

12 TH  
ANNUAL REPORT  
1997-98

|     |    |   |     |   |
|-----|----|---|-----|---|
| MD  | ✓  |   | BKC | ✓ |
| CS  | NA |   | DPY | ✓ |
| RO  | ✓  |   | DIV | ✓ |
| TRA | NA |   | AC  | ✓ |
| AGM | ✓  | ✓ | SH  | ✓ |
| YE  | ✓  |   |     |   |

Certified True and Correct  
For K. Z. Leasing & Finance Ltd.  
*[Signature]*  
1998



|                              |                               |     |     |                |              |
|------------------------------|-------------------------------|-----|-----|----------------|--------------|
| INC                          | GEN<br>ADMIN<br>& HRD         | P&M | TR. | SAINT<br>& SEC | ED           |
| INSP.                        | THE STOCK EXCHANGE<br>MUMBAI. |     |     |                | SEC          |
| ACCTS                        | 07 SEP 1998                   |     |     |                | LIST         |
| R. S &<br>P.                 |                               |     |     |                | PERG         |
| NATH                         | No.....                       |     |     |                | QUOT<br>CORN |
| K. Z. LEASING & FINANCE LTD. |                               |     |     |                | MARK<br>0000 |

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

1St FLOOR, DESHNA CHAMBER, ASHRAM ROAD,  
USMANPURA, AHMEDABAD-380 014.

**12TH ANNUAL REPORT**

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

1st FLOOR, DESHNA CHAMBER,  
ASHRAM ROAD, USMANPURA,  
AHMEDABAD-380 014.

**CORPORATE INFORMATION**

**MANAGEMENT**

Shri Keshavlal Z. Patel : Chairman  
Shri Pravinkumar K. Patel : Managing Director  
Shri Govindbhai M. Patel : Director  
Shri Rameshkumar N. Patel : Director  
Shri Keshavlal K. Patel : Director

**REGISTERED OFFICE**

1st Floor, Deshna Chamber, B/h. Kadva Patidar Wadi,  
Ashram Road, Ushmanpura, Ahmedabad-380 014

**AUDITORS**

**J. M. PATEL & BROTHERS** (M.Com., F. C. A.)  
12/4th Floor, Ellora Chamber, Opp. Sarvodaya Comm. Centre,  
Relief Road, Ahmedabad.

**BANKS**

THE NAVNIRMAN CO-OP. BANK LTD.  
STANDARD CO-OP. BANK LTD.  
UNION BANK OF INDIA  
RATNAKAR BANK LTD.  
UCO BANK

Certified True Copy

For K. Z. Leasing &amp; Finance Ltd.

Signature of Director

**K. Z. LEASING & FINANCE LIMITED****NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that 12th Annual General Meeting of the members of K. Z. Leasing Finance Ltd., will be held on 26th September, 1998 at Amit Higher Education School, Rajendra Park Road, Odhav Ahmedabad-382 415. 11.15 A.M. to transact the following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 1998 and the profit and Loss Account for the ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Keshavlal K. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Shri Ramesh N. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 on a remuneration to be decided by the Board of Directors.

**SPECIAL BUSINESS :**

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as a Special resolution :

"RESOLVED THAT subject to all application provisions of the Companies Act, 1956 (including any statutory modification(s) or re enactment there of and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the board of directors of the company (hereinafter referred to as the "Board"), the consent of the company be and is hereby accorded to the board to buy back, from the existing holders of shares and/or other securities giving right to subscribe for shares of the company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock options, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the central government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the securities"), of the company, from out of its free reserves or out of the securities premium account of the company or out of the proceeds of any issue made by the company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed 5% of the respective securities of the company.

RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute direction, deem necessary, fit or proper."

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

Buy back of own shares or other securities convertible into equity shares by the companies is presently not allowed under the companies act, 1956. The companies Bill, 1997, sought to lay down the operative provisions to regulate the buy back of shares/security by companies. The said bill

**K. Z. LEASING & FINANCE LIMITED**

has not yet become the law, it is expected that, in due course of time, the law will be amended to allow such buy back.

It is proposed to buy back not exceeding 5% of the total voting powers relating to the shares or other securities giving right to subscribe for shares of the company, from the existing security holders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees of the company pursuant to the scheme of stock option, subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than the market value of the shares or other securities giving right to subscribe for shares or the company and shall be met out of the free reserves and/or the securities premium account and/or out of the proceeds of an issue specifically made for the purpose or from such other sources as may be permitted by law. The shares so bought back shall be dealt with as per the then prevailing law/regulation.

The board is of the opinion that it will be in the best interests of the company if shareholders approve the said resolution, permitting such buy back, so that the company will be able to implement this resolution once the law is amended.

The resolution, if approved, will be operative and given effect to from the applicable date as may be prescribed in this regard.

The resolution is an enabling provision aimed at facilitating the company to buy back its shares as soon as legally permissible.

The directors recommend the resolution for approval of the shareholders.

None of the directors of the company is, in any way, concerned or interested in the resolution.

Registered Office:  
1st floor, Deshna Chamber,  
B/H, Kadva Patidar Wadi,  
Ashram road, Usmanpura,  
Ahmedabad.

Date : 15-07-1998.

by order of the board

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

**KESHAVLAL Z. PATEL (CHAIRMAN)**

**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 member.
2. The register of members and share transfer book of the company will remain closed from 14/09/1998 to 26/09/1998 (both days inclusive).
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.

**12TH ANNUAL REPORT****DIRECTOR'S REPORT**

To,

The members

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

Ushmanpura, Ahmedabad.

Your directors have pleasure in presenting the 12th annual report of your company together with the audited accounts for the year ended 31st march 1998.

**FINANCIAL RESULTS**

|   | <b>1997-98</b> | <b>1996-97</b> |
|---|----------------|----------------|
| <b>Income</b>                           |                |                |
| Profit before depreciation tax          | 6513023        | 11662238       |
| Less: Depreciation                      | 3983751        | 3898812        |
| Provision for taxation                  | 500000         | 1001481        |
| Net profit after tax                    | 2029272        | 6761945        |
| Add: last year profit                   | --             | 6414942        |
| Total distributable profit              | 2029272        | 13176887       |
| Less: transfer to statutory reserve A/c | 405854         | 1352685        |
| Balance                                 | 1623418        | 11824202       |
| Less: transfer to revenue reserve       | 1623418        | 11824202       |
| Balance c/f                             | Nil            | Nil            |

**OPERATION**

The year 1997-98 was one of the most difficult years for Non Banking Finance Companies on account of several factors. During the year some large financial companies collapsed due to which Reserve Bank of India issued stringent norms pertaining to the activities of NBFCs. Simultaneously, credit ratings of several NBFCs were lowered. As a result, there was a loss of confidence in the investing public which resulted into a run on deposits and which also affected mobilisation of fresh resources for most of the companies.

Due to advance circumstances and decrease trend of industry our net profit for the year is Rs.2529272.00 (Rs. Twenty five lacs twenty nine thousand two hundred seventy two only)

Pursuant to section 45 MA(3) of the Reserve Bank Of India Act, 1934, a special audit was carried out by M/s. Promod & Associate, chartered accountants, Jaipur. They are fully satisfied with the work of the company.

**DIVIDEND**

There is tough competition in finance business, it is in the interest of the company not to declare dividend and invest that amount. The company will be able to face in present competition. In view of this Board of Directors has decided to skip dividend this year also.

**DIRECTORATE**

In accordance with the provisions of the companies Act, 1956 and the article of association of the company, Mr. Rameshkumar N. Patel and Keshavlal K. Patel will retire by rotation at the

**K. Z. LEASING & FINANCE LIMITED**

ensuing Annual General Meeting and being eligible, offer themselves for Reappointment. During the year Shri Pravin K.Patel has been appointed as a Managing Director of the company.

**DEPOSIT**

The company has accepted deposits from the friends and associates of directors and there is no unpaid/unclaimed deposits. The Company has made all compliance in terms of NBFCs (Non banking Financial Companies) Directions.

**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.

**PERSONNEL**

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 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.

Conservation of energy, technology absorption and foreign exchange earnings and outgo.

The information pursuant to section 217(1) (e) of the Companies Act, 1956 tread with companies (Disclosure of particulars in the report of board of director) Rules, 1988 is not required as the company is engaged in finance activities.

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

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

**APPRECIATION**

The Director record their 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 : 15-07-1998.

by order of the board of Director

**KESHAVLAL Z. PATEL (CHAIRMAN)**



**12TH ANNUAL REPORT****AUDITOR'S REPORT**

To,

The Share Holders

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

Ushmanpura, Ahmedabad.

We have audited the attached Balance Sheet of K.Z.Leasing & Finance Ltd., as the 31/03/1998 and also the profit & loss account of the company for the year ended on that date annexed there to and report as follows:

- (1) 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.
- (2) In our opinion, proper books of accounts, as required by law have been kept by the company so far it appears from our examination of the books.
- (3) The balance sheet and profit and loss account dealt with by this report in agreement with the books of account.
- (4) In our opinion, and to the best of our information and according to the explanation given to us subject to Notes B-1 to B-12 the said accounts read to gather with other Notes there on.
  - (A) In the case of balance sheet, of the state of affairs of the company as 31-03-1998 and
  - (B) In the case of profit and loss account of the profit of the company for the year ended on that date.
- (5) As required by the Manufacturing and other companies (Auditor Report) order 1988, issued by the Company Law Board in terms of section 227 - (4-A) of the companies act, 1956, and on the basis of such checks as were considered appropriate, we further state that:-
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets as explained to us, a physical verification on the major portion of the fixed assets except lease assets which was conducted by the management during the year and no serious discrepancy was noticed between books records and the physical ancestry. The lease assets have not been verified by the management as they are lying with the lessee.
  - (b) None of the fixed assets have been revalued during the year.
  - (c) There is no stock of finished goods spare parts and materials.
  - (d) This clause is not applicable to company as there is no stock.
  - (e) This clause is not applicable to company as there is no stock.
  - (f) This clause is also not applicable to company as there is no stock.
  - (g) According to the information and explanation given to us, the company has taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained U/s 301 and 370(1-B) of act, have been repaying principal amounts as stipulated and also have been regular in the payment of interest wherever applicable. The rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
  - (h) The company has not given any loans or advances in the nature of loans to parties listed in the register maintained U/s 301 and 370 (1-B) of Act.
    - (i) The repaying of principal amounts as stipulated and are also regular in payment of interest except some accounts of current A/c / Bill discount A/c.
    - (j) In our opinion and according to the information and explanation given to us