

**NOTICE**

NOTICE is hereby given that **26<sup>th</sup> Annual General Meeting of the members of K.Z. Leasing & Finance Ltd.** , will be held on **29<sup>th</sup> September,2012** Regd. Office:- 1st Floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014 ( Gujarat ) at **10.00A.M.** to transact the following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as on **31st March 2012** and the Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To Appoint a Director in place of Mr. Keshavlal K. Patel, who retires by rotation, and being eligible offers him self for re appoint.
3. To Appoint Auditors who shall hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix a remuneration to be decided by the board of Directors.

**REGISTERED OFFICE :**

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

Date : 01-08-2012

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

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

**NOTES :**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Register of Members and Share Transfer Book of the Company will remain closed from **22/09/2012 to 29/09/2012**(both days inclusive). For the purpose of the annual General Meeting of the company.
3. Members are requested to intimate the change, if any, in their registered addresses.
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. Members desirous of full report are requested to write to the company at it's Registered office.
6. Members intending to require information about accounts to be explained in the meeting are requested to inform the Company at it's Registered office, at least Seven Days in advance of the Annual General Meeting.

DIRECTORS REPORT

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

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report of your company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012,

**FINANCIAL RESULT**

Income	2011-2012	2010-2011
Profit before depreciation & tax	1266308.95	6747219.21
Less : Depreciation	43752.00	43752.00
Provision for Taxation including FBT	345119.00	1086905.00
	877437.95	5616562.21
<b>NET PROFIT/LOSS AFTER TAX</b>		
Less : Transfer to statutory Reserve A/c 20%	175487.59	1123312.44
Balance of Previous Year		-1807867.59
Transfer to Revenue Reserve	701950.36	2685382.18

**OPERATION**

The company has earned the net Profit after tax of Rs877437.95 as against the last year's net Profit after tax of Rs. 2685382.18.

**DIVIDEND**

There is tough competition in finance Business, it is in the interest of the company not to declare dividend and invest that amount in the company. Directors have decided not to recommend any dividend.

**DIRECTORATE**

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

**DEPOSIT**

The company has not accepted public deposit during the year and the deposits outstanding are old deposits from Directors and their relative. However company has complied the provisions of section 58 A of companies Act as well as NBFC regulations.

**RBI GUIDELINES**

The company has complied with the regulations of the Reserve Bank of India as on March 31<sup>st</sup>,2012 as are applicable to it as a systemically important non banking finance company.

**CAPITAL ADEQUACY**

The company's capital adequacy ration was 75.22% as on march 31<sup>st</sup> 2012, Which is significantly above the threshold limit of 10% as prescribed by the reserve bank of india.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the companies Act, 1956 with respect to Directors' Responsibilities Statement, it is hereby confirmed :

- ( I ) That in the preparation of the annual accounts for the financial year ended **31st March, 2012**, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ( II ) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review ;
- ( III ) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
- ( IV ) That the directors had prepared the accounts for the financial year ended **31st March, 2012** on a " going concern " basis

#### **AUDITORS**

M/s. J. M. Patel & Bros., Chartered Accountant, Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re appointment. The company has received certificate from the Auditors to the effect that their re appointment, if made, would be within the prescribed limits under section 224 ( 1 ) of The Companies act, 1956

#### **AUDITOR'S OBSERVATIONS**

As the observations made by auditors in the Auditors report read with notes on Account are self explanatory so no further explanation require. However for NPA provision the company has followed the procedure of written off Bad debts instead of NPA provision. Board of Directors are hopeful to recover the advances outstanding.

#### **CORPORATE GOVERNANCE**

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

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

#### **PERSONAL**

During the year under review, the relation between the Management and the employees continued to be very cordial. None of the employees of the company were in receipt of remuneration in excess of Rs. 25000 per month and hence, information pursuant to the provisions of section 217 ( 2A ) of the Companies Act, 1956 read with Companies ( Particulars Of employees ) Rules, 1975 is not furnished.

#### **INFORMATION AS PER SECTION 217 ( 1 ) ( E ) OF THE COMPANIES ACT, 1956**

The Company has no activities relation to conservation of energy or technology absorption. There was neither inflow nor out go of foreign exchange during the year.

#### **APPRECIATION**

The Director record the appreciation to the company's share holder, Bank Employees for their support and look forward for their co-operation in the measures being taken to ensure a more prosperous future of the company.

Place : Ahmedabad

Date : 01-08-2012

By Order Of The Board Of Director

Pravinbhai K Patel  
(Chairman/ Managing Director)

**CORPORATE GOVERNANCE REPORT**

1. K. Z. Leasing & Finance Ltd. has over the years been practicing the principles of good Corporate Governance and continuously reviews its investor relationship measures with a view K. Z. Leasing & Finance Ltd. Basically need and is not to be looked upon as an issue of compliance alone.

The company seeks to achieve this goal by being transparent in its business dealings, disclosing all relevant information in an easily understandable manner, being fair to all shareholders and ensuring that the company's activities are managed by a professionally competent and independent Board of Directors.

**2. Board of Directors :**

The company is being managed by the Board of Directors. The Board consists of six directors as on 31/03/2012. Since the company has a Executive Chairman the Board meets the stipulated requirement of at least 50% of the Board Comprising independent Directors who have No professional and / or business relationship with the company.

The constitution of the Board as on 31/03/2012

Shri Pravinbhai K Patel  
Executive Chairman and Managing Director

**Non Executive & Independent Directors**

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

The meetings of the Board of Directors were held on the following dated during the year

The attendance of the Directors of the company at the Board Meetings and Annual General Meeting ( AGM ) are as follows :

Name of Director	No. of Meetings		Attendance of last AGM	Sitting Fees
	Held	10		
Shri Pravinbhai K. Patel	10	10	Yes	Nil
Shri Rameshbhai N. Patel	10	7	Yes	Nil
Shri Keshavlal K. Patel	10	8	Yes	Nil
Shri Gandahal A. Patel	10	9	Yes	Nil
Shri Kantilal J Patel	10	10	Yes	Nil
Shri Ankit P Patel	10	10	Yes	Nil

**3. AUDIT COMMITTEE****Members**

Shri P. K. Patel

Shri K. J. Patel  
Shri G. A. Patel

The audit Committee presently consists of Mr. P.K.Patel, Mr. K.J.Patel Mr. G.A.Patel All non Nonexecutive independent Directors and is headed by Mr. P.K.Patel The statutory auditors and Mr. ~~Mansukhbhai~~ **Mansukhbhai** Shah the internal auditors are also invited to the meeting.

The committee met four times on 30<sup>st</sup> July, 2011, 27<sup>th</sup> September, 2011 10<sup>th</sup> November, 2011, and 31<sup>th</sup> January. 2012. During the Financial year 2011-12 and the attendance of the committee were as follows:

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri P. K. Patel	4	4	Yes
Shri K. J. Patel	4	4	Yes
Shri G. A. Patel	4	3	Yes

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

**4. REMUNERATION POLICY :**

The company has two executive Directors on the Board, whose appointment and remuneration has been fixed by the board and in terms of the resolution passed by the members.

In view of this K. Z. does not have a Remuneration committee. The Board determines the remuneration of the Managing Director.

**5. SHAREHOLDERS / INVESTORS Grievance Committee**

Terms Of Reference :

The company has formed investor / shareholder grievance committee to ensure redress of shareholder and investor complaints relating to transfer of shares. Non receipt of declared Dividend, Annual Reports etc.

The committee normally deals with the following matters :

- a) Transfer / transmission / transposition of shares, issue of duplicate shares, consolidation of shares / subdivision of shares.
- b) Review of Dematerialization of shares.
- c) Normal day to day matters & all other matters as prescribed and delegated to the committee by the board from time to time. The minutes of the committee meetings are noted and ratified at every ensuing board meetings

**Composition of committee**

The committee comprises following Directors.

**members**

Shree P.K. Patel

Shri A. P. Patel

Shri K. J. Patel

**The Compliance Officer**

Shri Hardik P Patel is the Compliance officer

The committee met on 30th June, 2011, 10th November, 2011 and 31th January, 2012 during the financial year 2011-2012

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri P. K. Patel	3	3	Yes
Shri A.P. Patel	3	3	Yes
Shri G. A. Patel	3	3	Yes

During the year ended 31/03/2012 the company did not receive any complaint.

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

This committee meeting is held generally twice a month. During the financial year ended March 31 2012, 26 meetings were held.

No Remuneration / sitting fees are paid to the members of the sub committee of directors.

**General Body Meeting****Details Of the Annual General Meeting ( AGM )**

AGM Date	Financial year	Time	Location where AGM was held in the last 3 Years	AGM No.
29 / 09 / 2012	2011-12	10.00 a.m	1st floor, Deshna Chamber B/h, Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014	26th
27 / 09 / 2011	2010-11	10.00 a.m	As above	25th
27 / 09 / 2010	2009-10	10.00 a.m	As Above	24th
25 / 09 / 2009	2008-09	11.15 a.m	As Above -	23rd

**Disclosure :**

- A) Related party transaction with them as required under accounting standard 18(AS - 18) are furnished under paragraph no 21 of the notes to the account attached with the financial statement in the year ended 31/03/2012
- B) There was neither been any non compliance of any legal provision of applicable law nor any penalty, structure imposed by the Stock Exchange or SEBI or any other authorities on any matters related to Capital Market during last three years.

**Means of Communications**

Half yearly report sent to each Household of shareholders -	No
Quarterly results sent to each Household of shareholders -	No
News papers normally published in -	Free press Journal western Times English & Gujarati Daily
Any web site where displayed -	No
Whether any advertisement also Displayed Official news releases and Presentations made to Institutions or investors / analysis -	No presentation made
Whether management discussions and analysis forms part of Annual Report -	Yes
Whether shareholders information section forms part of Annual Report -	Yes

**General Shareholder's Information**

Annual General meeting Date & Time	: 26 <sup>th</sup> : Tuesday, 29th September, 2012 & 10.00a.m.
Venue	: K. Z. Leasing & Finance Ltd. 1 <sup>st</sup> floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014

**Financial Calender**

1st Quarterly Result	: August, 2012.
2nd Quarterly Result	: November, 2012
3rd Quarterly Result	: February, 2013
4 <sup>th</sup> Quarterly Result	: June, 2013

**Book Closure Date** : 22<sup>rd</sup> September, 2012 To 29th September, 2012  
( Both days inclusive )

**Dividend Payment Date** : Not Applicable

**List of Stock Exchanges**

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

**Listing Fees** : Listing fees of stock Exchanges for the year 2012-13 have been paid.

**Demat of shares** : 24,69,090 Equity shares which is around 81.19% of the paid up capital as on March 31, 2012 has been dematerialized

**Stock Exchange Codes**

Equity Shares  
BSE  
ISIN NO. : INE006C01015

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

For the period from April 2009 to March 2012

Date	Market Price		Volume (Nos.)
	High Rs.	Low Rs.	
Apr-11	7.19	5.14	23,637
May-11	7.20	5.51	47,436
Jun-11	8.91	5.94	89,626
Jul-11	10.90	6.00	76,619
Aug-11	8.78	5.12	1,20,411
Sep-11	7.89	5.16	75,075
Oct-11	8.10	4.85	76,895
Nov-11	8.60	5.77	65,898
Dec-11	8.68	4.90	1,04,793
Jan-12	8.52	5.66	23,138
Feb-12	7.82	5.16	28,017
Mar-12	6.98	5.04	35,443

(Source: BSE website)

The Equity shares of the company are traded in the (Company) demat mode for all the investors. The share transfer request received in physical form is registered within an average period of 15 days. Requests for Dematerialization (Demat) received from the shareholders are effected within average period of 15 days. The company, as per SEBI guidelines, offers facility for Transfer cum Dematerialization. Under the said system after share transfer is effected, an option letter is sent to the transferee giving details of the transferee shares and requesting him incase he wishes to demat the shares, to approach a Depository Participants (DP) on the basis of the option letter generated and issue a Demate Request and send it to the company along with the option letter. on the receipt of the same, the company dematerializes the shares. Incase the transferee is not interested in dematerialization he need not take any action and the company dispatches physical share certificate after 15 days from the date of such option letter.

#### Distribution of share holding

Rang ( in Rs)	Total Holders	Total holdings ( in Rupees )	% of Total
1 – 5000	3914	7730770	25.42
5001 – 10000	248	2262020	7.44
10001 – 20000	111	1545270	5.08
20001 – 30000	41	951210	3.13
30001 – 40000	16	865690	2.85
40001 – 50000	33	535800	1.76
50001 – 100000	18	1213610	3.99
100001 - as above	46	15307630	50.33
<b>Total</b>	<b>4427</b>	<b>30412000</b>	<b>100.00</b>

#### Share Holding Pattern Of K. Z. Leasing & Finance Ltd. As On 31<sup>st</sup> March, 2012

Category	No of shares held	% to paid up capital
Promoter	401771	13.21
Bodies Corporate	489743	16.10
Individuals	2149686	70.69
<b>TOTAL</b>	<b>3041200</b>	<b>100.00</b>

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

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

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

#### Auditors Certificate on Corporate Governance

To the Members of K. Z. Leasing & Finance Ltd.

We have examined the Compliance of conditions of Corporate Governance by K. Z. Leasing & Finance Ltd. Ahmedabad for the year ended 31<sup>st</sup> March, 2012, as stipulated in clause 49 of the Listing agreement of the said Company with the Stock Exchanges, which relevant records and documents maintained by the company and furnished to us.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of the corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company that generally there were no investors grievances pending for more than 30 Days.

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

Place : Ahmedabad  
Date : 01-08-2012

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

( Proprietor )  
FRNO.107707W



**AUDITORS REPORT**

To,  
The Share Holders,  
K. Z. Leasing & Finance Ltd.  
Usmanpura, Ahmedabad.

We have audited the attached Balance sheet of **K. Z. Leasing & Finance Ltd.** As on the 31/03/2012 and also the Profit & loss A/c / Cash Flow Statement of the company for the year ended on that date annexed there to. There is financial statement are the responsibility of the company management. our responsibility is to express an opinion on these financial statement based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also include assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. we believe that our audit provides a reasonable basis for our opinion.

As required by the companies ( Auditors Report ) order, 2004 issued by the central Government in terms of section 227( 4A ) of the companies Act, 1956, we give in the Annexure a Statement on the Matters specified 4 & 5 if the said order.

Further to our comment in the Annexure referred to in the above paragraph, we report that

- ( A ) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ( B ) In our opinion, proper books of accounts and cash flow statement, as required by law have been kept by the Company so as far it appears from our examination of the books.
- ( C ) The Balance sheet and Profit and loss account and cash flow statement dealt with by this report are in agreement with the books of Account.
- ( D ) In our opinion the balance sheet and the profit & loss account comply with the accounting standards referred to in sub - section (3C) of section 211 of the companies Act. 1956. Except accounting standard 28 (Impairment of assets), AS-22 (Tax on Income) and AS-18 (Related party discloser).
- ( E ) On the basis of written representations received from the directors as on 31/03/2012 and taken on record by the board of directors, we report that none of the directors are disqualified as on 31/03/2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the companies Act. 1956

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and profit & loss account read together with notes thereon, give the information required by the companies Act. 1956. in the manner so required and give a true & fair view in conformity with the accounting principles generally applicable in India:

- 1 ) In case of the balance sheet, of the state of affairs of the company as at March 31, 2012 and
- 2 ) In case of Profit & loss account of the Profit(Previous year's loss) for the year ended on that date.
- 3 ) In case of cash flow Statement of the company for the year ended on that date.

Place : Ahmedabad  
Date : 01-08-2012

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

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

**ANNEXURE TO AUDITORS REPORT AS ON 31/03/2012****1. In Respect of Fixed Assets**

- a. The Company is maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. as explained to us, these fixed assets have been physically verified by the management at reasonable intervals: no discrepancies were noticed on such verification.
- c. In our opinion the company has not disposed off a part of fixed assets during the year. Which will affect the going concern of the company.

**2. In Respects Of Its Inventories.**

- a. Physical verification of Inventory has been conducted at reasonable interval by the management.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of business.
- c. The company is maintaining proper records of inventory. There were no material discrepancy noticed on physical verification.

**3. In Respect of loan, secured or unsecured, granted or taken by the company to/from companies, Firm or other parties, covered in the register Maintain under section 301 of the companies ACT 1956;**

- a. According to the information and explanation given to us. The company has not granted / taken any loans, secured or unsecured, to / from companies, firms, or other parties covered under section 301 of the Companies Act. 1956 except deposits accepted from promoters.
- b. As stated by management the rate of interest and other terms and conditions of the unsecured loan taken by the company are prima facie not prejudicial to the interest of the company.
- c. Payment of the principal amount and interest are also regular repaid and repayable on demand.
- d. There is no overdue amount in respect of loan taken by the company. In respect of loans given by the company, these are repayable on demand and therefore the question of overdue amount does not arise.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and also for the sale of shares.

**5. In respect of the transactions covered under section 301 of the companies Act. 1956;**

- a. In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered in to the registered maintained under Section 301 of the Companies Act. 1956 except deposits accepted from promoters.

6. The Company has not accepted any deposits from the public.

7. In our Opinion, the internal audit system of the company is commensurate with its size and nature of its business.

8. As this company is in the business of finance and therefore cost records under section 209(1)(d) does not arise.

**9. In respect Of Statutory Dues**

- a. according to information and explanation given to us the company is regular in depositing undisputed statutory dues including Provident Fund, Investor, Education and Protection Fund, Employees State Insurance, Income Tax, sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities.

10. The company has no accumulated Profit and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, Debenture and other securities.
13. As explained to us, it is the company's intention to make investments on a long term basis and therefore it is not dealing or trading in shares, securities, debenture and other investments.
14. The company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
15. According to information and explanation given to us. The company has not given any guarantee for loans taken by others from bank of finance institutions.
16. According to information and explanation given to us. The company has not raised any term loan during the year under review and hence question of its application does not arise.
17. According to information and explanation given to us and on an overall examination of the balance sheet of the company there is proper utilization of all short term and long term resources and as per objects of the company.
18. During The Year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act. 1956.
19. According to the information and explanation given to us there is no debenture issue therefore this clause is not applicable.
20. The Company has not raised any money by the way of public issue during the year.
21. In our opinion and according to the information and explanations and given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.
22. The board of Directors has passed a resolution on dated. 30/08/2002 for the non acceptance of public deposits.
23. The company has not accepted public deposit and old deposits ( except from promoter and relative ) were repaid.
24. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.
25. Capital Adequacy
  - (a) The capital adequacy ratio as disclosed in the return submitted to the bank in from (NBS -7) has been an correctly arrived at and find ratio is in compliance with the minimum CRAR Prescribed by the bank.
  - (b) The Company has furnished to the bank the annual statement as capital funds, risk assets/exposures and risk asset ratio ( NRS-7 ) within the stipulated period.
26. The company has received registration as provided in section 45IA of the Reserve bank Of India Act. 1934.
27. The copy has submitted nbs-1 Annual return on deposit in time.

Place : Ahmedabad  
Date : 01-08-2012

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

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

K. Z. Leasing & Finance Ltd			
Balance Sheet as at 31 March, 2012			
Particulars	Schedule	2011-2012	2010-2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	3	30,412,000.00	30,412,000.00
(b) Reserves and Surplus	4	38,858,841.50	37,071,526.55
(c) Money received against share warrants		-	-
		<b>69,270,841.50</b>	<b>67,483,526.55</b>
<b>2 Share Application Money Pending Allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term Borrowings	5	24,070,558.53	30,976,524.48
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other long-term Liabilities		-	-
(d) Long-term provisions		-	-
		<b>24,070,558.53</b>	<b>30,976,524.48</b>
<b>4 Current liabilities</b>			
(a) Short-term Borrowings	6	92,093.00	80,102.00
(b) Trade Payables	7	681,464.00	672,588.00
(c) Other Current Liabilities	8	137,594.00	115,868.00
(d) Short-term Provisions	9	23,752.00	1,287,657.00
		<b>934,903.00</b>	<b>2,156,215.00</b>
<b>TOTAL</b>		<b>94,276,303.03</b>	<b>100,616,266.03</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible Assets	10.A	568,980.00	612,732.00
(ii) Intangible Assets	10.B	-	-
(iii) Capital Work-in-progress	-	-	-
(iv) Intangible assets under Development	-	-	-
		<b>568,980.00</b>	<b>612,732.00</b>
(b) Non-current Investments	11	20,403,217.82	20,108,595.82
(c) Deferred Tax Assets (Net)	22		
(d) Long-term Loans and Advances	12	71,451,110.50	77,914,719.50
(e) Other non-current assets	13	7,792.00	10,788.00
		<b>91,862,120.32</b>	<b>98,034,103.32</b>
<b>2 Current assets</b>			
(a) Current Investments	14	229,500.00	134,862.00
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Cash equivalents	15	3,714.71	556,504.71
(e) Short-term loans and advances	16	1,611,988.00	1,278,064.00
(f) Other current assets	-	-	-
		<b>1,845,202.71</b>	<b>1,969,430.71</b>
<b>TOTAL</b>		<b>94,276,303.03</b>	<b>100,616,266.03</b>
<b>See accompanying notes forming part of the financial statements</b>	1,2	-	-
In terms of our report attached.			Director
<b>FOR J M PATEL &amp; Bros.</b>			1. Pravinkumar Keshavlal Patel
<b>CHARTERED ACCOUNTANTS</b>			2. Ankit Pravinbhai Patel
<b>CA. J M PATEL</b>			3. Kantibhai Joitaram Patel
<b>M.COM, F.C.A</b>			
Place : Ahmedabad			
Date : 01/08/2012			

<b>Profit and Loss for the year ended 31 March, 2012</b>				
	<b>Particulars</b>	<b>Schedule</b>	<b>2011-2012</b>	<b>2010-2011</b>
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
	<b>Income</b>			
1	Revenue From Operations (Gross)	17	1,247,871.00	1,659,633.00
	Less: Excise duty		-	-
	Revenue From Operations (Net)		1,247,871.00	1,659,633.00
2	Other income	18	4,319,339.95	9,051,790.27
3	<b>Total revenue</b>		<b>5,567,210.95</b>	<b>10,711,423.27</b>
4	<b>Expenses</b>			
	(a) Cost of Materials Consumed		-	-
	(c) (Increase)/ decrease inventories of finished goods, work-in-progress and stock-in-trade		-	-
	(d) Employee Benefits Expense	19	1,449,918.00	1,393,659.00
	(e) Other Expenses	20		
	Manufacturing Expense		-	-
	Administrative & Office Expense	20.a	778,420.00	1,150,676.10
	Selling & Distribution Expense	20.b	8,520.00	17,575.00
5	<b>Total</b>		<b>2,236,858.00</b>	<b>2,561,910.10</b>
6	<b>Earning Before Interest, tax, depreciation and amortization (EBITDA) (3 - 5)</b>		<b>3330352.95</b>	<b>8149513.17</b>
	Depreciation and Amortisation expense	10.C	43,752.00	43,752.00
	Finance costs	21	2,064,044.00	1,402,293.96
7	<b>Total</b>		<b>2,107,796.00</b>	<b>1,446,045.96</b>
8	<b>Profit / (Loss) before tax (6 ± 7)</b>		<b>1222556.95</b>	<b>6703467.21</b>
9	<b>Tax expense:</b>			
	(a) Current tax expense for current year		345,119.00	1,086,905.00
	(b) (Less): MAT credit (where applicable)		0.00	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		345,119.00	1,086,905.00
	(e) Deferred tax Assets/ (Liabilities)	22.a	0.00	-
			<b>345,119.00</b>	<b>1,086,905.00</b>
10	<b>Profit / (Loss) from continuing operations (8 +9)</b>		<b>877,437.95</b>	<b>5,616,562.21</b>
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>			
11.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
11.ii	Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
11.iii	Add / (Less): Tax expense of discontinuing operations		-	-
	(a) on ordinary activities attributable to the discontinuing operations		-	-
	(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
12	<b>Profit / (Loss) from discontinuing operations (11.i ± 11.ii ± 11.iii)</b>		-	-
<b>C</b>	<b>TOTAL OPERATIONS</b>			
13	<b>Profit / (Loss) for the year (10 ± 12)</b>		<b>877,437.95</b>	<b>5,616,562.21</b>

In terms of our report attached.

For. J.M. Patel &amp; Bros.

CHARTERED ACCOUNTANTS

CA. J M PATEL

M.COM, F.C.A

Place : Ahmedabad

Date : 01/08/2012

Director

1. Pravinkumar Keshavlal Patel

2. Ankit Pravinbhai Patel

3. Kantibhai Joitaram Patel

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

K. Z. Leasing & Finance Ltd. has over the years been practicing the principles of good Corporate Governance and continuously reviews its investor relationship measures with a view K. Z. Leasing & Finance Ltd. Basically need and is not to be looked upon as an issue of compliance alone.

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

Accounts are prepared under historical cost convention. Revenues are recognized and the expenses are accounted for on an accrual basis with provision for all known liabilities and losses except to the extent that i. Income in respect of Non Performing Assets is recognized only when received as prescribed by the prudential norms issued by the Reserve Bank of India for Non Banking Financial Companies And ii. There were no provision for lower Market Value Of securities ( investments ) as there were frequent change in market prices.

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

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

**Expenses :**

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

**c) Fixed Assets**

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

**d) Depreciation**

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

**e) Inflation**

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

**Note 3 Share capital**

Particulars	2011-2012		2010-2011	
	Number of shares		Number of shares	
(a) Authorised Equity shares of ` 10 (F.V) each with voting rights	3,200,000.00	32,000,000.00	3,200,000.00	32,000,000.00
	3,200,000.00	32,000,000.00	3,200,000.00	32,000,000.00
(b) Issued, Subscribed and fully paid up Equity shares of ` 10 each with voting rights	3,041,200.00	30,412,000.00	3,041,200.00	30,412,000.00
<b>Total</b>	<b>3,041,200.00</b>	<b>30,412,000.00</b>	<b>3,041,200.00</b>	<b>30,412,000.00</b>

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

**Notes: 3.a**

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

Particulars	Opening Balance	Fresh issue	If, Any other	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2012				
- Number of shares	3,041,200.00	-	-	3,041,200.00
- Amount (')	30,412,000.00	-	-	30,412,000.00
Year ended 31 March, 2011				
- Number of shares	3,041,200.00	-	-	3,041,200.00
- Amount (')	30,412,000.00	-	-	100,000.00

**Note 3.b**

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

Class of shares / Name of shareholder	2011-2012		2010-2011	
	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%				

**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	2011-2012	2010-2011
(a) Revenue reserve	-	-
Opening Balance	29,533,045.79	26,847,663.61
Add : Addition During the Year	1,611,827.36	2,685,382.18
	31,144,873.15	29,533,045.79
(b) Statutory reserve	-	-
Opening Balance	7,538,480.76	6,415,168.32
Add : Addition During the Year	175,487.59	1,123,312.44
	7,713,968.35	7,538,480.76
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance		(1,807,867.59)
Add: Profit / (Loss) for the year	877,437.95	5,616,562.21
Less: Interim dividend		
Tax on dividend		-
Transferred to:		
General Reserve		
Statutory Reserve	175,487.59	1,123,312.44
Revenue Reserve	701,950.36	2,685,382.18
	0.00	0.00
<b>Total</b>	<b>38,858,841.50</b>	<b>37,071,526.55</b>

**Note 5 Long-term Borrowings**

Particulars	2011-2012	2010-2011
(a) Term loans		
From banks		
Secured		
The Navnirman Co op Bank Ltd.	273596.16	10368.16
Uco Bank	15601597.37	21792043.32
Unsecured	-	-
	15875193.53	21802411.48
From other parties		
Secured	-	-
Unsecured	-	-
	-	-
(b) Loans and Advances From Directors		
Secured	2,805,652.00	1,409,707.00
Unsecured	-	-
	-	-
(c) Loans and Advances From Others		
Secured		
Unsecured	5,389,713.00	7,764,406.00
	5,389,713.00	7,764,406.00
	24,070,558.53	30,976,524.48

**Notes: 5.a**

The Board of Director have accepted deposits from closely related of Directors. The company has filed annual return with R.B.I. In time. The company at present maintained liquidity ratio as required by non banking financial, companies rules ( 1971 ) of R.B.I. There is no any default of repayment of deposits together with interest. Prospectus in lieu of advertisement have not been produced before us.



**Note 6 Short-term Borrowings**

Particulars	2012-2011	2011-2010
<b>I Unsecured</b>		
(a) Term loans from related parties K.Z Cotspin India Ltd.	85,093.00	80,102.00
(b) Advance from other parties Housing Loan - Rajesh Balkrishna Thakkar	7,000.00	-
(c) Deposits		
	92,093.00	80,102.00
<b>Total</b>	<b>92,093.00</b>	<b>80,102.00</b>

**Nature of Security**

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

**(iii) Terms of Re-payment of Loan****Particulars**

The Navnirman Co Op Bank Ltd

UCO Bank

**Repayment Terms****Note 7 Trade Payables**

Particulars	2012-2011	2011-2010
Trade Payables:		
Dues to MSMED Creditors#		
Dues to Others		
Creditors for goods	97,360.00	70,684.00
Creditors for Expenses	584,104.00	601,904.00
<b>Total</b>	<b>681,464.00</b>	<b>672,588.00</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	2012-2011	2011-2010
Statutory Liabilities		
TDS Payable on Interest	111,110.00	106,268.00
TDS Payable for Salary		-
TDS Payable on Professional Fees	6,484.00	9,600.00
Short Term Payables		
Rajesh Khamchand	5,000.00	-
Audit Fees Payable	15,000.00	-
Electricity Expenses Payable		-
<b>Total</b>	<b>137,594.00</b>	<b>115,868.00</b>

**Note 9 Short-term Provisions**

Particulars	2011-2012	2010-2011
(a) Provision for Employee Benefits ( Refer Note: 2 (g) )		-
(b) Provision - Others:		
Provision for Income Tax F.Y 20010-11		1,086,905.00
Provision for Income Tax F.Y 2009-10	-	177,000.00
T D S Payable 2005-06	23,752.00	23,752.00
<b>Total</b>	<b>23,752.00</b>	<b>1,287,657.00</b>

**Note 10 Fixed Assets**

NAME OF ASSETS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		OPENING 01/04/2011	ADDITION/ACQ. THROUGH BUSINESS COMBINATIONS	SALE OR TRANSFER	TOTAL 31/03/2012	OPENING 01/04/2011	For the Year	DEPRECIATION W/OFF	TOTAL 31/03/2012	AS ON 31/03/2012	AS ON 31/03/2011
<b>A. Tangible Assets</b>											
Office Building		558,200			558,200	139,093	9,048		148,141	410,059	419,107
Furniture		366,461			366,461	202,548	15,412		217,960	148,501	163,913
Computer		165,151			165,151	144,839	15,767		160,606	4,545	20,312
Air Condition		23,500			23,500	14,100	3,525		17,625	5,875	9,400
<b>TOTAL-A</b>		1,113,312	-	-	1,113,312	500,580	43,752	-	544,332	568,980	612,732

## Note 11 Non Current Investment

Particulars	2011-2012	2010-2011
<b>Shares : Quoted</b>		
3 I infotech Ltd	243,095.50	367,465.50
Akshar finance Ltd	10,000.00	10,000.00
Apple Credit Corp. Ltd Shares	4,825.00	4,825.00
Apple finance Ltd	25,740.00	25,740.00
Apt Packaging Ltd	336.00	336.00
Bank of Maharashtra	781,930.00	781,930.00
Central Bank of India	741,999.70	484,499.70
Empee Distilleries Ltd-share	164,125.00	164,125.00
F D C Ltd	281,895.00	281,895.00
Gujarat NRI Coke	528,607.40	527,107.40
Indag Product Ltd Shares	600.00	600.00
Jet Airways (I)_Ltd. Shares	337,000.00	337,000.00
K.M.F Ltd Shares	1,600.00	1,600.00
Macchar Infrastructure Ltd	84.00	84.00
Meghmani Org. Ltd Shares	256,940.00	256,940.00
Modern Insulator Ltd	1,000.00	1,000.00
M T N L	60,000.00	60,000.00
National Steel Ind Ltd	5,700.00	5,700.00
NHPC	504,900.00	504,900.00
NMDC Ltd	80,300.00	80,300.00
North Gate	8,765.00	8,765.00
Organic Chemol Ltd shares	121.00	121.00
Parasrampuriah Synth Ltd	2,392.00	2,392.00
Power Grid Corporation of India ltd	422,750.00	529,250.00
Q.S.T Ltd	1,950.00	1,950.00
Reliance Industries Ltd	2,500,829.25	4,583,237.25
Reliance Power Ltd	402,753.35	402,753.35
Satyam Computer	174,600.00	174,600.00
Shipping Corporation of India	54,300.00	39,900.00
Shobha Developers Ltd	93,400.00	93,400.00
S N S Diagnostics Ltd	3,000.00	3,000.00
Surya Protein Ltd	350.00	350.00
TCSL Shares	9,597,337.00	7,283,837.00
Tirupati Ind (I) Ltd	285.00	285.00
T V Today Shares	21,600.00	21,600.00
UCO Bank	1,560,327.82	1,560,327.82
Unitech Ltd	311,517.80	290,517.80
United Leasing Ltd	262.00	262.00
	19,187,217.82	18,892,595.82
<b>Shares : Unquoted</b>		
The Navnirman Co op Bank Ltd	66,000.00	66,000.00
	66,000.00	66,000.00
<b>Mutual Fund</b>		
Birla Sunlife Frunt lint Eq. Fund	250,000.00	250,000.00
Birla sunlife Basic Industries fund	100,000.00	100,000.00
DSP Blackrock Top 100 Eq. Fund	250,000.00	250,000.00
D S P M L Oppurtunities fund	100,000.00	100,000.00
Reliance Growth Fund	200,000.00	200,000.00
Sundaram selected Midcap	250,000.00	250,000.00
	1,150,000.00	1,150,000.00
<b>Total</b>	<b>20,403,217.82</b>	<b>20,108,595.82</b>

**Note 12 Long Term Loans and Advances**

Particulars	2011-2012	2010-2011
<b>Current Loan</b>	29,764,564.00	36,302,975.00
<b>Advance with Government Authority :</b>		
T D S Recievable 2002-03	6,519.50	6,519.50
T D S Recievable 2004-05	180,291.00	180,291.00
T D S Recievable 2006-07	236,312.00	236,312.00
T D S Recievable 2007-08	18,206.00	18,206.00
T D S Recievable 2008-09	1,145,218.00	1,145,218.00
	1,586,546.50	1,586,546.50
<b>Deposits</b>		-
The Navnirman Co Op Bank Ltd F D	100,000.00	100,000.00
Uco Bank FD	40,000,000.00	39,925,198.00
	40,100,000.00	40,025,198.00
<b>Total</b>	<b>71,451,110.50</b>	<b>77,914,719.50</b>

**Notes: 12.a**

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

2 In the opinion of the Board of Director, current Assets loans and Advance of Business at least equal to the amount at which they are stated.

3 Additional Information Pursuant to paragraphs 3 (I) (II), 4B and 4C of Part - II of Schedule VI of the companies Act. 1956. These clause are not applicable to company as company is lease finance company.

**Note 13 Other Non-Current Assets**

Particulars	2011-2012	2010-2011
Misc. Expenses (ASSET)		-
Preliminary Expn	7,792.00	10,788.00
<b>Total</b>	<b>7,792.00</b>	<b>10,788.00</b>

**Note 14 Current Investment**

Particulars	2011-2012	2010-2011
<b>Shares</b>		
Dhanlaxmi Bank	-	44,100.00
Himachal Future Ltd	-	5,762.00
Sterlite Industries	229,500.00	85,000.00
<b>Total</b>	<b>229,500.00</b>	<b>134,862.00</b>

**Note 15 Cash and Cash Equivalents**

Particulars	2011-2012	2010-2011
(a) Cash on hand	2,612.00	5,103.00
(b) Balances with banks		
Current A/c		
(i) Dhanlaxmi Bank Ltd	76.04	76.04
(ii) HDFC Bank Ltd	1,026.67	551,325.67
	-	-
<b>Total</b>	<b>3,714.71</b>	<b>556,504.71</b>

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

Particulars	2011-2012	2010-2011
(a) Prepaid expenses	-	-
(b) Others	-	-
Unsecured, considered good	-	-
<b>Deposit Interest Recievable :</b>	-	-
U C O Bank F D	78,904.00	154,931.00
<b>Advance with Government Authority :</b>	-	-
Income Tax Refund Recievable	362,762	-
T D S Recievable 2011-12	-	-
T D S Recievable 2010-11	-	339,008.00
T D S Recievable 2009-10	262,586.00	662,061.00
Mat Credit Recievable	896,751.00	-
Pravinkumar Keshavlal HUF	10,985.00	-
Kenaben Hardikbhai Patel	-	122,064.00
<b>Total</b>	<b>1,611,988.00</b>	<b>1,278,064.00</b>

**Note 17 Revenue From Operations**

Particulars	2011-2012	2010-2011
Loan Interest	1,247,871.00	1,659,633.00
<b>Total</b>	<b>1,247,871.00</b>	<b>1,659,633.00</b>

**Note 18 Other Income**

Particulars	2011-2012	2010-2011
Dividend Income	647,809.95	830,188.16
Interest Received on Deposits (Net)	3,594,841.00	1,584,238.65
Long term Profit on sale of shares	-	6,482,590.20
Short term Profit on sale of shares	21,538.00	115,365.26
Share trading profit	55,151.00	39,408.00
<b>Total</b>	<b>4,319,339.95</b>	<b>9,051,790.27</b>

**Note 19 Employee Benefits Expense**

Particulars	2011-2012	2010-2011
Salary Expenses	871,000.00	789,000.00
Salary (Prod.)	-	-
Directors Remuneration (Tech.)	-	-
Remuneration to Director	312,000.00	312,000.00
Bonus Expenses	248,000.00	270,000.00
Staff Welfare	18,918.00	22,659.00
<b>Total</b>	<b>1,449,918.00</b>	<b>1,393,659.00</b>

**Note 20 Other expenses**

Particulars	2011-2012	2010-2011
<b>20.a Administrative &amp; Office Expenses</b>		
Annual Custodian Charges	15,352.00	15372.00
Annual Genral Meeting Expenses	18,000.00	15000.00
Audit Fees	15,000.00	15000.00
Advocate fees	-	25000.00
Brockrage & Commission Exp	6,444.00	17180.00
Car Maintanance	50,920.00	19350.00
Company Secretary Fees	11,236.00	11030.00
Computer maintenance Expenses	-	3250.00
Convayance Allounces Exp.	115,200.00	117600.00
Collection Charges	60,000.00	84000.00
Electric Power Expenses	58,091.00	62030.00
Gujarat Finance Asso. membership fees	3,000.00	3000.00
Gujarat Chamber of Commerce & industries.	1,324.00	1324.00
Gift Expense	-	750.00
Internal Audit fees	15,000.00	15000.00
Legal & Professional Expenses	25,000.00	25000.00
Lions club membership fees	4,000.00	6500.00
Medical Expenses	4,951.00	887.00
Misc Expenses	296.00	798.10
Municipaly tax	37,677.00	24009.00
Office Expenses	60,918.00	108986.00
Petrol	150,372.00	155012.00
Postage & Tele. Expenses	1,282.00	2375.00
Printing & Stationery Expenses	9,555.00	46319.00
Professional Tax	2,000.00	2000.00
Preliminary Expenses	2,996.00	2696.00
Registration Filing Fees Expenses	1,500.00	2500.00
Refreshment Exps	21,280.00	0.00
Scooter Repairing Expenses	-	1500.00
Securities Transaction Tax	11,596.00	32564.00
Securities Transaction Tax ( F & O )	3,061.00	
Service Tax	732.00	1930.00
Stamp Duty Expenses	922.00	2464.00
Telephone	35,715.00	44020.00
Traveling Expenses	35,000.00	190230.00
Consultancy Charges		96000.00
<b>Total-A</b>	<b>778,420.00</b>	<b>1,150,676.10</b>
<b>20.b Selling &amp; Distribution Expense</b>		
Sales Promotion Exp.		
Travelling & Conveyance Expenses		
Advertisement Expenses	8,520.00	17,575.00
Godown Rent Expenses		
<b>Total-B</b>	<b>8,520.00</b>	<b>17,575.00</b>
<b>Total= A+B</b>	<b>786,940.00</b>	<b>1,168,251.10</b>

**#Notes: Auditors Remuneration**

Particulars	2011-2012	2010-2011
Payments to the auditors comprises		
For Audit Fees	15,000.00	15,000.00
<b>Total</b>	<b>15,000.00</b>	<b>15,000.00</b>

**Note 21 Finance costs**

Particulars	2011-2012	2010-2011
Interest Expense	1,429,140.00	1358577.00
Bank Charges & Commission	2,819.00	3,228.96
Demate Charges	240.00	780.00
Share Registrar & Transfers Agent Fees	23,163.00	23,163.00
Stock Exchange Listing Fees	16,854.00	16,545.00
Long term loss on sale of shares	591,828.00	-
<b>Total</b>	<b>2,064,044.00</b>	<b>1,402,293.96</b>

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

State Code	: 04
Registration No.	: 8864
Balance sheet Date	: 31st March, 2012

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

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

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

Total Liabilities	944.89
Total Assets	944.89

**Source of Funds**

Paid Up Capital	304.12
Reserves & Surplus	388.59
Secured Loans	158.75
Unsecured Loans	91.32

**Application Of Funds**

Net fixed Assets	5.68
Investment	206.32
Net current Assets	732.80
Misc. Expenditure	0.77
Accumulated Losses	0.00

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

Turnover	100.00
Total Expenditure	47.52
Profit & Loss Before Tax	12.22
Earning Per Share In Rs.	0.40
Dividend Rate	Nil

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

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

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

Place : Ahmedabad  
Date : 01-08-2012

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

( Pravinbhai K. Patel )  
Chairman

K. Z. Leasing & Finance Ltd.  
Cash Flow Statement for The Year Ended on 31/03/2012

Particular	For The Year Ended 31/03/2012	For The Year Ended 31/03/2011
<b>A. Cash Flow From Operating Activities</b>		
Net profit before tax and extra ordinary item	1222556.95	6703467.21
Add Back :		
(A) Depreciation	43752.00	43752.00
(C) Long Term Capital Los	591828.00	0.00
(B) Preliminary Exp. W/off	2996.00	2696.00
	<b>1861132.95</b>	<b>6749915.21</b>
Deduct :		
Dividend Income	647809.95	830188.16
Bank Int. Income	3594841.00	1584238.65
Net of other income Cr. But not receiving/Exp. Dr. But Paid		
Long term Capital Gain	0.00	6482590.20
Short Term Capital Gain	21538.00	115365.26
Speculation Gain	55151.00	39408.00
	<b>4319339.95</b>	<b>9051790.27</b>
Operating profit before working Capital Changes	<b>-2458207.00</b>	<b>-2301877.06</b>
<b>Adjustment for working capital changes</b>		
(-)Increase in Loans and advances	6538411.00	-19650748.93
(+)Increase in current assets	-504589.00	-7313388.00
(-)Increase in Current Liabilities	-1221312.00	1483379.00
<b>Cash Flow From Operation</b>	<b>2354303.00</b>	<b>-25480757.93</b>
Direct Tax Paid	345119.00	0.00
Cash Inflow before extraordinary items & prior year adjustment	2009184.00	-25480757.93
Extraordinary items and prior year adjustment	0.00	0.00
<b>Net cash from Operating activities</b>	<b>2009184.00</b>	<b>-27782632.99</b>
<b>B. Cash Flow From Investing Activities</b>		
Acquistition of fixed assets		-
Shares sold		16884473.80
Investment in Shares	-294622.00	121953.00
Dividend Income	647809.95	830188.16
Bank Int. Income	3594841.00	1584238.65
Short term Share	21538.00	115365.26
Long term share	0.00	6482590.20
Speculation profit	55151.00	39408.00
<b>Less:</b>		
Shares Purchase	0.00	16949169.90
Long Term Capital Loss	591828.00	0.00
<b>Net cash from Investing activities</b>	<b>3432889.95</b>	<b>9109047.17</b>
<b>C. Cash Flow Arising From Financing Activities</b>		
Increase in Stuatutory Reserve	909877.00	
Increase in Reserve & Surpluse	0.00	15722957.00
Increase in bank OD because of change in grouping	0.00	25000.00
Increase in Security deposit	90000.00	-30000.00
Decrease in Security Deposit (Repayment)	-90000.00	80102.00
Increase in Intercorporate Deposit	0.00	-498903.00
Decrease in relative deposit	0.00	1570.00
Increase in Unsecured Loans.	-6905965.95	
Increase in total loans	<b>-5996088.95</b>	<b>15300726.00</b>
<b>Net cash from Financing activities</b>	<b>-554015.00</b>	<b>-3372859.82</b>
<b>Net Increase in cash and Bank equivalents during the year</b>	<b>40736633.18</b>	<b>44109493.00</b>
Add: Cash and Bank equivalents at the beginning of the year	<b>40182618.18</b>	<b>40736633.18</b>
<b>Cash and Bank equivalents at the end of the year</b>		

Place : Ahmedabad  
Date : 01 -08 - 2012

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

Pravinbhai K Patel  
( Chairman )

**AUDITOR REPORT**

We have verified the above cash flow statements of K. Z. Leasing & Finance Ltd. Derived from the audited financial Statements for the year ended on March 31st, 2012 found the same to be drawn in accordance with and also with the requirements of clause 32 of the listing agreement with the stock exchange.

Place : Ahmedabad  
Date : 01-08-2012

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

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

K. Z. LEASING & FINANCE LTD.  
SCHEDULE TO THE  
BALANCE SHEET OF A NON - BANKING FINANCIAL COMPANY  
( As required in terms of Paragraph 9BB of  
Non - Banking Financial companies Prudential Norms  
( Reserve Bank ) Directors, 1998 as on dated 31/03/2012

PARTICULARS

LIABILITIES SIDE :

1. Loans and Advances availed by the NBFCs inclusive of Interest accrued thereon but not paid :	Amount Outstanding	Amount Overdue
( a ) Debentures : Secured	Nil	Nil
Unsecured ( other than falling within the meaning of Public deposits )	Nil	Nil
( b ) Deferred credits	Nil	Nil
( c ) Terms Loans	Nil	Nil
( d ) Inter-corporate loans and borrowing	Nil	Nil
( e ) Commercial paper	Nil	Nil
( f ) Public Deposit	Nil	Nil
( G ) Other Loans ( specify nature ) ( Director, Friends and Relatives Depo.)	81.84	Nil

\*please see note 1 below

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





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

Category	Amount net of provision		
	Secured	Unsecured	Total
1. Related Parties	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	297.65	297.65
<b>Total</b>	<b>Nil</b>	<b>297.65</b>	<b>297.65</b>

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

Category	Market value / break up of fair value of NAV	Book Value ( net of provisions )
1. Related Parties	Nil	Nil
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	Nil	Nil
(c) Other related parties	Nil	Nil
2. Other than related parties	359.41	206.32
<b>Total</b>	<b>359.41</b>	<b>206.32</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 :**

- As defined in paragraph 2(1) (xii) of the non Banking Financial companies Acceptance of Public Deposit ( Reserve Bank ) Directions, 1998
- Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms ( Reserve Bank ) directions, 1998
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

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

1ST Floor, Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad -380014

(Please complete this attendance slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the 26th Annual General Meeting held on ~~Sat~~ day 29th September 2012 at Regd. Office: 1st floor Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad – 380014 (Gujarat)

NAME OF SHAREHOLDER /PROX \_\_\_\_\_

ADDRESS: \_\_\_\_\_

NO. OF SHAREHELD \_\_\_\_\_

FOLIO NO : \_\_\_\_\_

SIGNATURE OF SHARE HOLDER / PROXY

Strike out whichever is not applicable

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

1ST Floor, Deshna Chamber, Ashram Road, Usmanpura, Ahmedabad -380014

FOLIO NO : \_\_\_\_\_

I/We \_\_\_\_\_

Of \_\_\_\_\_

Being a member / members of K.Z. LEASING &amp; FINANCE LTD. Hereby appoint \_\_\_\_\_

Of \_\_\_\_\_ as my /our proxy to attend vote for Me/our behalf at the 26th Annual General Meeting of the Company to be held on ~~Sat~~ day 29th September 2012

Signed this \_\_\_\_\_ day of 2012

Signature

Affix Rs.1  
Revenue Stamp

Note : The proxy must be returned so as to reach at the Registered office of the company **not less** than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the company