.

Attendance of each Director at the Board meetings, Last Annual General Meeting and Number of Other Directorships and Chairmanships / Memberships of Committees of each Director in various companies, during the year 2015-16:

Name Of Directors	Attendance particulars		No. of Directorships and Committee Memberships / Chairmanships		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri. Pravinbhai K. Patel	7	Yes	1	2	NIL
Shri. Ankit P. Patel	7	Yes	1	Nil	NIL
Smt. Chaitali B Patel	7	Yes	NIL	2	NIL
Shri. Gandalal Ambalal Patel	5	Yes	2	4	1
Shri Kantilal Joytiram Patel	5	Yes	NIL	3	1
Shri. Rameshbhai Narandas Patel	3	Yes	NIL	3	2
Shri. Keshavlal Kashiramdas Patel	3	Yes	1	Nil	NIL

*No. of Directorship excludes directorship of Private Limited Companies, Foreign Companies, Companies license under Section 8 of the Companies Act, 2013 and Alternate Directorship.

Note:

- I) Details of the Committee membership / chairmanship are in accordance with the earlier Clause 49 of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- II) None of the Directors of the Company is a member of more than ten committees nor is the Chairman of more than five Committees across all the Companies in which he is a Director.

Number of Board Meetings held and dates on which held :

During the year under review, 7 (Seven) Board Meetings were held as against the minimum requirement of 4 meetings. The dates on which the meetings were held are 30/04/2015, 27/05/2015, 11/07/2015, 14/08/2015, 27/08/2015, 31/10/2015 and 30/01/2016. The Company has held one meeting every quarter and the maximum time gap between two meetings was not more than 120 days.

The Information as required under Annexure IA to Clause 49 of the Listing Agreement earlier, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meeting. Adequate information is circulated as part of the Board papers and is also made available at the Board Meeting to enable the Board to take informed decisions. Where it is not practicable to attach supporting / relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the agenda.

MD/CEO Certification :

Mr. Pravinkumar Keshavlal Patel, Managing Director of the Company was giving annual certification on financial reporting and internal controls to the Board in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41.

Code of Conduct :

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Clause 49(I) (D) of the Listing Agreement and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Risk Management Policy:

The Company has formulated a Corporate Policy applicable to its operations, and duly approved by the Board of Directors at its meeting held on 30th May, 2014 in compliance with the requirement of the erstwhile Clause 49 of the Listing Agreement and Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges. Audit Committee and Board Members are reviewing and updating the said policy periodically.

2. Audit Committee:

The Board of Directors of the Company has constituted an Audit Committee and has been reconstituted from time to time. The said Committee has been reconstituted by the Board of Directors of the company at its meeting held on, member of the Audit Committee. Presently, the Audit Committee comprising of 2 (Two) independent Non-Executive Directors namely Shri. Gandalal Ambalal Patel, Chairman (having financial and accounting knowledge), Shri. Kantilal Joytiram Patel and 2 (Two) Executive Promoter Director Shri Pravinbhai Keshavlal Patel and Smt. Chaitaliben B Patel as members of the committee.

The Constitution, composition and functioning of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and revised Clause – 49 of the Listing Agreement and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges.

Terms of Reference:

The terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the revised Clause 49 of the Listing Agreement as well as under Section 177 of the Companies Act, 2013.

Powers of the Audit Committee:

The Audit Committee has powers that include the following:

- a) To investigate any activity of the Company within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal and other professional advice
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

Names of Members and Chairperson of the Audit Committee and the meetings attended by them during the Financial Year 2015-16 ending on 31st March, 2016, are as under:

Name of Directors	Category	Status / Designation	No. of Meeting attended
Shri. Gandalal Ambalal Patel	Non-executive / Independent	Chairman	4
Shri. Kantilal Joytiram Patel	Non-executive / Independent	Member	2
Shri. Pravinbhai Keshavlal Patel	Executive Promoter Director	Member	4
Smt. Chaitaliben B Patel	Executive Promoter Director	Member	3

The Committee met 4 (Four) times during the year 2015-2016. The dates on which the Audit Committee meetings were held are 27/05/2015, 14/08/2015, 31/10/2015 and 30/01/2016. The maximum time gap between any two meetings was not more than four months.

Members of the Audit Committee have requisite accounting, financial and management expertise.

3. Nomination and Remuneration Committee:

The Nomination remuneration committee comprises 3 (three) members namely, Mr. Kantilal Joytiram Patel as a Chairman of the Committee and Mr. Rameshbhai Narandas Patel and Mr. Gandalal A Patel as other members. This Committee is entrusted with the responsibility of finalizing the remuneration of Executive / Whole Time Directors. Remuneration Committee met two (2) times i.e 14/08/2015 and 30/01/2016 during the year under review.

4. Shareholders' and Investors' Grievance Committee :

The Board of Directors of the Company has constituted a Shareholders' and Investors' Grievance Committee which was reconstituted from time to time. Presently, the Shareholders and Investors Grievance Committee comprising of Shri. Rameshbhai Narandas Patel, Chairman of the Committee, Shri. Gandalal Ambalal Patel, Smt. Chaitaliben B Patel and Shri. Pravinbhai Keshavlal Patel members of the Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfers. The Committee also looks into redressal of shareholders' complaints like transfer of shares, non-receipts of balance sheet, non-receipt of declared dividends etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Investor Grievances Committee met 3 (Three) Times during the year i.e. 14/08/2016 and 30/01/2016.

As required by the provisions of Clause 47(f) of the Listing Agreement and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has designated the below cited e-mail ID of the Grievance Redressal Division / Compliance Officer exclusively for the purpose of registering complaints by investors.

E-mail ID – kzleasing@yahoo.com

None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31st March, 2016.

Quarter-wise Summary of Investors' Complaints received and resolved to the satisfaction of the shareholders during the financial year 2015-16.

Quarter Period		Complaints Position at the beginning of the quarter	Complaints received during the quarter	Complaints resolved during the quarter	Complaints pending at the end of the quarter
From	To				
01/04/2015	30/06/2015	0	0	0	0
01/07/2015	30/09/2015	0	0	0	0
01/10/2015	31/12/2015	0	0	0	0
01/01/2016	31/03/2016	0	0	0	0
Total		0	0	0	0
Complaint pending at beginning of the year		= 0			
Complaint received during the year		= 0			
Complaint resolved during the year		= 0			
Complaint pending at the end of the year		= 0			

Annual General Body Meetings:

Location, Date and Time for last three Annual General Meetings were as follows:

Year	Location	Date	Time
2012-13	1 st Floor Deshana Chamber, b/H Kadwa pattidar Wadi, Ashram Road, Ahmedabad-380014	30/09/2013	10:00 a.m.
2013-14	1 st Floor Deshana Chamber, b/H Kadwa pattidar Wadi, Ashram Road, Ahmedabad-380014	30/09/2014	10:00 a.m.
2014-15	1 st Floor Deshana Chamber, b/H Kadwa pattidar Wadi, Ashram Road, Ahmedabad-380014	30/09/2015	11.00 am

Disclosures:

- There are no materially significant related party transactions i.e. transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflicts with the interests of the company at large in the financial year 2015-2016.
- The Company has complied with all the mandatory requirements of the earlier Clause 49 of the Listing Agreement as well as SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Means of Communication

The Company regularly intimates quarterly un-audited as well as yearly audited financial results to the Stock Exchanges, immediately after the same are taken on record by the Board. These results are normally published in “Western Times” English daily and Gujarati Daily News Paper. These are not sent individually to the Shareholders.

General Shareholder Information**30th Annual General Meeting:**

Date : 14th September, 2016

Time : 11:00 a.m.

Venue : 1st Floor Dshana Chamber, B/h Kadwa pattidar Wadi, Ashram Road, Ahmedabad-380014.

As required under Clause 49(IV) (G)(i) and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, particulars of Directors seeking re-appointment are given in annexure to the Notice of the Annual General Meeting to be held on 14th September, 2016.

Financial Year / Calendar:

The Company follows April to March as its Financial Year. The results for every quarter beginning from April are being declared in the month following the quarter as per the Listing Agreement and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date of -:

From Tuesday, 6th day of September, 2016 to Wednesday, 14th day of September, 2016, (both days inclusive).

Listing of Equity Shares on Stock Exchanges at:

Bombay Stock Exchange Limited, Mumbai (BSE),

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001

Annual listing fees for the year 2016-17, as applicable, have been paid to the Mumbai Stock Exchange Limited. The Company has also paid Annual Custodial Fees for the year 2016-17, as applicable, to National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL].

Stock Code

Bombay Stock Exchange Limited

: **511728**

Demat ISIN Number in NSDL & CDSL for Equity Shares: INE006C01015

Registrar and Transfer Agents

Link Intime India Private Limited. (Previously Known as Intime Spectrum Registry Limited)

Registered Office :

C/13, Panalal Silk Mills Compound

LBS Marg, Bhandup (West), Mumbai – 400 078

Tel : 91-22-2596 3838 Fax : 91-22-2594 6969

E-Mail: bombay@linkintime.co.in

Share Transfer / Demat System:

All the shares related work is being undertaken by our R & T Agent, Link Intime India Private Limited (Previously Known as Intime Spectrum Registry Limited), Mumbai. To expedite the process of share transfer, transmission, split, consolidation, re-materialization and de-materialization etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's R & T Agent under the supervision and control of the Compliance Officer Mrs. Hinal Shah, who is placing a summary statement of transfer / transmission etc. of securities of the Company at the meeting of the Shareholders' and Investors' Grievance Committee.

Share lodged for transfer at the R & T Agents address in physical form are normally processed and approved within 15 days from the date of its received, subject to the documents been valid and complete in all respect. Normally, the entire request for de- materialization of shares is processed and the confirmation is give to the Depository within 15 days. The investors / shareholders grievances are also taken-up by our R & T Agent.

The Company has obtained and filed with the Stock Exchange(s), the half yearly certificates from a Company Secretary in Practice as required under Clause 47(c) of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Distribution Schedule and Shareholding Pattern as on 31st March, 2016**Distribution Schedule:**

No. of equity shares held	No. of holders	% of Total	No. of shares	% of Total
1 - 500	3761	90.02	568882	18.70
501 - 1000	222	5.31	188115	6.19
1001 - 2000	89	2.13	127744	4.20
2001 - 3000	20	0.47	50305	1.65
3001 - 4000	16	0.38	56155	1.85
4001 - 5000	10	0.24	47230	1.55
5001 - 10000	25	0.59	167531	5.51
10001 and Above	35	0.84	1835238	60.35
Total	4178	100.00	3041200	100.00

Shareholding Pattern:

Sr. No	Category	As on March 31, 2016		As on March 31, 2015	
		Nos. of Shares held	% of Shares held	Nos. of Shares held	% of Shares held
1	Promoters	701253	23.06	639444	21.03
2	Mutual Fund & UTI	NIL	NIL	NIL	NIL
3	Bank, Financial Institutions (FI's), Insurance Companies	NIL	NIL	NIL	NIL
4	Foreign Institutional Investors (FII's)	NIL	NIL	NIL	NIL
5	NBFC	49563	1.63	25907	0.85
6	Private Bodies Corporate	114701	3.77	196237	6.45
7	Indian Public	2080905	68.42	2141533	70.42
8	HUF	84693	2.79	NIL	NIL
9	Clearing Member	9445	0.31	33392	1.09
10	Non Resident Indians	640	0.02	4687	0.15
	Total	3041200	100.00	3041200	100.00

De- materialization of Shares and Liquidity

The Company's Shares are in compulsory Demat segment and as on 31st March, 2016. 24,88,90 Equity Shares of the Company forming 81.84% of the company's paid - up Equity share capital is in dematerialized form.

Outstanding GDR/DR/Warrants or any Convertible Instruments - Not applicable.**Address for correspondence**

a)	Investor Correspondence for transfer / de-materialization of shares and any other query relating to the shares of the Company.	Link intime India Private Limited C/13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West) Mumbai – 400 078 Tel : 91-22-2596 3838 Fax : 91-22-2594 6969 e-Mail: bombay@linkintime.co.in
b)	Any other query and Annual Report	Secretarial Department 1 st Floor Deshana Chamber, B/h Kadwa pattidar Wadi, Ashram Road, Ahmedabad-380001 Tel : 079-27542298 Fax : 079-27543200 e-mail: kzfinance@yahoo.com

Reconciliation of Share Capital Audit Report:

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITC/CIR-16/2002 dated December 31, 2002 reconciling the total shares held in both the depositories, viz NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company were placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

REGISTERED OFFICE:

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

Date: 30-07-2016

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

Pravinkumar K Patel
(Chairman and Managing Director)
(DIN: 00841628)

Ankit P Patel
(Director)
(DIN: 02901371)

CEO / MD CERTIFICATION PURSUANT TO CLAUSE 49 (V) OF THE LISTING AGREEMENT AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

To

The Board of Directors

K Z LEASING AND FINANCE LIMITED

1ST FLOOR, DESHANA CHAMBER,

B/H KADWA PATTIDAR WAD,

ASHRAM ROAD,

AHMEDABAD- 380001 .

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

I, PRAVINKUMAR K PATEL, Managing Director of the Company M/s. K Z LEASING AND FINANCE LIMITED, hereby certify that for the financial year ending **31st March, 2016** on the basis of the review of the financial statements and the cash flow statement and to the best of my knowledge and belief that :

1 These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

2 These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

3 There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year 2015-2016 which are fraudulent, illegal or in violation of the Company's code of conduct.

4 I accept responsibility for establishing and maintaining internal controls. I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.

5 I further certify that :

a) There have been no significant changes in internal control during this year.

b) There have been no significant changes in accounting policies during this year.

c) There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Place: Ahmedabad

Date: 30/07/2016

PRAVINKUMAR K PATEL
Chairman and Managing Director
(DIN: 00841628)

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Auditors Certificate on Corporate Governance

To,

The Members

K. Z. Leasing & Finance Limited

We have examined the compliance of condition of corporate governance by K. Z. Leasing & Finance Limited ('the Company') for the year ended 31st March, 2016 as stipulated in Clause 49 of Listings Agreement of the company with Stock Exchanges and Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31st March, 2016 and furnished to us for the purpose of the review and the information and explanation given us by the Company during the review.

The compliance of condition of corporate governance is the responsibility of the management. Our examination was limited to procedure 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 of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that Company has complied with the conditions of 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 no investor grievance is pending for period exceeding one month against the Company as per the records maintained by the Company.

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

Place : Ahmedabad

Date : 30/07/2016

For, J. M. Patel & Bros.

Chartered Accountant

Proprietor
(FRN: 107707W)

INDEPENDENT AUDITOR'S REPORT

TO,

THE MEMBERS OF K Z LEASING AND FINANCE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of K Z LEASING AND FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31/03/2015, the Statement of Profit and Loss, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31/03/2016, and its Profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

A statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2015, issued by the department of company affairs, in terms of sub section 11 of section 143 of the companies Act, 2013 has been attached as "ANNEXURE-A" with this report.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31/03/2016 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexue A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Ahmedabad

Date : 27-05-2016

For, J. M. Patel & Bros.

Chartered Accountant

(FRN: 107707W)

J. M. Patel

Proprietor

(Mem. No. 030161)

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(1) In Respect of Fixed Assets

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.

(c) N.A.

(2) In Respect of Inventories

Company is providing financial services and there is no inventory with the company. This clause is not applicable to company.

(3) Loans and advances to parties covered under section 189

(a) In respect to loans granted, repayment of stipulated amount is as stipulated and payment of interest have been regular.

(b) Based on our audit procedures and the information and explanation made available to us, in case where overdue amount is more than rupees Nil, reasonable steps have been taken by the company of the principal and interest.

(4) Compliance under section 185 and 186 of The Companies Act , 2013

While doing transaction for loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits.

The company has not accepted any Deposits.

(6) Maintenance of cost records

Company is in providing financial services and therefore this clause is not applicable.

(7) Deposit of Statutory Dues

(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

(b) There is no dispute with the revenue authorities regarding any duty or tax payable.

(8) Repayment of Loans and Borrowings

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

The Company has not applied term loans for the purposes other than for which those are raised.

(10) Reporting of Fraud During the Year

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

(11) Managerial Remuneration

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

As per information and records available with us, the Company is not a Nidhi Company.

(13) Related party compliance with Section 177 and 188 of companies Act – 2013

Yes, All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

The Company has not issued any debenture and therefore this clause is not applicable.

(15) Compliance under section 192 of Companies Act – 2013

The company has not entered into any non-cash transactions with directors or persons connected with him.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The Company is an NBFC registered with Reserve Bank of India.

Place : Ahmedabad

Date : 27-05-2016

For, J. M. Patel & Bros.
Chartered Accountant
(FRN: 107707W)

J. M. Patel
Proprietor
(Mem. No. 030161)

“ANNEXURE B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of KZ LEASING AND FINANCE LIMITED.

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

We have audited the internal financial controls over financial reporting of KZ LEASING AND FINANCE LIMITED Company Limited

(“The Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issues by the Institute of Chartered Accountants of India.

Place : Ahmedabad

Date : 27-05-2016

For, J. M. Patel & Bros.

**Chartered Accountant
(FRN: 107707W)**

**J. M. Patel
Proprietor**

(Mem. No. 030161)

Balance Sheet as at 31 March, 2016

	Particulars	Notes	2015-2016	2014-2015
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	3	30,412,000.00	30,412,000.00
	(b) Reserves and Surplus	4	54,233,200.20	52,767,214.20
	(c) Money received against share warrants			-
			84,645,200.20	83,179,214.20
2	Share Application Money Pending Allotment		-	-
3	Non-current liabilities			
	(a) Long-term Borrowings	5	17,660,443.00	19,019,311.43
	(b) Deferred Tax Liabilities (Net)		-	-
	(c) Other long-term Liabilities		-	-
	(d) Long-term provisions		-	-
			17,660,443.00	19,019,311.43
4	Current liabilities			
	(a) Short-term Borrowings	6	0.00	173,740.00
	(b) Trade Payables	7	34,363.00	0.00
	(c) Other Current Liabilities	8	151,371.00	965,167.00
	(d) Short-term Provisions	9	0.00	258,380.37
			185,734.00	1,397,287.37
	TOTAL		102,491,377.20	103,595,813.00
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible Assets	10	429,841.00	541,213.00
	(ii) Intangible Assets		-	-
	(iii) Capital Work-in-progress	-	-	-
	(iv) Intangible assets under Development	-	-	-
			429,841.00	541,213.00
	(b) Non-current Investments	11	43,301,698.00	42,810,626.00
	(c) Deferred Tax Assets (Net)	22	0.00	0.00
	(d) Long-term Loans and Advances	12	57,912,090.20	59,840,967.00
	(e) Other non-current assets	13	0.00	0.00
			101,213,788.20	102,651,593.00
2	Current assets			
	(a) Current Investments	14	0.00	0.00
	(b) Inventories		0.00	0.00
	(c) Trade Receivables	15	780.00	1,579.00
	(d) Cash and Cash equivalents	16	153,606.00	163,566.00
	(e) Short-term loans and advances	17	656,767.00	237,862.00
	(f) Other current assets	18	36,595.00	-
			847,748.00	403,007.00
	TOTAL		102,491,377.20	103,595,813.00
	See accompanying notes forming part of the financial statements	1,2		

In terms of our report attached.
For J.M.PATEL & Bros.
(Chartered Accountants)

C.A.J.M.PATEL
Firm Regn no. 107707W
Mem. No. 030161
Place : Ahmedabad.
Date : 27/05/2016

Director

1. Pravinkumar Keshavlal Patel
Chairman & Managing Director
DIN : 00841628

2. Ankit Pravinbhai Patel
Director
DIN : 02901371

Profit and Loss for the year ended 31 March, 2016				
Particulars		Notes	2015-16	2014-15
A	CONTINUING OPERATIONS			
	Income			
1	Revenue From Operations (Gross)	19	1,728,448.00	1,061,294.00
	Less: Excise duty		-	-
	Revenue From Operations (Net)		1,728,448.00	1,061,294.00
2	Other income	20	5,708,587.00	7,183,207.27
3	Total revenue		7,437,035.00	8,244,501.27
4	Expenses			
	(a) Cost of Materials Consumed			
	(c) (Increase)/ decrease inventories of finished goods, work-in-progress and stock-in-trade			
	(d) Employee Benefits Expense	21	2,535,189.00	2,307,822.00
	(e) Other Expenses			
	Manufacturing Expense	22.a	1,342,916.00	1,291,873.80
	Administrative & Office Expense	22.b	28,930.00	54,510.00
	Selling & Distribution Expense			
5	Total		3,907,035.00	3,654,205.80
6	Earning Before Interest, tax, depreciation and amortization (EBITDA) (3 - 5)		3,530,000.00	4,590,259.47
	Depreciation and Amortisation expense	11	111,371.00	32,624.00
	Finance costs	23	2,229,192.00	1,417,084.95
7	Total		2,340,563.00	1,449,708.95
8	Profit / (Loss) before tax (6 + 7)		1,189,437.00	3,140,586.52
9	Tax expense:			
	(a) Current tax expense for current year		79,200.00	243,628.50
	(b) (Less): MAT credit (where applicable)		-79,200.00	0.00
	(c) Current tax expense relating to prior years		-	479,253.00
	(d) Net current tax expense		0.00	0.00
	(e) Deferred tax Assets/ (Liabilities)		0.00	0.00
			0.00	713,881.50
10	Profit / (Loss) from continuing operations (8 + 9)		1,189,437.00	2,426,705.02
B	DISCONTINUING OPERATIONS			
11.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
11.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
11.iii	Add / (Less): Tax expense of discontinuing operations		-	-
	(a) on ordinary activities attributable to the discontinuing operations		-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
12	Profit / (Loss) from discontinuing operations (11.i + 11.ii + 11.iii)			
C	TOTAL OPERATIONS			
13	Profit / (Loss) for the year (10 ± 12)		1,189,437.00	2,426,705.02

In terms of our report attached.

Director

For J.M.PATEL & Bros.
(Chartered Accountants)

1.Pravinkumar Keshavlal Patel
Chairman & Managing Director
DIN : 00841628

C.A.J.M.PATEL
Firm Regn no. 107707W
Mem. No. 030161
Place : Ahmedabad.
Date : 27/05/2016

2. Ankit Pravinbhai Patel
Director
DIN : 02901371

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, 2013.
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 Schedule III of Companies Act, 2013.
2. Depreciation on addition during the year has been provided on pro rata basis i.e. from the date of its purchase or its 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	2015-2016		2014-2015	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
(a) Authorised Equity shares of Rs. 10 (F.V) each with voting rights	3,200,000.00	32,000,000.00	3,200,000.00	32,000,000.00
	3,200,000.00	32,000,000.00	3,200,000.00	32,000,000.00
(b) Issued,Subscribed and fully paid up Equity shares of Rs. 10 each with voting rights	3,041,200.00	30,412,000.00	3,041,200.00	30,412,000.00
Total	3,041,200.00	30,412,000.00	3,041,200.00	30,412,000.00

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

(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, 2015				
- Number of shares	3,041,200.00	-	-	3,041,200.00
- Amount (Rs.)	30,412,000.00	-	-	30,412,000.00
Year ended 31 March, 2014				
- Number of shares	3,041,200.00	-	-	3,041,200.00
- Amount (Rs.)	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	2015-2016		2014-2015	
	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	2015-2016	2014-2015
(a) Revenue reserve		
Opening Balance	36,029,752.92	3,408,8388.90
Add : Addition During the Year	1,139,252.00	1,941,364.02
	37,169,004.92	36,029,752.92
(b) Statutory reserve		
Opening Balance	8,935,188.28	8,449,847.28
Add : Addition During the Year	284,813.00	485,341.00
	9,220,001.28	8,935,188.28
(c) NPA Provision		
Opening Balance	7,802,273.00	7,779,814.00
Add : Addition During the Year	41,921.00	22,459.00
	7,844,194.00	7,802,273.00
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance		
Add: Profit / (Loss) for the year	1,189,437.00	2,426,705.02
Provision written back	234,628.00	-
Less: Interim dividend		
Tax on dividend		
Transferred to:		
General Reserve		
Statutory Reserve	284,813.00	485,341.00
Revenue Reserve	1,139,252.00	1,941,364.02
	0.00	0.00
Total	54,233,200.20	52,767,214.20

Note 5 Long-term Borrowings

Particulars	2015-2016	2014-2015
(a) Term loans		
From banks		
Secured	3,897,071.00	4,225,944.43
Unsecured	0.00	0.00
	3,897,071.00	4,225,944.43
From other parties		
Secured	0.00	0.00
Unsecured	0.00	0.00
	3,897,071.00	4,225,944.43
(b) Loans and Advances From Directors		
Secured	0.00	0.00
Unsecured	2,212,204.00	4,269,940.00
	2,212,204.00	4,269,940.00
(c) Loans and Advances From Others		
Secured	0.0	0.00
Unsecured	11,551,168.00	10,523,427.00
	11,551,168.00	10,523,427.00
TOTAL (A+B+C)	17,660,443.00	19,019,311.43

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 by us.

Note 6 Short-term Borrowings

Particulars	2015-2016	2014-2015
Unsecured		
(a) Term loans from related parties	0.00	173,740.00
(b) Advance from other parties	0.00	0.00
(c) Deposits	0.00	0.00
Total	0.00	173,740.00

Note 7 Trade Payables

Particulars	2015-2016	2014-2015
Trade Payables:		
Dues to MSMED Creditors#	-	-
Dues to Others		
Creditors for goods & services	34,363.00	0.00
Total	34,363.00	0.00

#Note for MSMED

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

Note 8 Other Current Liabilities

Particulars	2015-2016	2014-2015
Statutory Liabilities		
TDS Payable on Interest	139,759.00	95,126.00
Short Term Payables		
Audit Fees Payable	0.00	20,000.00
Professional Tax Payable	2,000.00	0.00
Others	9,612.00	850,041.00
Total	151,371.00	965,167.00

Note 9 Short-term Provisions

Particulars	2015-2016	2014-2015
(a) Provision for Employee Benefits	-	-
(b) Provision - Others:		
Provision for Income Tax F.Y 2013-14	0.00	0.00
Provision for Income Tax F.Y 2014-15	0.00	234,628.50
Provision for Income Tax F.Y 2015-16	0.00	
Provision for TDS Payable F.Y. 2005-06	0.00	23,752.00
Total	0.00	258,380.50

Note 10 Fixed Assets

Name of assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening 01/04/15	Addition/acq. Through business combinations	Sale or transfer	Total 31/03/16	Opening 01/04/15	For the year	Depreci ation w/off	Total 31/03/16	As on 31/03/16	As on 31/03/15
A. Tangible Assets										
Office -Building	558,200			558,200	175,285	8,548		183,833	374,367	382,915
Furniture	366,461			366,461	264,196	83,879		348,075	18,386	102,265
Mobile	36,739			36,739	5,160	7,436		12,596	24,143	24,454
Computer	29,900	-		29,900	5,446	11,508		16,954	12,946	31,579
TOTAL-A	991,300	-	-	99,1300	450,087	111,371	-	561,458	429,842	541,213

Note 11 Non Current Investment

Particulars	2015-2016	2014-2015
Equity Shares : Quoted		
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-Shares	2,306.90	2,306.90
Apt Packaging Ltd	336.00	336.00
Bank of Maharashtra Shares	864,017.15	864,017.15
Central Bank of India –share	462,079.00	454,479.70
Empee Distileries Ltd-share	63,800.00	63,800.00
Gujarat NRI Coke Ltd	156,424.00	156,424.00
Indag Product Ltd Shares	600.00	600.00
K.M.F Ltd Shares	1,600.00	1,600.00
Macchar Infrastructure Ltd	84.00	84.00
Meghmani Org. Ltd Shares	27,840.00	35,040.00
Modern Insulator Ltd Share	1,000.00	1,000.00
M T N L	19,740.00	19,740.00
National Steel Ind Ltd Share	5,700.00	5,700.00
NHPC Share	263,250.00	263,250.00
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 Shares	2,392.00	2,392.00
Q.S.T Ltd Shares	1,950.00	1,950.00
Reliance Industries Ltd	4,971,539.00	5,119,679.25
Reliance Power Ltd	248,850.00	248,850.00
Shobha Developers Ltd-share	10,400.00	10,400.00
Shipping Corporation	24,100.00	24,100.00
S N S Diagnostics Ltd Shares	3,000.00	3,000.00
Sterlite technologies Ltd	0.00	173,760.00
Surya Protein Ltd.	350.00	350.00
TCSL Shares	11,371,337.00	11,329,587.00
Tirupati Ind (I) Ltd	285.00	285.00
UCO Bank	1,586,782.82	1,586,782.82
Unitech Ltd	40,775.00	40,775.00

United Leasing Ltd Shares	262.00	262.00
Equity Shares (Unquoted)		
The Navnirman Co op Bank Ltd	66,000.00	66,000.00
Mutual Fund		
Birla Sunlife Frunt lint Eq. Fund	250,000.00	250,000.00
BNS PARIBAS MONEY PLUS FUND	2,500,000.00	0.00
BNS PARIBAS SHORT TERM INCOME FUND	19,431,658.00	0.00
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
SBI Magnum Income Fund	0.00	19,160,835.81
Sbi Saving Fund	0.00	2,000,000.00
Total	43,301,697.37	42,810,626.00

Note 12 Long Term Loans and Advances

Particulars	2015-2016	2014-2015
Current Loan	24,419,004.00	16,634,033.00
Inter Corporate Loan	126,388.00	0.00
	24,545,392.00	16,634,033.00
Advance with Government Authority :		
Tax deducted at source – Refund Receivable	2,858,314.00	2,706,934.00
	2,858,314.00	2,706,934.00
Deposits		
The Navnirman Co Op Bank Ltd F D	500,000.00	500,000.00
UCO Bank FD	10,008,384.00	20,000,000.00
Shree Kadi Nagrik Shahkari Bank Ltd	20,000,000.00	20,000,000.00
	30,508,384.00	40,500,000.00
Total	57,912,090.00	59,840,967.00

Notes: 12.a

1 All the Balances of loans and Advances, Lease, 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 L (a) (b) of Schedule III of The companies Act, 2013. These clause are not applicable to company as company is a lease finance company.

Note 13 Other Non-Current Assets

Particulars	2015-2016	2014-2015
Misc. Expenses (ASSET)		
Preliminary Expn	0.00	0.00
Total	0.00	0.00

Note 14 Current Investment

Particulars	2015-2016	2014-2015
Shares		
Punjab National Bank Shares	0.00	0.00
Total	0.00	0.00

Note 15 Trade Receivables

Particulars	2015-2016	2014-2015
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Other receivables	780.00	1,579.00
Total	780.00	1,579.00

Note 16 Cash and Cash Equivalents

Particulars	2015-2016	2014-2015
(a) Cash on hand	10,763.00	874.00
(b) Balances with banks	142,843.00	162,692.00
Total	153,606.00	163,566.00

Note 17 Short-term loans and advances

Particulars	2015-2016	2014-2015
Dividend Receivable	0.00	0.00
Mat Credit Recievable	656,767.00	237,862.00
Total	656,767.00	237,862.00

Note 18 Other Current Asset

Particulars	2015-2016	2014-2015
Pre-paid Insurance	36,595.00	0.00
Total	36,595.00	0.00

Note 19 Revenue From Operations

Particulars	2015-2016	2014-2015
Loan Interest	1,728,448.00	1,061,294.00
Total	1,728,448.00	1,061,294.00

Note 20 Other Income

Particulars	2015-2016	2014-2015
Dividend Icome	984,057.00	1,357,842.26
Interest Received on Deposits (Net)	2,990,297.00	2,406,757.59
Long term Profit on sale of shares	84,037.00	2,710,113.85
Short term Profit on sale of shares	1,605,770.00	450,022.12
Share trading profit	44,426.00	258,471.45
Total	5,708,587.00	7,183,207.27

Note 21 Employee Benefits Expense

Particulars	2015-2016	2014-2015
Salary Expenses	1,173,000.00	1,017,600.00
Remuneration to Director	940,000.00	900,000.00
Bonus Expenses	383,200.00	339,200.00
Staff Welfare	38,989.00	51,022.00
Total	2,535,189.00	2,307,822.00

Note 22 Other expenses

Particulars	2015-2016	2014-2015
22.a Administrative & Office Expenses		
Annual Custodian Charges	11,362.00	20,059.00
Legal & Professional Expenses	35,130.00	55,000.00
Audit Fees	20,000.00	20,000.00
Brokerage & Commission Exp	0.00	19,057.71
Car & Scooter Maintanance	46,160.00	108,436.00
Company Secretary Fees	5,000.00	21,000.00
Conveyance Allowances Exp.	230,400.00	115,200.00
Collection Charges	0.00	72,000.00
Consultancy Charges	0.0	13,000.00
Electric Power Expenses	104,210.00	84,431.00
Gujarat Finance Asso. membership fees	3,000.00	3,000.00
Internal Audit fees	8,000.00	15,000.00
Office Repairing Expenses	100,639.00	2,150.00
Other membership fees	7,310.00	0.00
Medical Expenses	9,303.00	4,498.00
Municipality tax	38,457.00	45,739.00
Office Expenses	59,314.00	66,998.00

Petrol	244,064.00	207,899.00
Postage & Tele. Expenses	34,592.00	46,145.00
Printing & Stationery Expenses	0.00	3,619.00
Professional Tax	2,000.00	2,000.00
Preliminary Expenses	0.00	2,400.00
Registration Filing Fees Expenses	5,900.00	9,535.00
Refreshment Exps	82,295.00	63,512.00
Securities Transaction Tax	598.00	27,392.00
Secretarial Audit fee	25000.00	0.00
Stationery expenses	9,844.00	0.00
Service Tax	60.00	2,467.70
Stamp Expenses	806.00	507.00
STT On Speculation	128.00	2,315.00
Stamp Duty Expenses	54.00	2,713.73
Other charges	0.00	886.66
Traveling Expenses	179,334.00	197,830.00
NPA Provision	41,921.00	22,459.00
Car Insurance	14,710.00	11,000.00
Other Expenses	2,818.00	-
Interest on Income tax	20,507.00	23,624.00
Total-A	1,342,916.00	1,291,873.80
22.b Selling & Distribution Expense		
Advertisement Expenses	28,930.00	21,010.00
Sales Promotion Expenses	0.00	33,500.00
Total-B	28,930.00	54,510.00
Total= A+B	1,371,846.00	1,346,383.80

#Notes: Auditors Remuneration

Particulars	2015-2016	2014-2015
Payments to the auditors comprises		
For Audit Fees	20,000.00	20,000.00
Total	20,000.00	20,000.00

Note 23 Finance costs

Particulars	2015-2016	2014-2015
Interest Expense	1,947,668.00	1,264,333.00
Bank Charges & Commission	4,477.00	5,169.40
Demate Charges	82.00	1,119.55
Share Registrar & Transfers Agent Fees	52,245.00	34,103.00
Stock Exchange Listing Fees	224,720.00	112,360.00
Total	2,229,192.00	1,417,084.95

Cash Flow Statement for The Year Ended on 31/03/2016

Particular	For The Year Ended 31/03/2016	For The Year Ended 31/03/14
A. Cash Flow From Operating Activities		
Net profit before tax and extra ordinary item	1,189,437.00	2,426,705.00
Add Back :		
(A) Depreciation	111,371.00	32,624.00
(B) Preliminary Exp. W/off	-	2,400.00
(C) Long Term Capital Loss	-	-
(D) Income tax		
(E) NPA Provision	41,921.00	22,459.00
	1,342,729.00	2,484,188.00
Deduct :		
Dividend Income	984,057.00	1,357,842.00
Bank Int. Income	2,990,297.00	2,406,758.00
Long term Capital Gain	84,037.00	2,710,114.00
Short Term Capital Gain	1,605,770.00	450,022.00
Speculation Gain	44,426.00	258,471.00
	5,708,587.00	7,183,207.00
Operating profit before working Capital Changes	-4,365,858.00	-4,699,019.00
<u>Adjustment for working capital changes</u>		
(Increase)/ Decreasing in Currernt asset	-629,833.00	584,417.00
Increase/ (Decrease) in Current Liabilities	-1,037,813.00	-114,356.00
<u>Cash Flow From Operation</u>		
Less: Direct Tax Paid	-	-
Cash Inflow before extraordinary items & prior year adjustment	-6,033,504.00	-4,228,958.00
Extraordinary items and prior year adjustment	-	-
Net cash from Operating activities (A)	-6,033,504.00	-4,228,958.00
B. Cash Flow From Investing Activities		
Purchase of fixed assets	0	-15,249.00
Purchase of Share and Mutual Fund	-42,401,315.00	-47,403,555.00
Sale of share & Mutual fund	41,910,243.00	24,996,179.00
Intercompany Loan Given	-10,657,712.00	-11,438,000.00
Payment Receive & Adjustment in Intercompany Loan Given	10,357,584.00	19,226,501.00
Current Loan Given	-53,454,032.00	-40,363,514.00
Payment Receive & Adjustment in Current Loan	45,669,061.00	65,690,524.00
Decrease in TDS Receivable	0	395,275.00
Dividend Income	984,057.00	1,357,842.00
Bank Int. Income	2,990,297.00	2,406,758.00
Short term Capital Gain	1,605,770.00	450,022.00
Long term Capital Gain	84,037.00	2,710,114.00
Speculation profit	44,426.00	258,471.00
Other Items	258,380.00	
<u>Less: Short term Capital loss</u>	-	-
<u>Long term Capital loss</u>	-	-
Net cash from Investing activities (B)	-2,609,204.00	-18,271,369.00
C. Cash Flow Arising From Financing Activities		
Director Loan Taken	3,559,267.00	9,897,140.00
Director Loan Repayment & Adjustment	-5,617,003.00	-5,763,775.00
Unsecured Loans Taken.	12,005,466.00	20,121,407.00
Unsecured Loans Repayment & Adjustment	-10,977,725.00	-11,922,401.00
Bank O/D Taken	136,209,042.00	151,342,865.00
Bank O/D Repayment	-136,537,914.00	-147,556,659.00
Net cash from Financing activities (C)	-1,358,867.00	16,118,577.00
Net increase in cash and Bank equivalents during the year	-10,001,576.00	30,160,988.00
Add: Cash and Bank equivalents at the beginning of the year	40,663,566.00	1,052,577.00
Cash and Bank equivalents at the end of the year	30,661,990.00	40,663,566.00

Place : Ahmedabad
Date : 27-05-2016

On behalf of Board of Directors
For, K. Z. Leasing & Finance Ltd.

Pravinbhai K Patel
Chairman and Managing Director
DIN : 00841628

Ankit P. Patel
Director
DIN : 02901371

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, 2016 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 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Place : Ahmedabad
Date : 27-05-2016

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

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

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 31/03/2016

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.)	137.63	Nil

*please see note 1 below

2.	Break up of (1) (f) above (outstanding public deposits inclusive or interest accrued thereon but not paid) :		
(a)	In the form of Unsecured debentures	Nil	Nil
(b)	In the form of party secured debenture i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c)	Other public deposits	Nil	Nil

* Please see Note 1 below

Assets Side :

	Amount Outstanding
3. Break up of Loans and advances including bills receivable (other than those included in (4)	
(a) Secured	00.00
(b) Unsecured	245.45
4. Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	
(i) Lease assets including lease rents under sundry debtors :	
(a) financial Lease	Nil
(b) Operating Lease	Nil
(ii) Stock on hire including hire charges under sundry debtors :	
(a) Assets on hire	Nil
(b) Repossessed Assets	-
(iii)Hypothecation Loans counting towards EL/HP activities :	
(a) Loans where assets have been repossessed	-
(b) Loans other than(a) above	-
5. Break- up of investments	
Current Investments :	
1 Quoted	
(i) Shares : (a) Equity	NIL
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	NIL
(iv) Government Securities	Nil
(v) Other (Please Specify)	Nil
2 Unquoted	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nii
(iv) Government Securities	Nil
(v) Other (Please Specify)	Nil
Long Term Investments :	
1 Quoted	
(i) Shares : (a) Equity	202.54
(b) Preference	Nil
(ii) Debenture and bonds	Nil
(iii)Units of mutual funds	229.82
(iv) Government Securities	Nil
(v) Other (Please Specify)	Nil
2 Unquoted	
(i) Shares : (a) Equity	0.66
(b) Preference	
(ii) Debenture and bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Other (Please Specify)	Nil

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

Category	Amount net of provision		
	Secured	Unsecured	Total
1. Related Parties	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	245.45	245.45
Total	Nil	245.45	245.45

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	713.36	433.02
Total	713.36	433.02

* 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	0.42
(ii) Net Non Performing Assets	
(a) Related Parties	Nil
(b) Other than related parties	0.42
(iii) Assets acquired in satisfaction of debt	Nil

Notes :

1. As defined in paragraph 2(1) (xii) of the non Banking Financial companies Acceptance of Public Deposit (Reserve Bank) Directions, 1998

2. Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms (Reserve Bank) directions, 1998

3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

PROXY FORM

K.Z LEASING & FINANCE LIMITED

[CIN: L65910GJ1986PLC008864]

1st Floor, Deshna Chamber,

Ashram Road, Usmanpura,

Ahmedabad -380014

Email: kzleasing@yahoo.com

30th ANNUAL GENERAL MEETING

Name of the member (s) :

Registered address :

E-mail Id :

Folio / DP ID-Client ID No.:

I/We being the member(s) holding _____ shares of the above named Company hereby appoint:

(1) Name: _____ Address: _____

E-mail ID: _____ Signature: _____ or falling him / her;

2) Name: _____ Address: _____

E-mail ID: _____ Signature: _____ or falling him / her;

(3) Name: _____ Address: _____

E-mail ID: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Wednesday, 14th September, 2016 at 1st Floor, Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad-380014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Note:

1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2015-2016 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and Notice of the AGM along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email address is not registered or have requested for a hard copy.

Resolution No.	Particulars of Resolution	Optional	
		For	Against
1	ORDINARY BUSINESS		
2	To adopt the Financial Statements for the year ended on 31st March, 2016.		
3	To reappoint Mr. Ankit Pravinbhai Patel, Director retiring by rotation.		
4	To ratify appointment of Statutory Auditor, M/s. J. M. Patel & Brothers, Chartered Accountants		

Signed this _____ day of _____ 2016

Signature of shareholder _____

Signature of Proxy holder(s) _____

affix
Revenue of not
less than Rs 0.15

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 30th Annual General Meeting.
3. It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

K.Z LEASING & FINANCE LIMITED

[CIN: L65910GJ1986PLC008864]

1st Floor, Deshna Chamber,

Ashram Road, Usmanpura,

Ahmedabad -380014

Email: kzleasing@yahoo.com

Phone: Tel.: 079-27542298

30th ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 30th Annual General Meeting of the company at 1ST Floor, Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad-380014 on Wednesday, 14th September, 2016 at 11:00 a.m.

Member's Folio/DP ID-Client ID No.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

(Printed Matter)
Book Post

K. Z. LEASING & FINANCE LTD.

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