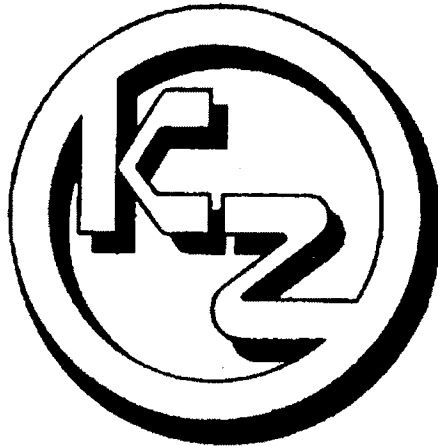


**27<sup>th</sup>**  
**Annual Report**  
**2012-2013**



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

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

## **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

### **Registerd Office**

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

**NOTICE**

NOTICE is hereby given that **27<sup>th</sup> Annual General Meeting of the members of K.Z. Leasing & Finance Ltd.** , will be held on **30<sup>th</sup> September, 2013** 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 2013** 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. Rameshkumar N. Patel, who retires by rotation, and being eligible offers himself for re appoint.
3. To Appoint a Director in place of Mr. Kantibhai J. Patel, who retires by rotation, and being eligible offers himself 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 : 31-07-2013

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 **24/09/2013 to 30/09/2013**(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 27<sup>th</sup> Annual Report of your company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2013,

**FINANCIAL RESULT**

Income	2012-2013	2011-2012
Profit before depreciation & tax	1,381,644.27	1,266,308.95
Less : Depreciation	32,530.00	43,752.00
Provision for Taxation	272,694.00	345,119.00
	1,076,420.27	877,437.95
NET PROFIT/LOSS AFTER TAX		
Less : Transfer to statutory Reserve A/c 20% Balance of Previous Year	215,284.05	175,487.59
Transfer to Revenue Reserve	861,136.22	701,950.36

**OPERATION**

The company has earned the net Profit after tax of Rs 1,076,420.27 as against the last year's net Profit after tax of Rs. 877,437.95

**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.

**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.

**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, 2013**, 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, 2013** on a " going concern " basis

**DIRECTORATE**

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

**RBI GUIDELINES**

The company has complied with the regulations of the Reserve Bank of India as on **March 31<sup>st</sup>, 2013** as are applicable to it as a systemically important non banking finance company.

**CAPITAL ADEQUACY**

The company's capital adequacy ratio was 193.95% as on March 31<sup>st</sup> 2013, Which is significantly above the threshold limit of 10% as prescribed by the reserve bank of India.

**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**

Pursuant to the requirements of the Listing Agreements with Stock Exchanges, your Directors are pleased to annex the following:

1. Management Discussions and Analysis Report.
2. A report on Corporate Governance along with Auditor's Certificate relating to compliance of conditions thereof.

**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 : Ahmadabad  
Date : 31-07-2013

By Order Of The Board Of Director

Pravinbhai K Patel  
(Chairman/ Managing Director)

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

**1. OVER VIEW :**

During the year under the review Financial Health of the market is not so good but due to the efforts of the Management Company maintained its growth.

**2. INDUSTRY STRUCTURE AND DEVELOPMENT :**

Indian Economy has face Certain difficulties due to the all over global slow down in world economy and try to sustained growth rate.

**3. OPPORTUNITIES AND THREATS :**

The whole world face Slow Down in economies of the Developed and Developing Counties and its affected to our economy also. However, the Company face competition from the Unorganized financial sector.

**4. SEGMENT REVIEW AND ANALYSIS :**

The Company has Finance segment and Investment. The Company is mainly Finance.

**5. RISK AND CONCERNS:**

The significant increase in the Non Performing Assets in financial sector create fear for the whole market.

**6. OUTLOOK:**

The Company has put thrust on development of new markets.

**7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :**

The Company has proper and adequate internal control system to safeguard the assets against loss from unauthorized use or disposition. These systems also ensure that all the transactions are recorded and reported correctly. The Management continuously reviews the internal control system and procedure to ensure efficient conduct of the business.

**8. HEALTH AND SAFETY MEASURES:**

The due care is being taken to ensure the good health of the employees of the Company. All due care is being taken to keep the clean environment in the Office premises of the Company.

**9. HUMAN RESOURCES:**

The relation with the employees of the Company during the year under review were cordial.

**CORPORATE GOVERNANCE REPORT**

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.

**1. Board of Directors :**

The Company has a balance Board, comprising of Executive and Non Executive Directors. The Company is in compliant with requirement of clause 49 of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (As specified in clause 49), across all the Companies in which they are Directors.

The following is the details of the composition of the Board as on 31<sup>st</sup> March, 2013.

Sr. no.	Name of Director	Executive/ Non Executive / Independent	No. of outside Directorship held	No. of Membership/ Chairmanship in Board Committee
1	Shri Pravinbhai K. Patel	Executive	1	2
2	Shri Rameshbhai N. Patel	Non Executive & Independent	1	2
3	Shri Keshavlal K. Patel	Non Executive & Independent	1	-
4	Shri Gandlal A. Patel	Non Executive & Independent	2	3
5	Shri Kantilal J Patel	Non Executive & Independent	-	2
6	Shri Ankit P Patel	Executive	1	-

During the Year 2012-13, 7 (seven) Board Meeting were Held i.e. on 12.05.2012, 30.07.2012, 01.08.2012, 14.08.2012, 11.10.2012, 31.12.2012, 31.01.2013

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	Attend		
Shri Pravinbhai K. Patel	7	7	Yes	Nil
Shri Rameshbhai N. Patel	7	4	Yes	Nil
Shri Keshavlal K. Patel	7	5	Yes	Nil
Shri Gandlal A. Patel	7	5	Yes	Nil
Shri Kantilal J Patel	7	5	Yes	Nil
Shri Ankit P Patel	7	7	Yes	Nil

**2. AUDIT COMMITTEE**

The audit Committee comprise of 3 members, The committee consists of Two independent directors and one Executive Director.

Name	Designation	Nature of Directorship
Shri Gandlal A. Patel	Chairman	Independent Director
Shri Kantilal J Patel	Member	Independent Director
Shri Pravinbhai K. Patel	Member	Executive Director

The terms of reference of our Audit Committee are given below:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;
  2. Changes, if any, in accounting policies and practices and reasons for the same;
  3. Major accounting entries involving estimates based on the exercise of judgment by management;
  4. Significant adjustments made in the financial statements arising out of audit findings;
  5. Compliance with listing and other legal requirements relating to the financial statements;
  6. Disclosure of any related party transactions;
  7. Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing internal audit reports and adequacy of the internal control systems.
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses
- Review statement of significant related party transactions
- Review of management discussion and analysis of financial condition and results of operations
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

**Meetings and attendances:**

During the year, 4 Audit Committee Meetings were held on 12.05.2012, 14.08.2012, 11.10.2012, 31.01.2013

The Attendance of Members at meetings was as follows:

Name of Director	No. of Meetings		Attended last AGM
	Held	Attended	
Shri Gandlalal A. Patel	4	3	Yes
Shri Kantilal J Patel	4	3	Yes
Shri Pravinbhai K. Patel	4	4	Yes

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



**3. REMUNERATION COMMITTEE :**

The Remuneration Committee has been constituted with the following Directors:

Name	Designation	Nature of Directorship
Shri Kantilal J Patel	Chairman	Independent Director
Shri Rameshbhai N. Patel	Member	Independent Director
Shri Gandalal A. Patel	Member	Independent Director

The terms of reference of the Remuneration Committee are as follows:

- To decide and approve the terms and conditions for appointment of executive directors and remuneration payable to other directors and matters related thereto.
- To recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/ Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole-time/ Executive Directors, including pension rights and any compensation payment.

**Meetings and Attendances:****Particulars of Remuneration Committee's meetings:**

Name of Director	No. of Meetings	
	Held	Attended
Shri Kantilal J Patel	1	1
Shri Rameshbhai N. Patel	1	1
Shri Gandalal A. Patel	1	1

**Remuneration of Directors:****(Rs. In Lacs)**

Name	Salary	Perquisites & allowances	Sitting fees	Commission/ bonus	Total
Shri Pravinbhai K. Patel	1.80	0.096	-	-	1.896
Shri Rameshbhai N. Patel	-	-	-	-	-
Shri Keshavlal K. Patel	-	-	-	-	-
Shri Gandalal A. Patel	-	0.096	-	-	0.096
Shri Kantilal J Patel	-	0.096	-	-	0.096
Shri Ankit P Patel	1.80	0.096	-	-	1.896

**4. SHAREHOLDERS / INVESTOR'S GRIEVANCE COMMITTEE**

The Shareholders' / Investors' Grievance Committee has been constituted in compliance with Clause 49 of the Listing Agreement with the following Directors: -

Name	Designation	Nature of Directorship
Shri Rameshbhai N. Patel	Chairman	Independent Director
Shri Gandalal A. Patel	Member	Independent Director
Shri Pravinbhai K. Patel	Member	Executive Director

The terms of reference of the Shareholders' / Investors' Grievances Committee is as follows:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.