

## **K. Z. Leasing & Finance Ltd.**

### **Board of 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

### **Auditors**

J. M. Patel & Bros. ( M.Com., F.C.A. )  
402, Harsh Avenue,  
Navjivan Press Road,  
Navrangpura,  
Ahmedabad - 380014

### **Bankers**

The Navnirman Co-Op. Bank Ltd.  
Uco Bank  
HDFC Bank

### **Registered Office**

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

**NOTICE**

NOTICE is hereby given that 24<sup>th</sup> Annual General Meeting of the members of **K.Z. Leasing & Finance Ltd.**, will be held on **27<sup>th</sup> September 2010** at Regd. Office:- 1st Floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014 ( Gujarat ) at 10.00 a.m. to transact the following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2010 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. Ramehbhai N. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint a Director in place of Mr. Keshavlala K. 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 a remuneration to be decided by the board of Directors.

**SPECIAL BUSINESS**

5. To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

RESOLVED THAT Mr. Ankit P. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following resolution as **ORDINARY RESOLUTION:**

"RESOLVED THAT Mr. Kantibhai J. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation."

**REGISTERED OFFICE:**

1st Floor, Deshna Chamber,  
B/h., Kadva Patidar Wadi,  
Ashram Road, Usmanpura,  
Ahmedabad - 380014  
Date : 16-08-2010

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 **23/09/20010 to 27/09/2010**(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.

**Explanatory Statement pursuant to provision of Section 173(2) of the Companies Act, 1956:****Item No 5.**

The board of Directors of the Company (the Board) under Section 260 of the Companies Act 1956, (the Act) and the Articles of Association of the Company, appointed Shri Ankit P. Patel as an Additional Director of the Company with effect from January 30, 2010.

In terms of Section 260 of the Act, Shri Ankit P. Patel holds office upto the date of this Annual General meeting.

Shri Ankit P. Patel is not disqualified from being appointed as Director under 274(1)g of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266a of the Act.

The Board commends the resolution for his appointment as Director of the Company.

Except Shri Ankit P. Patel, no Director of the Company is, in any way, concerned or interested in this resolution.

**Item No 6.**

The board of Directors of the Company (the Board) under Section 260 of the Companies Act 1956, (the Act) and the Articles of Association of the Company, appointed Shri Kantilal J. Patel as an Additional Director of the Company with effect from January 30, 2010.

In terms of Section 260 of the Act, Shri Kantilal J. Patel holds office upto the date of this Annual General meeting.

Shri Kantilal J. Patel is not disqualified from being appointed as Director under 274(1)g of the Act and has complied with the requirement of obtaining the Director Identification Number in terms of Section 266a of the Act.

The Board commends the resolution for his appointment as Director of the Company.

Except Shri Kantilal J. Patel, no Director of the Company is, in any way, concerned or interested in this resolution.

**DIRECTORS REPORT**

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

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report of your company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2010,

**FINANCIAL RESULT**

<b>Income</b>	<b>2009-2010</b>	<b>2008 – 2009</b>
Profit before depreciation & tax	3254507.00	-4144816.59
Less : Depreciation	43752.00	43752.00
Provision for Taxation including FBT	177000.00	10920.00
<b>NET PROFIT/LOSS AFTER TAX</b>	<b>3033776.00</b>	<b>-4199488.59</b>
Less : Transfer to statutory Reserve A/c 20% Balance	642155.00	Nil
Transfer to Revenue Reserve	0.00	-4199488.59

**OPERATION**

The company has earned the net Profit after tax of Rs3033776.00 as against the last year's loss after tax of Rs4199488.59.

**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. Rameshbhai N Patel will be retired by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re appointment.

Your directors regret to inform about the sad demise of Shri Keshavlal Z Patel Chairman of the Company on 5.12.2009, who was associated with the Company since 7.08.1986 / incorporation. The invaluable services and guidance rendered by him to the Company will be greatly missed.

“RESOLVED THAT Mr. Ankit P. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation.”

“RESOLVED THAT Mr. Kantibhai J. Patel who was appointed as an additional director of the Company by the Board of Director with effect from 30.01.2010 and holds office up to the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company whose period of office will be liable to retire by rotation.”

**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>, 2010, as are applicable to it as a systemically important non banking finance company.

**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, 2010, 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, 2010 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 is 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 & Co. 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 : 16-08-2010

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 31/03/2010. 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 31/03/2010

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	Attn.		
Shri Pravinbhai K. Patel	14	14	Yes	Nil
Shri Rameshbhai N. Patel	14	10	Yes	Nil
Shri Keshavlal K. Patel	14	8	Yes	Nil
Shri Gandarlal A. Patel	14	11	Yes	Nil
Shri Kantilal J Patel	14	3	Yes	Nil
Shri Ankit P Patel	14	3	Yes	Nil

**3. AUDIT COMMITTEE****Managing Director**

Shri P. K. Patel

**Other Members**

Shri K. K. Patel

Shri G. A. Patel

The audit Committee presently consists of Mr. P.K.Patel, Mr. K.K.Patel Mr. G.A.Patel All non Non Executive independent Directors and is headed by Mr. P.K.Patel The statutory auditors and the internal auditors are also invited to the meeting.

The committee met four times on 24<sup>th</sup> July, 2009, 29<sup>th</sup> September, 2009 20<sup>th</sup> October, 2009, and 23<sup>th</sup> January, 2010. During the Financial year 2009-10 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. K. Patel	4	3	Yes
Shri G. A. Patel	4	4	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.

**Chairman**

Shri P.K. Patel

**Other members**

Shri R. N. Patel

Shri G. A. Patel

**The Compliance Officer**

Shri Hardik P Patel is the Compliance officer

The committee met on 20th June, 2009, 31th August, 2009, 31th December, 2009 and 31th March, 2010

during the financial year 2009 - 2010

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

During the year ended 31/03/2010 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 2010, 24 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.
25 / 09 / 2009	2008-09	10.00 am	1st floor, Deshna Chamber B/h, Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad – 380014	23rd
06 / 09 / 2008	2007-08	11.15 am	As Above	22 <sup>nd</sup>
29 / 09 / 2007	2006-07	11.15 am	As Above	21 <sup>st</sup>