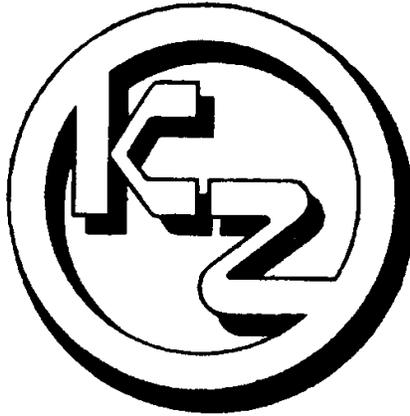


**32<sup>nd</sup>**  
**Annual Report**  
**2017-2018**



**K. Z. LEASING & FINANCE LTD.**

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

Ahmedabad – 380014.

**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: 1<sup>st</sup> 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 \_\_\_\_\_, 2018.

**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., 5th Floor, 506 To 508, Amarnath Business Centre 1, Beside Gala Business Centre, Near St Xaviers College Corner, Off C.G. Road, Navrangpura, Ahmedabad – 380009; Tele: 07926465179
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.

**Founder:** Late Keshavlal Zaverchand Patel

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### Board of Directors

Shri Pravinkumar Keshavlal Patel	Chairman & Managing director
Shri Ankit Pravinkumar Patel	Director & CFO
Smt. Chaitali Bharatbhai Patel	Woman Director
Shri Kantibhai Joytiram Patel	Independent Director
Shri Babulal Maganlal Patel	Independent Director
Shri Kantibhai Sendharam Patel	Independent Director

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### Audit Committee

Shri Kantilal Joytiram Patel, Chairman  
Shri Pravinbhai Keshavlal Patel, Member  
Shri Babulal Maganlal Patel, Member

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### Shareholders / Investor's Grievance Committee

Shri Babulal Maganlal Patel, Chairman  
Shri Kantilal Joytiram Patel, Chairman  
Shri Pravinbhai Keshavlal Patel, Member  
Smt. Chaitali B Patel, Member

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### Corporate Social Responsibility Committee

Shri Babulal Maganlal Patel, Chairman  
Shri Kantilal Joytiram Patel, Member  
Shri Pravinkumar Keshavlal Patel, Member

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### Nomination & Remuneration Committee

Shri Kantilal Joytiram Patel, Chairman  
Shri Babulal Maganlal Patel, Member  
Shri Kantibhai Sendharam Patel, Member

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### COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Hinal Anish Shah

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## Registered Office

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

**CIN: L65910GJ1986PLC008864**

Tel.: 079-27542298

Fax: 079-27543200

Email Id: info@kzgroup.in;  
kzleasing@yahoo.com

**Website : [www.kzgroup.in](http://www.kzgroup.in)**

## Statutory Auditor

Ranjit Galledar & Co.

## Internal Auditor

M A A K & Associates

## Secretarial Auditor

Mr. G R Shah & Associates

## Bankers

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

## Registrars and Transfer Agents

### Link Intime India Private Limited.

(Formerly, Intime Spectrum Registry limited)

C - 101, 247 Park,

L. B. S. Marg, Vikrohli (West)

Mumbai – 400083.

Phone: 022-49186000

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## Notice to the Shareholders

**NOTICE** is hereby given that the **32nd** Annual General Meeting of the Members of K Z Leasing And Finance Limited will be held on Saturday, 29<sup>th</sup> September, 2018 at 10.00 a.m. at the registered office of the Company at 1<sup>st</sup> Floor, Deshna 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 & Loss for the year ended on March 31, 2018, the Balance Sheet as at that date and Cashflow together with the Auditor and Directors' Report thereon.**
- 2. To appoint a director in place of Mrs. Chaitali Patel (holding DIN 06957559), Director who retires by rotation and being eligible, offers himself for reappointment.**

### **SPECIAL BUSINESS:**

- 3. To consider Regularisation of Mr. Kantibhai Sendharam Patel (holding DIN: 08077956) and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Sections 149, 152, 160 & 161 of the Companies act, 2013 and any other applicable provisions if any, Mr. Kantilal Sendharam Patel (DIN: 08077956), who was appointed as Additional Director on 9<sup>th</sup> March, 2018, be and is hereby appointed as an Independent Director of the Company who is not liable to retire by rotation.

### **REGISTERED OFFICE:**

1<sup>st</sup> 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 & Managing Director)  
(DIN: 00841628)**

**Date: 03/08/2018**

### **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 10.00 a.m. on Thursday, 27th September, 2017. 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 SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking re-appointment as directors - Item Nos. 2 above and regularisation of Independent director seeking reappointment Item No. 3, 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 Ten (10) days from Thursday, 20th day of September, 2018 to Saturday, 29<sup>th</sup> day of September, 2018 (both days inclusive).**
- 5. Members are requested to contact Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikrohli (W), Mumbai-400083 Phone No. 022-49186000, 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 26<sup>th</sup> September, 2018 at 9.00 a.m. and ends on 28<sup>th</sup> September, 2018 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 22<sup>nd</sup> September, 2018, 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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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"> <li>• 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.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with</li> </ul>

	the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (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](http://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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). The Name , Designation , Address , E Mail ID and Phone no. of official responsible for grievances connected with facility of e voting is given below :
- Name of Official – Mr. Rakesh Dalvi  
Designation – Manager  
Address - 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel (E),  
Mumbai - 400 013  
E Mail ID -[helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)  
Phone No. - 1800225533
- (xx) M/s G R Shah & Associates, Practicing Company Secretary (C.O.P – 14446) 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
- (xxi) 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 48 hours 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.

- (xxii) 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.

### **Item No. 2 :**

#### **Profile of Retiring Directors:**

Name	Mrs. Chaitali Patel
Qualification	Bcom, MBA
Experience	Over 8 years of wide experience in Finance field
Other Directorship	K Z Warehousing Logistics LLP
Chairman / Member of the Committees of the Board of the other companies on which she is a director	None
No. of shares held in the company	9500 Equity shares of Rs. 10 each
Disclosure of the relationships	Mrs. Chaitali Patel is the wife of Mr. Ankit Patel, Director and CFO of the Company, and daughter in law of Mr. Pravinkumar Patel, Managing Director of the Company

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

### **Item No. 3**

#### **Regularize the Appointment of Kantibhai Sendharam Patel (holding DIN: 08077956) as the Independent Director of the Company:**

Mr. Kantibhai Sendharam Patel (holding DIN: 08077956) who was appointed as an Additional director on 09<sup>th</sup> March, 2018 is hereby presented for Regularization as the Director of the Company.

Further, the provisions of The Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from April 1, 2014 which requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the ensuing General Meeting), Mr. Kantibhai Sendharam Patel (DIN: 08077956) as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from 09<sup>th</sup> March, 2018.

Mr. Kantibhai Sendharam Patel, aged 64 years, living in Ahmedabad, Gujarat is a Govt. Registered Valuer, Civil Engineer and ex-assistant Valuation Officer in I.T. Department. He possesses vast experience and sound knowledge in varied fields. His expert advice will become useful for the Company's growth and development. Considering his vast experience, his presence on the Board will be of immense value to the Company and he also fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management. The Company has received requisite deposit under Section 160 of the Act, proposing candidature of Mr. Babulal Patel for the office of Director.

#### **REGISTERED OFFICE:**

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

**Date: 03/08/2018**

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

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

## DIRECTORS' REPORT

To,  
The Members,  
Your Directors are pleased to present the Company's 32nd Annual Report and the audited accounts for the year ended 31<sup>st</sup> March, 2018.

### **FINANCIAL RESULTS FOR THE YEAR 2017-18:**

(Amount in Rs.)

PARTICULARS	2017-18	2016-17
Income From Operation	28,46,243.00	19,77,254.00
Other Income	71,88,012.78	69,21,610.92
<b>Total Income</b>	<b>1,00,34,255.78</b>	<b>88,98,864.92</b>
Less: Operational Expenses	72,61,804.44	52,33,708.15
Profit before Interest, Depreciation	<b>27,72,451.34</b>	<b>36,65,156.77</b>
Less :Depreciation and Finance Cost	13,31,655.10	19,32,621.09
<b>Profit/ Loss Before Tax</b>	<b>14,40,796.25</b>	<b>17,32,535.68</b>
Less: Tax expenses	1,07,080.00	8,54,235.00
<b>Profit/ Loss After Tax</b>	<b>13,33,716.25</b>	<b>8,78,300.68</b>

### **PERFORMANCE REVIEW:**

During the year under review, the Company has generated total revenue of Rs. 1,00,34,255.78/- as against Rs 88,98,864.92/- of the previous financial year. The net profit for the year under review has been increased to Rs. 13,33,716.25/- as against Rs. 8,78,300.68 during the previous financial year. The 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 2017-18, the Directors do not recommend any dividend for the year under review.

### **RESERVES:**

The Company has not transferred any amount to the Reserve during the year under review.

### **BOARD OF DIRECTORS:**

1. Mrs. Chaitali Patel (DIN: 06957559), Director of the Company retires by rotation and, being eligible, offers himself for re-appointment.
2. Mr. Kantibhai Sendharam Patel (DIN – 08077956) was appointed as additional director on 09<sup>th</sup> March, 2018 and hereby proposed for regularization as Independent director.
3. 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.
4. **Changes In Board During The Year:**
  - Mr. Rameshbhai Narandas Patel (DIN: 00841664) ceased to be the director of the Company w.e.f. 26<sup>th</sup> July, 2017.
  - Mr. Keshavlal Kashiramdas Patel (DIN: 00851725) ceased to be the director of the Company w.e.f. 26<sup>th</sup> July, 2017.
  - Mr. Gandalal Ambalal Patel (DIN: 02848956) ceased to be the director of the Company w.e.f. 26<sup>th</sup> July, 2017.
  - Mr. Kantibhai Sendharam Patel (DIN – 08077956) was appointed as Independent director on 09<sup>th</sup> March, 2018 for 5 years subject to his regularization in the General meeting.

### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

Since the Company does not have any Subsidiary / Joint Ventures / Associate Concerns, No financial position of such concern(s) are required to be included in the financial statement.

### **PUBLIC DEPOSIT:**

During the year under review your Company has not accepted deposit from 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.

### **DECLARATION BY INDEPENDENT DIRECTORS:**

All the Independent Directors have given declaration to the Company stating their independence pursuant to Section 149(6) of the Companies Act, 2013.

### **AUDITORS:**

#### **I. STATUTORY AUDITORS :**

M/s. Ranjit Galledar & Co. (FRN: 108640W), Chartered Accountants, Ahmedabad was appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on 11th September, 2018. He has confirmed that he is not disqualified from continuing as Auditors of the Company.

#### **II. Auditors' Report:**

The Auditors' Report does not contain any qualification, reservation or 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**

The Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are also generally placed before the Board

#### **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 G R Shah & Associates, Practising Company Secretary to undertake Secretarial Audit for the financial year ended on 31<sup>st</sup> March, 2018. 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. However the Board states that due to technical problems of the Internet, there was a small delay to upload the Outcome of Board meeting as stated in the Secretarial Audit report.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Board of your Company has constituted a CSR Committee. As on 31 March, 2018, 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. The same is also uploaded on the website of the Company i.e. [www.kzgroup.in](http://www.kzgroup.in)

##### **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 3 members namely, Chairman Shri Kantilal Joytiram Patel (DIN: 02933840), Shri Babulal Maganlal Patel(DIN: 02901047), and Shri Pravinbhai Keshavlal Patel(DIN: 00841628). 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.

#### **SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:**

The Shareholders/Investor's Grievance Committee comprises of Mr. Babulal Maganlal Patel (DIN: 02901047) as the Chairman of the Committee and Mrs. Chaitali Ankit Patel (DIN: 06957559), Mr. Pravinkumar Patel (DIN: 00841628) and Mr. Kantilal Joytiram Patel (DIN: 02933840).

The primary function of the Shareholders / Investors Grievance Committee ("the Committee") is to consider and resolve the grievances of security holders of the Company. During the year under review, the committee reviewed the complaint status, share transfer details, dematerialization of security and also conducted audit by practicing company secretary.

#### **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:**

As per the New (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified 2nd September, 2015 issued by Securities and Exchange Board of India, vide circular no. SEBI/LAD-NRO/GN/2015-16/013, Corporate Governance is not applicable to the Company as Company has not attained the prescribed limit as mentioned hereunder:

As per the Regulation 15 (Listing Obligations And Disclosure Requirements) Regulations, 2015 applicability of Corporate Governance shall not be mandatory for companies having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crores, as on the last day of the previous financial year.

However the Company follows the principles of effective Corporate Governance. The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the provisions of 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 provisions of 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 the provisions of 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 (82% of shares in demat, 18% in physical mode).

## **INTERNAL AUDITOR**

The Board of Directors has appointed M/s M A A K & Associates, Chartered Accountants as Internal Auditors of the Company. The Internal Auditor directly reports to the audit committee. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives.

## **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 8 times 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 dates on which meetings were held are 10/05/2017, 24/05/2017, 25/07/2017, 31/07/2017, 10/11/2017, 31/01/218, 28/02/2018 and 09/03/2018. The details regarding the attendance of the directors in the board meetings are mentioned in Corporate Governance Report.

## **NUMBER OF MEETINGS OF THE AUDIT COMMITTEE:**

The Audit Committee duly met 4 times 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 met 2 times 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.

### **PERFORMANCE OF EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

- (a) For Non Executive & Independent Directors :
  - Knowledge
  - Professional conduct
  - Comply Secretarial Standard issued by ICSI
  - Duties, Role and functions
- (b) For Executive Directors:
  - Performance as leader
  - Evaluating Business Opportunity and analysis of Risk Reward Scenarios
  - Key set investment goal
  - Professional conduct and integrity
  - Sharing of information with Board.
  - Adherence applicable government law

The Directors expressed their satisfaction with the evaluation process.

### **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:**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability confirm and state that –

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a 'going concern' basis;
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:**

Since the Company is Non-Banking Financial Company registered with the RBI, the disclosures pertaining to Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are not applicable

### **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:**

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website [www.kzgroup.in](http://www.kzgroup.in)

**SIGNIFICANT AND MATERIAL ORDERS :**

There are no material orders passed by Regulators, Courts or Tribunals impacting the going concern status and company's operations in future.

**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:**

1<sup>st</sup> 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: 03/08/2018**

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

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2018  
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	<b>K Z LEASING AND FINANCE LIMITED</b>
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-101, 247 Park, L.B.S. Marg, Vikroholi (W), Mumbai-400083 Phone No. 022-49186000

**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	64990	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		Not applicable			

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	729410	0	729410	23.98	731940	0	731940	24.07	0.09
b) Central Govt.or State Govt.	0	0	0	-	0	0	0	-	-
c) Bodies Corporates	0	0	0	-	0	0	0	-	-
d) Bank/Fl	0	0	0	-	0	0	0	-	--
e) Any other	0	0	0	-	0	0	0	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>729410</b>	<b>0</b>	<b>729410</b>	<b>23.98</b>	<b>731940</b>	<b>0</b>	<b>731940</b>	<b>24.07</b>	<b>0.09</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	-	0	0	0	-	-
b) Other Individuals	0	0	0	-	0	0	0	-	-
c) Bodies Corp.	0	0	0	-	0	0	0	-	-
d) Banks/Fl	0	0	0	-	0	0	0	-	-
e) Any other...	0	0	0	-	0	0	0	-	-
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>729410</b>	<b>0</b>	<b>729410</b>	<b>23.98</b>	<b>731940</b>	<b>0</b>	<b>731940</b>	<b>24.07</b>	<b>0.09</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	-	0	0	0	-	-
b) Banks/Fl	0	0	0	-	0	0	0	-	-
c) Central Govt.	0	0	0	-	0	0	0	-	-
d) State Govt.	0	0	0	-	0	0	0	-	-
e) Venture Capital Fund	0	0	0	-	0	0	0	-	-
f) Insurance Companies	0	0	0	-	0	0	0	-	-
g) FIIS	0	0	0	-	0	0	0	-	-
h) Foreign Venture Capital Funds	0	0	0	-	0	0	0	-	-
i) Others (specify)	0	0	0	-	0	0	0	-	-
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate									
i) Indian	148463	6100	154563	5.08	142569	6100	148669	4.88	-0.2
ii) Overseas	0	0	0	-	0	0	0	0	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	425978	544510	970488	31.91	407181	541210	948391	31.18	-0.73
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	1063002	0	1063002	34.95	1082544	0	1082544	35.60	0.65
Hindu Undivided Family	119823	0	119823	3.94	126226	0	126226	4.15	0.21
Clearing Member	3274	0	3274	0.11	2790	0	2790	0.09	-0.02
NRI and Foreign Co.	640	0	640	0.02	640	0	640	0.02	-
<b>SUB TOTAL (B)(2):</b>	<b>1761180</b>	<b>550610</b>	<b>2311790</b>	<b>76.02</b>	<b>1761950</b>	<b>547310</b>	<b>2309260</b>	<b>75.93</b>	<b>-0.09</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1761180</b>	<b>550610</b>	<b>2311790</b>	<b>76.02</b>	<b>1761950</b>	<b>547310</b>	<b>2309260</b>	<b>75.93</b>	<b>-0.09</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2490590</b>	<b>550610</b>	<b>3041200</b>	<b>100.00</b>	<b>2493890</b>	<b>547310</b>	<b>3041200</b>	<b>100.00</b>	<b>0</b>

## (ii) SHARE HOLDING OF PROMOTERS

SR 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	1,50,002	4.93	0	1,50,002	4.93	0	-
9	Chaitali Ankitbhai Patel	9,500	0.31	0	9,500	0.31	0	-
10.	Ankit Pravinkumar Patel	33708	1.10	0	36238	1.19	0	0.09
	<b>Total</b>	<b>7,29,410</b>	<b>23.98</b>	<b>0</b>	<b>7,31,940</b>	<b>24.07</b>	<b>0</b>	<b>0.09</b>

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

Sr. No	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding During the year (01/04/2017 to 31/03/2018)	
		No. of Shares at the beginning (01/04/2017)	% of shares of the Company				No. of Shares	% Of total Shares OF the Company
1.	<b>Ankit Pravinkumar Patel</b>	<b>33708</b>	<b>1.10</b>	07/04/2017	20	Purchase	33728	1.11
				21/04/2017	2006	Purchase	35734	1.17
				22/09/2018	504	Purchase	<b>36238</b>	<b>1.19</b>

## (iv) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS (other than Directors, Promoters &amp; Holders of GDRs &amp; 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.	Amrav Babulal Dugar	145990	4.80	1.	Amrav Babulal Dugar	145990	4.80
2.	Babulal Dugar	99427	3.27	2.	Babulal Dugar	99427	3.27
3.	Chandrakant Mohanbhai Patel	71500	2.35	3.	Chandrakant Mohanbhai Patel	71500	2.35
4.	Lataben Natvarlal Patel	71500	2.35	4.	Lataben Natvarlal Patel	71500	2.35
5.	Babubhai Kashiram Patel	71500	2.35	5.	Babubhai Kashiram Patel	71500	2.35
6.	Rakeshkumar Ramanlal Patel	66500	2.19	6.	Rakeshkumar Ramanlal Patel	66500	2.19
7.	Hardik Finance Ltd	64700	2.13	7.	Hardik Finance Ltd	66202	2.18
8.	Shardaben Baldevbhai Patel	60800	1.99	8.	Shardaben Baldevbhai Patel	60800	1.99
9.	Mithani Investments Pvt. Ltd	56908	1.87	9.	Mithani Investments Pvt. Ltd	56908	1.87
10.	Bhaveshbhai Baldevbhai Patel	53800	1.77	10.	Bhaveshbhai Baldevbhai Patel	53800	1.77
	<b>Total</b>	<b>762625</b>	<b>25.08</b>		<b>Total</b>	<b>764127</b>	<b>25.13</b>

## (v) Shareholding of Directors &amp; KMP

Sr. No	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding During the year (01/04/2017 to 31/03/2018)	
		No. of Shares at the beginning (01/04/2017)	% of shares of the Company				No. of Shares	% Of total Shares of the Company
1.	<b>Ankit Pravinkumar Patel</b>	<b>33708</b>	<b>1.10</b>	07/04/2017	20	Purchase	33728	1.11
				21/04/2017	2006	Purchase	35734	1.17

				22/09/2018	504	Purchase	36238	1.19
2.	Pravinbhai Keshavlal Patel	15100	0.50	-	-	-	15100	0.50
3.	Kantibhai Joytiram patel	-	-	-	-	-	-	-
4.	Babulal Maganlal Patel	100	0.003	-	-	-	100	0.003
5.	Chaitali Ankitkumar Patel	9500	0.31	-	-	-	9500	0.31
6.	Kantibhai Sendharam Patel	-	-	-	-	-	-	-

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Deposit	Unsecured Loans	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	0	0	32,98,604	32,98,604
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	32,98,604	32,98,604
<b>Change in Indebtedness during the financial year</b>	0			
Additions	0	65,93,131	0	65,93,131
Reduction	0	0	(22,50,850)	(22,50,850)
<b>Net Change</b>	0	65,93,131	(22,50,850)	43,42,281
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	65,93,131	10,47,754	76,40,885
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	65,93,131	10,47,754	76,40,885

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A Remuneration to Managing Director, Whole time director or Manager:

No	Particulars of Remuneration		
		Pravinkumar K. Patel (MD)	Chaitali B. Patel
1	Gross Salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	4,50,000	4,50,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	as % of profit	0	0
5	others : ALLOWANCE	19,200	19,200
	<b>Total (A)</b>	<b>4,69,200</b>	<b>4,69,200</b>
	<b>Ceiling as per the Act</b>	43,915	8783

##### B. Remuneration to other directors

No	Name of the Directors	Particulars of Remuneration			
		Fee for attending Board meetings	Commission	Others : Allowance	Total
1	Independent Directors				
		-	-	-	-
		-	-	-	-
		-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non Executive Directors				
		-	-	-	-
		-	-	-	-
		-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)={1+2}</b>	-	-	-	-

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

No	Particulars of Remuneration	Key Managerial Personnel	
		Hinal Shah (Company Secretary)	Ankit Patel (Chief Financial Officer and Director)
1	Gross Salary:		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,17,000	4,80,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		
	(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		
5	Others, please specify(Conveyance Allowance)	19,200	19,200
	<b>Total</b>	<b>2,36,200</b>	<b>4,99,200</b>

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and behalf of the Board of Directors,

Date: 03/08/2018

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

**MR-3**  
**Secretarial Audit Report**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2018**

*[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**  
**Ahmedabad**

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 my opinion thereon.

Based on my verification of the 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018 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;(Not applicable during the reporting period under review)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) The following industry specific laws, directions, circulars and guidelines:
  - Reserve Bank of India Act, 1934;

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

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

- i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with BSE Limited pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

However the Company has delay to disclose the outcome of Board meeting dated 24<sup>th</sup> May 2017 within 30 minutes as mentioned in the regulations of 30 of SEBI (Listing and obligation and Disclosure Requirements) Regulations,2015.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive

Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other laws and regulations applicable to the company

Majority decisions were carried out unanimously and where it was not so, the dissenting members' views were 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.

I further report that the compliance by the company of the direct and indirect tax laws has not been reviewed during this audit as the same has been subject to review by statutory financial auditor and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**Date: 03<sup>rd</sup> August, 2018**  
**Place: Ahmedabad**

**For, G R Shah & Associates**  
**Company Secretaries**

**Gaurang Shah**  
**Proprietor**  
**C.P No: 14446**

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.

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**Annexure A**  
**List of documents verified**

1. Memorandum and Articles of Association of the Company.
  2. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee, CSR Committee and Independent Directors Meeting along with attendance register 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, 2013 and Rules made there under namely:
    - Register of the Directors and the Key Managerial Personnel
    - Register of the Directors' shareholding
    - Register of loans, guarantees and security and acquisition made by the Company
    - Register of Members.
  5. Declarations received from the Directors of the Company in form MBP-1 pursuant to the provisions of Section 184 of the Companies Act, 2013.
  6. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the period under report.
  7. Communications /Letters issued to and acknowledgements received from the Independent Directors for their appointment.
  8. Various policies framed by the Company from time to time as required under the Companies Act, 2013.
-

## Annexure B

To,  
The Members  
**K Z LEASING AND FINANCE LIMITED**  
1st Floor Deshana Chamber,  
B/H Kadwapattidar Wadi,  
Ashram Road,  
Ahmedabad -380001.

Our Secretarial Audit Report of even date is to be read along with this letter.

### Management's Responsibility

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.

Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

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: 03<sup>rd</sup> August, 2018

For, G R Shah & Associates  
Company Secretaries

Gaurang Shah  
Proprietor  
C P No. 14446

## 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. 28,46,243 in 2017-18 as against Rs. 19,77,254 in 2016-17.

#### Employee Benefit Expenses:

Employees emoluments (other than managerial remuneration) is Rs. 29,32,853/- during the year as against Rs. 31,34,641/- 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. 43,28,951.44/- as against Rs. 20,99,067.15/- during the previous year.

#### Depreciation:

Depreciation charge for the current year came to Rs. 30,468/- as against Rs. 29,250.11/- of the previous year.

**Provision for Tax:**

The Company has earned income during this year and hence made provision of Rs. 1,07,080/- towards current tax. In the previous year the Company has made provision for tax of Rs. 2,00,000/- which had been utilized against MAT credit. 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. 13,33,716.25/- as against profit of Rs. 8,78,300.68/- 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. 10,47,754 as at 31<sup>st</sup> March, 2018 as against Long Term Borrowings of Rs. 32,98,604 as at 31<sup>st</sup> March, 2017.

**Current Liabilities:**

Company's Current Liabilities includes Trade payables and Other Current Liabilities which are amounting to Rs. 73,97,403.12 as at 31<sup>st</sup> March, 2018 against Rs. 6,28,484 as at 31<sup>st</sup> March, 2017

**Fixed Assets:**

Net block of the fixed assets at the end of the year is Rs. 4,64,623.90 as against Rs 4,33,591.89 in the previous year.

**Non Current Investments:**

Non-current investments of the company is Rs. 1,77,85,194.02 as at 31<sup>st</sup> March, 2018 against Rs. 2,92,06,071.25 which was at 31<sup>st</sup> March, 2017

**Long Term Loans and Advances:**

Long Term Loans and advances of the company is Rs. 6,06,07,123.20 as at 31<sup>st</sup> March, 2018 against Rs. 5,70,74,837.20 of previous year

**Current Assets:**

The total Current Assets of the company as at 31<sup>st</sup> March, 2018 is Rs. 1,08,33,84.37 which was Rs 27,36,088.54 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 is 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.

## Corporate Governance Report

### 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 as contained in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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:

As of date, the Board Comprises of 3 (Three) executive directors and 3 (Three) non executive directors out of which all 3 (Three) are 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, Chief Financial Officer) (Woman Promoter Director)
Independent Directors	Shri Babulal Maganlal Patel Shri. Kantibhai Sendharam Patel Shri Kantilal Joytiram Patel	(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 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 and daughterinlaw of Mr. Pravin Patel
Shri. Babulal Maganlal Patel	Not, in any way, concern / interested / related with any of the other directors of the company
Shri. Kantibhai Sendharam Patel	Not, in any way, concern / interested / related with any of the other directors of the company

#### 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 2017-18:

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	8	Yes	1	3	NIL
Shri Ankit P. Patel	8	Yes	1	Nil	NIL

Smt Chaitali B Patel	8	Yes	NIL	1	NIL
Shri Gandadal Ambalal Patel**	2	Yes	2	-	-
Shri Kantilal Joytiram Patel	6	Yes	NIL	4	2
Shri Rameshbhai Narandas Patel*	0	Yes	NIL	-	-
Shri Keshavlal Kashiramdas Patel*	0	Yes	1	-	-
Shri Babulal Maganlal Patel	7	Yes	1	4	2
Shri Kantibhai Sendharam Patel	1	-	NIL	1	NIL

\*Resigned w.e.f.26/07/2017

\*\*Resigned w.e.f. 28/02/2018

(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 provisions of 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, 8 (Eight) Board Meetings were held as against the minimum requirement of 4 meetings. The dates on which the meetings were held are 10/05/2017, 24/05/2017, 25/07/2017, 31/07/2017, 10/11/2017, 31/01/2018, 28/02/2018 and 09/03/2018. 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 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.

**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 Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Risk Management Policy:**

The Company has formulated a Corporate Risk Management Policy applicable to its operations, which is duly approved by the Board of Directors in compliance with the requirement of 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 it reconstituted from time to time. Previously, Audit Committee consisted of 3 (Three) members including Shri Kantilal Joytiram Patel, (Chairman), Shri Pravinkumar Keshavlal Patel and Shri Keshavlal Kashiramdas Patel. The said Committee has been reconstituted by the Board of Directors of the company at its meeting held on 10<sup>th</sup> November, 2017. Presently, the Audit Committee comprises of 2 (Two) Independent namely Shri Kantilal Joytiram Patel, Chairman (having financial and accounting knowledge) and Shri Babulal Maganlal Patel, and 1 (One) Executive Director, Shri Pravinkumar Keshavlal Patel as the member 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 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 Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2017-18 ending on 31<sup>st</sup> March, 2018, are as under:

Name of Directors	Category	Status / Designation	No. of Meeting attended
Shri. Kantilal Joytiram Patel	Non-executive / Independent	Chairman	4
Shri Babulal Maganlal Patel **	Non-executive / Independent	Member	2
Shri. Pravinbhai Keshavlal Patel	Executive Promoter Director	Member	4
Shri Keshavlal Kashiramdas Patel*	Non-executive / Independent	Ex-Member	0

The Committee met 4 (Four) times during the year 2017-18. The dates on which the Audit Committee meetings were held are 24/05/2017, 25/07/2017, 10/11/2017 and 31/01/2018. 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.

\*\* appointed as the Member on Audit Committee on 10/11/2017

\*ceased to be the members of Audit Committee due to resignation from directorship w.e.f. 26/07/2017

**3. Nomination and Remuneration Committee:**

The Nomination remuneration committee in the beginning of the year comprised 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. The said Committee has been reconstituted on 09<sup>th</sup> March, 2018. Presently, the Nomination & Remuneration Committee comprises of 3 (Three) members namely, Mr. Babulal Maganlal Patel as the Chairman of the Committee and Mr. Kantibhai Sendharam Patel and Mr. Kantilal Joytiram 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. 24/05/2017 and 09/03/2018 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. The committee in the beginning of the year comprised 4 (Four) members namely, Mr. Rameshbhai Narandas Patel as a Chairman of the Committee and Mrs. Chaitali Ankit Patel, Mr. Pravinkumar Patel and Mr. Gandalal A Patel as other members. The said Committee has been reconstituted on 10<sup>th</sup> November, 2017. Presently, the Shareholders’ and Investors’ Grievance Committee comprises of Mr. Babulal Maganlal Patel as the Chairman of the Committee and Mrs. Chaitali Ankit Patel, Mr. Pravinkumar Patel and Mr. Kantilal Joytiram Patel as other members. The 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 4 (Four) Times during the year i.e. 24/05/2017, 25/07/2017, 10/11/2017 and 31/01/2018

As required by the provisions of Regulation 13 of 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](mailto:kzleasing@yahoo.com) ; [info@kzgroup.in](mailto:info@kzgroup.in)

Also, the Company is registered on SCORES platform for handling the Investors’ complaint electronically.

None of the request for transfers, dematerialization and re-materialization was pending for approval as on 31<sup>st</sup> March, 2018.

Quarter-wise Summary of Investors’ Complaints received and resolved to the satisfaction of the shareholders during the financial year 2017-18.

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				
01/04/2017	30/06/2017	0	0	0	0
01/07/2017	30/09/2017	0	0	0	0
01/10/2017	31/12/2017	0	0	0	0
01/01/2018	31/03/2018	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
2016-17	1 <sup>st</sup> Floor Deshana Chamber, B/h Kadwa Patidar Wadi, Ashram Road, Ahmedabad-380014	11/09/2017	10.30 am
2015-16	1 <sup>st</sup> Floor Deshana Chamber, B/h Kadwa Patidar Wadi, Ashram Road, Ahmedabad-380014	14/09/2016	11.00 am
2014-15	1 <sup>st</sup> Floor Deshana Chamber, B/h Kadwa Patidar 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 2017-18.
- The Company has complied with all the mandatory requirements of Chapter IV of 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

##### 32<sup>nd</sup> Annual General Meeting:

Date : 29<sup>th</sup> September, 2018

Time : 10.00 a.m.

Venue : 1<sup>st</sup> Floor Deshana Chamber, B/h Kadwa Patidar Wadi, Ashram Road, Ahmedabad-380014.

As required under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of Director seeking re-appointment are given in annexure to the Notice of the Annual General Meeting to be held on 29<sup>th</sup> September, 2018.

#### 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 Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Date of Book Closure:-

From Thursday, 20th day of September, 2018 to Saturday, 29<sup>th</sup> day of September, 2018 (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 2017-18, as applicable, have been paid to the Bombay Stock Exchange Limited. The Company has also paid Annual Custodial Fees for the year 2017-18, 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

#### Stock Market Data:

The monthly high and low quotations of shares traded at the BSE for the current year are provided as follows:

Financial Year 2017-18	High (Rs)	Low (Rs)
April	10.52	8.67
May	10	9.03
June	9.95	8.60
July	12.54	8.95
August	12.50	11.40
September	11.90	10.30
October	10.48	8.89
November	10.30	8.10
December	9.59	8.15
January	12.74	8.30
February	12.71	10.87
March	13.28	12.62

(Source: BSE Website)

#### Registrar and Transfer Agents

**Link Intime India Private Limited.**

#### Registered Office :

C 101, 247 Park, L.B.S. Marg, Vikhroli (West),

Mumbai - 400083. Tel : 91-22-49186000

E-Mail: nilesh.dalwadi@linkintime.co.in; mumbai@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, 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 Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Distribution Schedule and Shareholding Pattern as on 31st March, 2018

##### Distribution Schedule:

No. of equity shares held	No. of holders	% of Total Shareholders	No. of shares	% of Issued Capital
1 - 500	3670	90.15	548605	18.04
501 - 1000	218	5.35	185526	6.10
1001 - 2000	80	1.97	116589	3.83
2001 - 3000	23	0.57	58714	1.93
3001 - 4000	16	0.39	55826	1.84
4001 - 5000	13	0.31	61022	2.01
5001 - 10000	16	0.39	104424	3.43
10001 and Above	35	0.86	1910494	62.82
<b>Total</b>	<b>4071</b>	<b>100.00</b>	<b>3041200</b>	<b>100.00</b>

##### Shareholding Pattern:

Sr. No	Category	As on March 31, 2017		As on March 31, 2016	
		Nos. of Shares held	% of Shares held	Nos. of Shares held	% of Shares held
1	Promoters	731940	24.07	729410	23.98
2	Mutual Fund & UTI	NIL	NIL	NIL	NIL
3	Bank, Financial Institutions (FI's),	NIL	NIL	NIL	NIL

	Insurance Companies				
4	Foreign Institutional Investors (FII's)	NIL	NIL	NIL	NIL
5	NBFC	66202	2.18	64700	2.13
6	Private Bodies Corporate	82467	2.71	89863	2.96
7	Indian Public	2030935	66.78	2033490	66.86
8	HUF	126226	4.15	119823	3.94
9	Clearing Member	2790	0.09	3274	0.11
10	Non Resident Indians	640	0.02	640	0.02
	<b>Total</b>	<b>3041200</b>	<b>100.00</b>	<b>3041200</b>	<b>100.00</b>

#### De- materialization of Shares and Liquidity

The Company's Shares are in compulsory Demat segment and as on 31<sup>st</sup> March, 2018, 24,93,890 Equity Shares of the Company forming 82% 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 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel : 91-22-49186000 e-Mail: <a href="mailto:nilesh.dalwadi@linkintime.co.in">nilesh.dalwadi@linkintime.co.in</a>
b)	Any other query and Annual Report	Secretarial Department 1 <sup>st</sup> Floor Deshna Chamber, B/h Kadwa pattidar Wadi, Ashram Road, Ahmedabad-380001 Tel : 079-27542298, 27543200 e-mail: <a href="mailto:info@kzgroup.in">info@kzgroup.in</a>

#### 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 in xbrl as well as pdf format.

#### REGISTERED OFFICE:

1<sup>st</sup> 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: 03/08/2018**

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

## **CERTIFICATION BY CEO / MANAGING DIRECTOR**

To  
The Board of Directors  
**K Z LEASING AND FINANCE LIMITED**  
1st floor, deshana chamber,  
B/H Kadwa Pattidar Wadi,  
Ashram Road, Usmanpura,  
Ahmedabad - 380001.

Dear Members of the Board,

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, 2018** 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 2017-18 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: 03/08/2018

**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**

The Corporate Governance is not applicable to the Company as it has not attained the prescribed limit as mentioned Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, However the Company follows an effective Corporate Governance. We have examined the compliance of corporate governance by K. Z. Leasing & Finance Limited ('the Company') for the year ended 31<sup>st</sup> March, 2018 as stipulated in Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with Stock Exchanges. We have conducted our review on the basis of relevant records and documents maintained by the Company for the year ended 31<sup>st</sup> March, 2018 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 abovementioned SEBI (Listing Obligations and Disclosure requirements) Regulations 2015. 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 : Surat

Date : 03/08/2018

For, Ranjit Galledar & Co  
Chartered Accountant

**CA Ranjit Galledar**  
Proprietor  
M.No.: 033390

# 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 31/03/2018, 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 31/03/2018, 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, 2016, 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 31/03/2018 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2018 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 B".

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:

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

ii. 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.

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

Place : Surat

Date : 30/05/2018

For, Ranjit Galledar & Co.

Chartered Accountant

(FRN: 108640W)

Ranjit Galledar

Proprietor

( Mem. No. 033390)

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### **Annexure A to the Independent Auditors' Report (Report under CARO, 2016)**

(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) As represented by management 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**

As represented to us the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the registrar maintained u/s 189 of the Companies Act, 2013.

(a) N.A.

(b) N.A.

(c) N.A.

#### **(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 : Surat

Date : 30/05/2018

For, Ranjit Galledar & Co.

Chartered Accountant

(FRN: 108640W)

Ranjit Galledar

Proprietor

( Mem. No. 033390)

**“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 K Z LEASING AND FINANCE LIMITED Company Limited

(“The Company”) as of March 31, 2018 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 judgment, 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 : Surat**

**Date : 30/05/2018**

**For, Ranjit Galledar & Co.  
Chartered Accountant  
(FRN: 108640W)**

**Ranjit Galledar  
Proprietor  
(Mem. No. 033390)**

## Balance Sheet as at 31 March , 2018

	Particulars	Notes	2017-2018	2016-2017
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	Shareholders' funds			
	(a) Share Capital	3	30,412,000.00	30,412,000.00
	(b) Reserves and Surplus	4	50,833,627.13	55,111,500.88
	(c) Money received against share warrants		0.00	0.00
			<b>81,245,627.13</b>	<b>85,523,500.88</b>
<b>2</b>	<b>Share Application Money Pending Allotment</b>		0.00	0.00
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term Borrowings	5	1,047,754.00	3,298,604.00
	(b) Deferred Tax Liabilities (Net)		0.00	0.00
	(c) Other long-term Liabilities		0.00	0.00
	(d) Long-term provisions		0.00	0.00
			<b>1,047,754.00</b>	<b>3,298,604.00</b>
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term Borrowings	6	6,593,131.00	0.00
	(b) Trade Payables	7	310,203.25	93,316.00
	(c) Other Current Liabilities	8	386,989.11	335,168.00
	(d) Short-term Provisions	9	107,080.00	200,000.00
			<b>7,397,403.12</b>	<b>628,484.00</b>
	<b>TOTAL</b>		<b>89,690,784.49</b>	<b>89,450,588.88</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible Assets	10	464,623.90	433,591.89
	(ii) Intangible Assets		0.00	0.00
	(iii) Capital Work-in-progress	-	0.00	0.00
	(iv) Intangible assets under Development	-	0.00	0.00
			<b>464,623.90</b>	<b>433,591.89</b>
	(b) Non-current Investments	11	17,785,194.02	29,206,071.25
	(c) Deferred Tax Assets (Net)	22	0.00	0.00
	(d) Long-term Loans and Advances	12	60,607,123.20	57,074,837.20
	(e) Other non-current assets	13	0.00	0.00
			<b>78,392,317.22</b>	<b>86,280,908.45</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current Investments	14	8,167,839.00	1,785,400.55
	(b) Inventories		0.00	0.00
	(c) Trade Receivables	15	0.00	130,248.47
	(d) Cash and Cash equivalents	16	2,009,028.37	203,747.52
	(e) Short-term loans and advances	17	656,976.00	616,692.00
	(f) Other current assets	18	0.00	0.00
			<b>10,833,843.37</b>	<b>2,736,088.54</b>
	<b>TOTAL</b>		<b>89,690,784.49</b>	<b>89,450,588.88</b>
	<b>See accompanying notes forming part of the financial statements</b>	1,2		

In terms of our report attached.

**For Ranjit Galledar & Co.**  
(Chartered Accountants)

**By Order of Board**  
For K Z leasing and Finance Limited

**CA Ranjit Galledar**  
Firm Regn no. 108640W  
Mem. No. 033390  
Place : Surat  
Date : 30/05/2018

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

**Ankit P. Patel**  
(Director, CFO) (DIN: 02901371)

**Hinal A. Shah**  
(Company Secretary) (ACS: 37104)

Place: Ahmedabad Date : 30/05/2018

## Profit and Loss for the year ended 31 March, 2018

Particulars		Notes	2017-2018	2016-2017
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
	<b>Income</b>			
<b>1</b>	Revenue From Operations (Gross)	<b>19</b>	2,846,243.00	1,977,254.00
	Less: Excise duty		-	-
	Revenue From Operations (Net)		2,846,243.00	1,977,254.00
<b>2</b>	Other income	<b>20</b>	7,188,012.78	6,921,610.92
<b>3</b>	<b>Total revenue</b>		<b>10,034,255.78</b>	<b>8,898,864.92</b>
<b>4</b>	Expenses			
	(a) Cost of Materials Consumed			
	(c) (Increase)/ decrease inventories of finished goods, work-in-progress and stock-in-trade			
	(d) Employee Benefits Expense	<b>21</b>	2,932,853.00	3,134,641.00
	(e) Other Expenses			
	Administrative & Office Expense	<b>22.a</b>	4,316,714.44	2,071,918.15
	Selling & Distribution Expense	<b>22.b</b>	12,237.00	27,149.00
<b>5</b>	<b>Total</b>		<b>7,261,804.44</b>	<b>5,233,708.15</b>
<b>6</b>	<b>Earning Before Interest, tax, depreciation and amortization (EBITDA) (3 - 5)</b>		<b>2,772,451.34</b>	<b>3,665,156.77</b>
	Depreciation and Amortisation expense	<b>11</b>	30,468.00	29,250.11
	Finance costs	<b>23</b>	1,301,187.10	1,903,370.98
<b>7</b>	<b>Total</b>		<b>1,331,655.10</b>	<b>1,932,621.09</b>
<b>8</b>	<b>Profit / (Loss) before tax (6 + 7)</b>		<b>1,440,796.25</b>	<b>1,732,535.68</b>
<b>9</b>	<b>Tax expense:</b>			
	(a) Current tax expense for current year		107,080.00	2,00,000.00
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		0.00	654,235.00
	(d) Net current tax expense		0.00	0.00
	(e) Deferred tax Assets/ (Liabilities)		0.00	0.00
			0.00	
			<b>107,080.00</b>	<b>854,235.00</b>
<b>10</b>	<b>Profit / (Loss) from continuing operations (8 + 9)</b>		<b>1,333,716.25</b>	<b>878,300.68</b>
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>			
<b>11.i</b>	Profit / (Loss) from discontinuing operations (before tax)		-	-
<b>11.ii</b>	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
<b>11.iii</b>	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		-	-
<b>12</b>	<b>Profit / (Loss) from discontinuing operations (11.i + 11.ii + 11.iii)</b>		<b>0.00</b>	<b>0.00</b>
<b>C</b>	<b>TOTAL OPERATIONS</b>		<b>-</b>	<b>-</b>
<b>13</b>	<b>Profit / (Loss) for the year (10 ± 12)</b>		<b>1,333,716.25</b>	<b>878,300.68</b>

In terms of our report attached.

**For Ranjit Galledar & Co.**  
(Chartered Accountants)

**By Order of Board**  
For K Z leasing and Finance Limited

**CA Ranjit Galledar**  
Firm Regn no. 108640W  
Mem. No. 033390  
Place : Surat  
Date : 30/05/2018

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

**Ankit P. Patel**  
(Director, CFO)  
(DIN: 02901371)  
Place : Ahmedabad  
Date : 30/05/2018

**Hinal A. Shah**  
(Company Secretary)  
(ACS: 37104)

## 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 II 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	2017-2018		2016-2017	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
<b>(a) Authorised</b>				
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
	<b>3,200,000.00</b>	<b>32,000,000.00</b>	<b>3,200,000.00</b>	<b>32,000,000.00</b>
<b>(b) Issued,Subscribed and fully paid up</b>				
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	<b>3,041,200.00</b>	<b>30,412,000.00</b>	<b>3,041,200.00</b>	<b>30,412,000.00</b>

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

**(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, 2018				
- 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, 2017				
- 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	As at 31 March, 2018		As at 31 March, 2017	
	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	2017-2018	2016-2017
(a) Revenue reserve		
Opening Balance	37,871,645.46	37,169,004.92
Add : Addition During the Year	1,226,972.20	702,640.54
	39,098,617.66	37,871,645.46
(b) Statutory reserve		
Opening Balance	9,395,661.42	9,220,001.28
Add : Addition During the Year	306,743.05	175,660.14
	9,702,404.47	9,395,661.42
(c) NPA Provision		
Opening Balance	7,844,194.00	7,844,194.00
Add : Addition During the Year	0.00	0.00
Less: Deduction during the Year	5,811,589.00	0.00
	2,032,605.00	7,844,194.00
(d) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance		
Add: Profit / (Loss) for the year	1,333,715.25	878,300.68
Provision written back	200,000.00	0.00
Less: Interim dividend	-	-
Tax on dividend	-	-
Transferred to:		
General Reserve	-	-
Statutory Reserve	306,743.05	175,660.14
Revenue Reserve	1,226,972.20	702,640.54
	0.00	0.00
<b>Total</b>	<b>50,833,627.13</b>	<b>55,111,500.88</b>

**Note 5 Long-term Borrowings**

Particulars	2017-2018	2016-2017
(a) Term loans		
From banks		
Secured	0.00	0.00
Unsecured	0.00	0.00
	0.00	0.00
From other parties		
Secured	0.00	0.00
Unsecured	0.00	0.00
	0.00	0.00
(b) Loans and Advances From Directors		
Secured	0.00	0.00
Unsecured	0.00	604,310.00
	0.00	604,310.00
(c) Loans and Advances From Others		
Secured	0.00	0.00
Unsecured	1,047,754.00	2,694,294.00
	1,047,754.00	2,694,294.00
<b>TOTAL (A+B+C)</b>	<b>1,047,754.00</b>	<b>3,298,604.00</b>

**Note 6 Short-term Borrowings**

Particulars	2017-2018	2016-2017
Unsecured		
(a) Term loans from related parties	0.00	0.00
(b) Advance from other parties	0.00	0.00
(c) Deposits	6,593,131.00	0.00
<b>Total</b>	<b>6,593,131.00</b>	<b>0.00</b>

**Note 7 Trade Payables**

Particulars	2017-2018	2016-2017
Trade Payables:		
Dues to MSMED Creditors#	-	-
Due to Others		
Creditors for goods & services	310,203.25	93,316.00
<b>Total</b>	<b>310,203.25</b>	<b>93,316.00</b>

#Note for MSMED

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

**Note 8 Other Current Liabilities**

Particulars	2017-2018	2016-2017
<b>Statutory Liabilities</b>		
TDS Payable on Interest	19,686.00	111,224.00
<b>Short Term Payables</b>		
Audit Fees Payable	0.00	0.00
Director Remuneration Payable	0.00	200,000.00
Professional Tax Payable	4,000.00	2,000.00
Others	363,302.87	21,944.00
<b>Total</b>	<b>386,988.87</b>	<b>335,168.00</b>

**Note 9 Short-term Provisions**

Particulars	2017-2018	2016-2017
(a) Provision for Employee Benefits	-	-
(b) Provision - Others:		
(i) Provision for Income Tax -		
F.Y 2016-17	0.00	200,000.00
F.Y 2017-18	107,080.00	0.00
<b>Total</b>	<b>107,080.00</b>	<b>200,000.00</b>

## Note 10 Fixed Assets

Name of assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening 01/04/17	Addition acq. Through business combinations	Sale or transfer	Total 31/03/18	Opening 01/04/17	For the year	Depreciat ion w/off	Total 31/03/18	As on 31/03/18	As on 31/03/17
<b>A. Tangible Assets</b>										
Air Conditioner	-	46,000	-	46,000	-	6,657	-	6,657	39,343	-
Office -Building	558,200	-	-	558,200	192,381	8,548	-	200,929	357,271	365,819
Furniture	366,461	-	-	366,461	348,138	-	-	348,138	18,323	18,323
Mobile	69,739	15,500	-	85,239	21,784	15,263	-	37,047	48,192	47,955
Computer	29,900	-	-	29,900	28,405	-	-	28,405	1,495	1,495
<b>TOTAL-A</b>	<b>1,024,300</b>	<b>61,500</b>	<b>-</b>	<b>1,085,800</b>	<b>590,708</b>	<b>30,468</b>	<b>-</b>	<b>621,176</b>	<b>464,624</b>	<b>433,592</b>

## Note 11 Non Current Investments

Particulars	2017-2018	2016-2017
<b>Equity Shares : Quoted</b>		
3 I infotech Ltd	37,102.50	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	531,760.55	864,017.15
Central Bank of India –share	462,079.63	462,079.63
Empee Distileries Ltd-share	31,350.00	63,800.00
Gujarat NRI Coke Ltd	14,724.00	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
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	0.00	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	2,304,799.25	4,106,279.25
Reliance Power Ltd	126,350.00	248,850.00
Shobha Developers Ltd-share	0.00	10,400.00
Shipping Corporation	24,100.00	24,100.00
S N S Diagnostics Ltd Shares	3,000.00	3,000.00
Surya Protein Ltd.	350.00	350.00
TCSL Shares	11,371,337.00	11,371,337.00
Tirupati Ind (I) Ltd	285.00	285.00
UCO Bank	825,855.17	1,586,782.82
Unitech Ltd	19,425.00	40,775.00
United Leasing Ltd Shares	262.00	262.00
<b>Equity Shares (Unquoted)</b>		
The Navnirman Co op Bank Ltd	66,000.00	66,000.00
<b>Mutual Fund</b>		
BNS PARIBAS MONEY PLUS FUND	0.00	250,000.00
BNS PARIBAS SHORT TERM INCOME FUND	0.00	8,729,131.00
ABSL Frontline Growth Equity fund	297,128.19	0.00
DSP Blackrock Top 100 Equity fund	232,496.89	0.00
DSP Blackrock Top 100 Eq. Fund	305,556.94	250,000.00

D S P M L Opportunities fund	0.00	100,000.00
Reliance Growth Fund	278,232.74	200,000.00
Sundaram selected Midcap	496,320.26	250,000.00
<b>Total</b>	<b>17,785,194.02</b>	<b>29,206,070.25</b>

#### Note 12 Long Term Loans and Advances

Particulars	2017-2018	2016-2017
<b>Current Loan</b>	25,795,217.00	25,655,640.00
<b>Inter Corporate Loan</b>	7,592,315.00	250,000.00
	<b>33,387,532.00</b>	<b>25,905,640.00</b>
<b>Advance with Government Authority :</b>		
Tax deducted at source – Refund Receivable	938,612.00	669,197.00
	<b>938,612.00</b>	<b>669,197.00</b>
<b>Deposits</b>		
Director Deposits	780,979.00	0.00
The Navnirman Co Op Bank Ltd F D	500,000.00	500,000.00
UCO Bank FD	5,000,000.00	10,000,000.00
Shree Kadi Nagrik Shahkari Bank Ltd	20,000,000.00	20,000,000.00
	<b>26,280,979.00</b>	<b>30,500,000.00</b>
<b>Total</b>	<b>60,607,123.00</b>	<b>57,074,837.00</b>

#### Notes: 12.a

All the Balances of loans and Advances, Lease, Depositors, and security depositors are subject to their balances confirmation.

#### Note 13 Other Non-Current Assets

Particulars	2017-2018	2016-2017
Misc. Expenses (ASSET)	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

#### Note 14 Current Investment

Particulars	2017-2018	2016-2017
<b>Shares</b>		
Aditya Birla Capital Ltd	876,000.00	0.00
Glenmark Pharmaceuticals	132,500.00	0.00
Punjab National Bank	276,000.00	0.00
Syndicate Bank	720,850.00	0.00
Axis Bank	0.00	504,000.00
Dr. Reddy's Laboratory	3,750,000.00	811,120.00
Lupin Ltd	2,412,489.00	299,496.55
The Tinsplate Co.	0.00	170,784.00
<b>Total</b>	<b>8,167,839.00</b>	<b>1,785,400.55</b>

#### Note 15 Trade Receivables

Particulars	2017-2018	2016-2017
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
Other receivables	0.00	130,248.47
<b>Total</b>	<b>0.00</b>	<b>130,248.47</b>

#### Note 16 Cash and Cash Equivalents

Particulars	2017-2018	2016-2017
(a) Cash on hand	499.00	3,289.46
(b) Balances with banks	2,008,529.37	200,458.06
<b>Total</b>	<b>2,009,028.37</b>	<b>203,747.52</b>

**Note 17 Short-term loans and advances**

Particulars	2017-2018	2016-2017
Dividend Receivable	0.00	0.00
Mat Credit Receivable	656,976.00	616,692.00
<b>Total</b>	<b>656,976.00</b>	<b>616,692.00</b>

**Note 18 Other Current Asset**

Particulars	2017-2018	2016-2017
Pre-paid Insurance	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Note 19 Revenue From Operations**

Particulars	2017-2018	2016-2017
Loan Interest	2,846,243.00	1,977,254.00
<b>Total</b>	<b>2,846,243.00</b>	<b>1,977,254.00</b>

**Note 20 Other Income**

Particulars	2017-2018	2016-2017
Dividend Income	804,963.16	866,888.18
Interest Received on Deposits (Net)	2,345,607.00	2,621,579.00
Long term Profit on sale of shares	1,224,835.20	759,900.00
Short term Profit on sale of shares	1,052,480.11	2,131,060.81
Share trading Profit & Loss	126,285.31	1,955.93
Interest Received on Income Tax Refund	0.00	540,227.00
Interest Received on KVP	1,074,107.00	0.00
Long term Profit on Mutual fund	559,735.00	0.00
<b>Total</b>	<b>7,188,012.78</b>	<b>6,921,610.92</b>

**Note 21 Employee Benefits Expense**

Particulars	2017-2018	2016-2017
Salary Expenses	1,077,150.00	1,270,620.00
Remuneration to Director	1,440,000.00	1,350,000.00
Bonus Expenses	361,600.00	432,600.00
Staff Welfare	54,103.00	81,421.00
<b>Total</b>	<b>2,932,853.00</b>	<b>3,134,641.00</b>

**Note 22 Other expenses**

Particulars	2017-2018	2016-2017
<b>22.a Administrative &amp; Office Expenses</b>		
Annual Custodian Charges	25,877.02	32,404.00
Legal & Professional Expenses	40,100.00	0.00
Audit Fees	20,000.00	20,000.00
Brokerage & Commission Exp	89,450.32	7,124.00
Car & Scooter Maintenance	77,268.00	70,016.00
Company Secretary Fees	25,000.00	30,000.00
Conveyance Allowances Exp.	172,800.00	188,800.00
Center GST	6,640.10	0.00
Computer Repairing Expense	1,000.00	11,500.00
Electric Power Expenses	102,720.00	95,840.00
Fringe Benefit tax	0.00	1,445.00
Gujarat Finance Asso. membership fees	0.00	11,000.00
Gujarat Chamber of Commerce & Industries	0.00	3,795.00
Internal Audit fees	18,500.00	43,000.00
Investmentor Securities Ltd Exps	4,786.94	0.00
Office Repairing Expenses	10,641.00	52,529.00
Air Conditioner Repairing Exp	0.00	8,000.00
Other membership fees	10,195.00	24,915.00
Medical Expenses	17,859.00	5,218.00

Municipality tax	53,515.00	60,128.00
Office Expenses	72,290.00	58,995.00
Petrol	248,380.26	276,592.74
Postage & Tele. Expenses	30,445.00	38,097.00
Professional Tax	2,000.00	2,000.00
Registration Filing Fees Expenses	8,900.00	7,200.00
Refreshment Exps	114,049.00	106,455.00
Securities Transaction Tax	89,649.54	7,631.00
Securities Transaction Tax(F & O)	0.00	47.00
State GST	6,640.12	0.00
Stationery expenses	6,290.00	2,378.00
Service Tax	6,213.28	1,076.16
Stamp Expenses	800.00	350.00
STT On Speculation	2,033.62	0.00
Stamp Duty Expenses	936.00	156.00
Traveling Expenses	624,820.00	179,430.00
Bad Debts	552,674.00	638,662.00
Car Insurance	35,236.00	83,312.00
Income Tax Filing Fees	1,000.00	0.00
Kotak Charges	7,941.33	0.00
CIBIL Charges	6,274.00	0.00
Balance Written Off	1,806,003.00	0.00
Other Expenses	17,786.91	3,822.25
<b>Total-A</b>	<b>4,316,714.44</b>	<b>2,071,918.15</b>
<b>22.b Selling &amp; Distribution Expense</b>		
Advertisement Expenses	12,237.00	27,149.00
<b>Total-B</b>	<b>12,237.00</b>	<b>27,149.00</b>
<b>Total= A+B</b>	<b>43,28,951.44</b>	<b>2,099,067.00</b>

#### #Notes: Auditors Remuneration

Particulars	2017-2018	2016-2017
Payments to the auditors comprises For Audit Fees	20,000.00	20,000.00
<b>Total</b>	<b>20,000.00</b>	<b>20,000.00</b>

#### Note 23 Finance costs

Particulars	2017-2018	2016-2017
Interest Expense	935,846.70	1,595,334.00
Bank Charges & Commission	7,236.33	4,332.94
Demat Charges	183.60	55.20
Share Registrar & Transfers Agent Fees	70,420.47	74,648.84
Stock Exchange Listing Fees	287,500.00	229,000.00
<b>Total</b>	<b>1,301,187.10</b>	<b>1,903,370.98</b>

**Cash Flow Statement for The Year Ended on 31/03/2018**

Particular	For The Year Ended 31/03/2018	For The Year Ended 31/03/2017
<b><u>A. Cash Flow From Operating Activities</u></b>		
Net profit before tax and extra ordinary item	1,440,796.00	878,301.00
<b>Add :</b>		
(A) Depreciation	30,468.00	29,250.00
(B) Bad debts	552,674.00	638,662.00
	<b>2,023,938.00</b>	<b>1,546,213.00</b>
<b>Deduct :</b>		
Dividend Income	804,963.00	866,888.00
Bank Int. Income	2,345,607.00	2,621,579.00
Long term Capital Gain	1,784,570.00	759,900.00
Short Term Capital Gain	1,052,480.00	2,131,061.00
Speculation Gain	126,285.00	1,956.00
Interest Received on KVP	1,074,107.00	-
	<b>7,188,013.00</b>	<b>6,381,384.00</b>
<b>Operating profit before working Capital Changes</b>	<b>-5,164,075.00</b>	<b>-4,835,171.00</b>
<u>Adjustment for working capital changes</u>		
(Increase)/ Decreasing in Currernt asset	89,964.00	-52,798.00
Increase/ (Decrease) in Current Liabilities	268,708.00	442,750.00
<u>Cash Flow From Operation</u>		
Less: Direct Tax Paid	-	-
Cash Inflow before extraordinary items & prior year adjustment	-4,805,402.00	-4,445,220.00
Extraordinary items and prior year adjustment	-	-
<b>Net cash from Operating activities (A)</b>	<b>-4,805,402.00</b>	<b>-4,445,220.00</b>
<b><u>B. Cash Flow From Investing Activities</u></b>		
Sale of Share	47,990,237.00	3,869,956.00
Sale of share & Mutual fund	16,133,607.00	24,688,009.00
Payment Receive & Adjustment in Intercompany Loan Given	23,848,658.00	19,579,206.00
Recovery of NPA Loan	-	1,900,000.00
Payment Receive & Adjustment in Current Loan	63,331,790.00	21,693,053.00
Dividend Income	804,963.00	866,888.00
Bank Int. Income	2,345,607.00	2,621,579.00
Short term Capital Gain	1,052,480.00	2,131,061.00
Long term Capital Gain	1,784,570.00	759,900.00
Speculation profit	126,285.00	1,956.00
Interest Received on KVP	1,074,107.00	-
<u>Less:</u> Purchase of Equity shares	51,121,194.00	4,762,256.00
Purchase of Fixed Assets	61,500.00	33,000.00
Purchase of share & Mutual Fund	7,964,210.00	11,485,483.00
Increase in TDS receivable	269,415.00	-2,189,117.00
Intercompany Loan Given	31,190,973.00	19,702,818.00
Current Loan Given	69,835,630.00	24,768,351.00
Loan Given -NPA Loan	-	700,000.00
<b>Net cash from Investing activities (B)</b>	<b>-1,950,617.00</b>	<b>18,848,817.00</b>
<b><u>C. Cash Flow Arising From Financing Activities</u></b>		
Director Loan Taken	22,078,641.00	8,035,196.00
Director Loan Repayment & Adjustment	-23,463,930.00	-9,643,090.00
Unsecured Loans Taken.	3,009,225.00	17,654,955.00
Unsecured Loans Repayment & Adjustment	-4,655,765.00	-26,511,829.00
Intercompany Loans Taken.	6,603,479.00	-
Intercompany Loans Repayment & Adjustment	-10,348.00	-
Bank O/D Taken	172,883,147.00	108,775,931.00
Bank O/D Repayment	-174,572,004.00	-112,871,994.00
<b>Net cash from Financing activities (C)</b>	<b>1,872,445.00</b>	<b>-14,560,832.00</b>
Net increase in cash and Bank equivalents during the year (A+B+C)	-4,883,576	-157,233
Add: Cash and Bank equivalents at the beginning of the year	30,504,757	30,661,990
<b>Cash and Bank equivalents at the end of the year</b>	<b>25,621,180</b>	<b>30,504,757</b>

Place : Ahmedabad  
Date : 30.05.2018

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, CFO  
DIN : 02901371

Hinal A. Shah  
Company Secretary  
ACS: 37104

## 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, 2018 found the same to be drawn in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place : Surat  
Date : 30/05/2018

For, Ranjit Galledar & Co.,  
Chartered Accountants

CA Ranjit Galledar  
Proprietor  
(FRN: 108640W)

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**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 31/03/2018**

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PARTICULARS

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LIABILITIES SIDE :

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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	65.93	Nil
( e )	Commercial paper	Nil	Nil
( f )	Public Deposit	Nil	Nil
( g )	Other Loans ( specify nature ) (Director, Friends and Relatives Deposits)	10.48	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



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	333.87	333.87
<b>Total</b>	<b>Nil</b>	<b>333.87</b>	<b>333.87</b>

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both Quoted and unquoted ) Please see note 3 below

Category	Market value / break up of fair value of NAV	Book Value ( net of provisions )
1. Related Parties	Nil	Nil
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	585.95	259.53
<b>Total</b>	<b>585.95</b>	<b>259.53</b>

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

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

8. Other Information

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

**Notes :**

1. As defined in paragraph 2(1) (xii) of the non Banking Financial companies Acceptance of Public 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]

1<sup>st</sup> Floor, Deshana Chamber,

Ashram Road, Usmanpura,

Ahmedabad -380014

Email: [kzleasing@yahoo.com](mailto:kzleasing@yahoo.com)

### 32<sup>nd</sup> 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 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> September, 2018 at 1<sup>st</sup> Floor, Deshna Chambers, Ashram Road, Usmanpura, Ahmedabad-380014 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Note:**

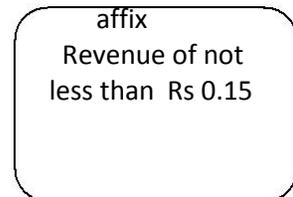
1. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for 2017-18 and Notice of the Annual General Meeting (AGM) along with Attendance 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 2017-18 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
	<b>ORDINARY BUSINESS</b>		
1	To adopt the Financial Statements for the year ended on 31st March, 2018.		
2	To reappoint Mrs. Chaitali Patel, retiring by rotation.		
	<b>SPECIAL BUSINESS</b>		
3	To Regularise the Appointment of Mr. Kantibhai Sendharam Patel as the Independent Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**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 32nd 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]

1<sup>st</sup> Floor, Deshna Chamber,

Ashram Road, Usmanpura,

Ahmedabad -380014

Email: [kzleasing@yahoo.com](mailto:kzleasing@yahoo.com)

Phone: Tel.: 079-27543200

**32nd ANNUAL GENERAL MEETING**

I/We hereby record my/our presence at the 32<sup>ND</sup> Annual General Meeting of the company at 1<sup>ST</sup> Floor, Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad-380014 on Saturday, 29th September, 2018 at 10.00 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.