

K.Z. LEASING & FINANCE LTD.

REGD. OFFICE : DESHNA CHAMBERS, B/H. KADVA PATIDAR VADI, USMANPURA,
ASHRAM ROAD, AHMEDABAD-380014.(GUJARAT) PHONE : 079-27543200
CIN L 65910 GJ 1986 PLC 008864

Date: 10/09/2019

To,
The Deputy Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited
Dalal Street, Fort
Mumbai 400 001.

BSE Company Code: 511728

Dear Sir,

Sub.: Submission of Annual Report as per Regulation 34(1) of SEBI (LODR) Regulations, 2015

It is hereby informed that According to Regulation 34 of SEBI(Listing Obligations and Disclosure) Regulations, 2015, we herewith send you the Annual report for the year ended 31st March, 2019.

Kindly take note of the same and inform accordingly.

Thanking you,

Yours Faithfully,

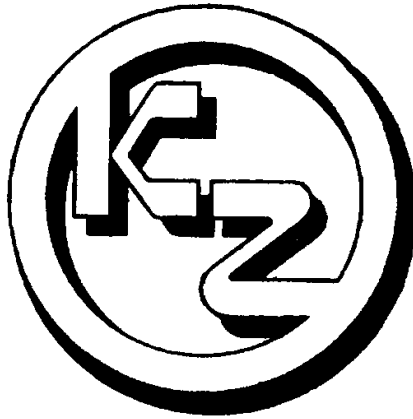
For, K Z LEASING AND FINANCE LIMITED



Hinal Shah
Compliance Officer
(ACS: 37104)



33rd
Annual Report
2018-2019



K. Z. LEASING & FINANCE LTD.

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

Ahmedabad – 380014.

Important Communication to Shareholders
“Green Initiative in the Corporate Governance”

Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued a circular No.17/2011 on April 21, 2011 stating that the service of document to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme and to support this green initiative of Government in the right spirit, members who holds shares in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the below mentioned prescribed form, giving their consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement or any other communication in electronic mode, and register the said form with Link Intime India Private Limited.

Please note that you will be entitled to be furnished, free of cost, with a physical copy of the notice, balance sheet and all other documents required by law to be attached thereto including the profit & loss account and auditors’ report etc., upon receipt of a requisition from you, any time, as a member of the Company.

We are sure you would appreciate the “Green Initiative” taken by MCA and your Company’s desire to participate in such initiatives.

Email Address Registration Form

(For members who holds shares in Physical Forms)

K Z LEASING AND FINANCE LIMITED

Registered Office: 1st Floor, Deshana Chamber, B/h. Kadwa Patidar Wadi, Ashram Road, Ahmedabad-380014

Ledger Folio No. _____ No. of Share(s) held: _____

NAME OF THE SHAREHOLDER / JOINT HOLDER: _____

Email Address: i) _____ ii) _____

Contact No. (R) _____ (M) _____

I hereby give my / our consent to receive the Notices calling general meetings, audited financial statements, auditors’ report, directors’ report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this _____ day of _____, 2019.

Note :

- 1) Members are requested to send their duly completed form as above to the Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd., 5th Floor, 506 To 508, Amarnath Business Centre 1, Beside Gala Business Centre, Near St Xaviers College Corner, Off C.G. Road, Navrangpura, Ahmedabad – 380009; Tele: 07926465179
- 2) Members are also requested to inform about any change in their email ID immediately to RTA.

Founder: Late Keshavlal Zaverchand Patel

Board of Directors

Shri Pravinkumar Keshavlal Patel	Chairman & Managing director
Shri Ankit Pravinkumar Patel	Director & CFO
Smt. Chaitali Bharatbhai Patel	Woman Director
Shri Dashrathbhai Devidas Patel	Independent Director
Shri Babulal Maganlal Patel	Independent Director
Shri Kantibhai Sendharam Patel	Independent Director
Shri Kantibhai Joytiram Patel	Independent Director (upto 18/07/2019)

Audit Committee

Shri Babulal Maganlal Patel, Chairman
Shri Pravinbhai Keshavlal Patel, Member
Shri Kantibhai Sendharam Patel, Member

Shareholders / Investor's Grievance Committee

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

Corporate Social Responsibility Committee

Shri Dashrathbhai Devidas Patel, Chairman
Shri Babulal Maganlal Patel, Member
Shri Pravinkumar Keshavlal Patel, Member

Nomination & Remuneration Committee

Shri Kantibhai Sendharam Patel, Chairman
Shri Dashrathbhai Devidas Patel, Member
Shri Babulal Maganlal Patel, Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Hinal Anish Shah

Registered Office

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

CIN: L65910GJ1986PLC008864

Tel.: 079-27542298

Fax: 079-27543200

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

Website : www.kzgroup.in

Statutory Auditor

Ranjit Galledar & Co.

Internal Auditor

M A A K & Associates

Secretarial Auditor

Mr G R Shah & Associates

Bankers

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

Registrars and Transfer Agents

Link Intime India Private Limited.

(Formerly, Intime Spectrum Registry limited)

C - 101, 247 Park,

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

Mumbai – 400083.

Phone: 022-49186000

Contents

Page No.

Notice to the Shareholders	04
Directors' Report	08
Secretarial Audit Report	19
Management Discussion & Analysis Report	21
Corporate Governance Report	23
Auditor's Certificate on Corporate Governance	29
Certificate on Compliance with condition of Corporate Governance	29
Independent Auditors' Report	30
Balance Sheet	34
Profit and Loss Account	35
Notes to Accounts	36
Cash Flow Statement	43
Proxy Form	48
Attendance Slip	49

Notice to the Shareholders

NOTICE is hereby given that the **33rd** Annual General Meeting of the Members of K Z Leasing And Finance Limited will be held on Friday, 27th September, 2019 at 10.30 a.m. at the registered office of the Company at 1st Floor, Deshna Chamber, B/h. Kadva Patidar Wadi, Ashram Road, Ahmedabad -380014, to transact the following business:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended on March 31, 2019, the Balance Sheet as at that date and Cash flow together with the Auditor and Directors' Report thereon.**
- 2. To appoint a director in place of Mr. Ankit Pravinkumar Patel (holding DIN 02901371), Director who retires by rotation and being eligible, offers himself for reappointment.**

SPECIAL BUSINESS:

- 3. To consider Regularisation of Mr. Dashrathbhai Devidas Patel (holding DIN: 08516041) and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Sections 149, 152, 160 & 161 of the Companies act, 2013 and any other applicable provisions if any, Mr. Dashrathbhai Devidas Patel (DIN: 08516041), who was appointed as Additional Director on 22nd July, 2019, be and is hereby appointed as an Independent Director of the Company who is not liable to retire by rotation.

REGISTERED OFFICE:

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

**ON BEHALF OF THE BOARD
FOR, K Z LEASING AND FINANCE LTD.**

Date: 14/08/2019

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

NOTES:

- A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Annual General Meeting (“Meeting”) is annexed hereto.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf, and such proxy need not be a Member of the company.** A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than ten (10) per cent of the total share capital of the Company. In case proxies proposed to be appointed by a Member holding more than ten (10) percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any such other person or shareholder.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting i.e.by 10.30 a.m. on Wednesday, 25th September, 2019. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.
- The relevant details as stipulated under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking re-appointment as directors - Item Nos. 2 above and regularisation of Independent director seeking regularization - Item No. 3, is also annexed hereto.
- Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Sundays, between 11 a.m. and 1 p.m. up to the date of meeting.
- The Register of Members and the Share Transfer Books of the Company will remain closed for a period of Ten (10) days from Wednesday, 18th day of September, 2019 to Friday, 27th day of September, 2019 (both days inclusive).
- Members are requested to contact Registrar and Transfer Agent (RTA) namely Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikrohli (W), Mumbai-400083 Phone No. 022-49186000, for recording any change of address,

bank mandate, ECS or nominations, and for redressal of complaints contact the Compliance Officer at the Registered Office of the Company.

7. The equity shares of the Company are available for dematerialization, as the Company has entered into an agreement with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL). Those shareholders who wish to hold the company's share in electronic form may approach their depository participants.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents "Link Intime India Private Ltd", for assistance in this regard.
9. Section 72 of the Companies Act, 2013, extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form SH 13, which may be sent on request. However, in case of demat holdings, the shareholders should approach to their respective depository participants for making nominations.
10. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
11. Members are requested to bring their copies of Annual Report at the meeting. Shareholders seeking any information with regard to account are requested to write to the Company early so as to enable the Management to keep the information ready.
12. Members / Proxies are requested to bring with them the attendance slip duly filled in and hand it over at the entrance.
13. Members, who have multiple accounts in identical names or joint names in same order are requested to intimate M/s. Link Intime (India) Pvt. Ltd., the Ledger Folios of such accounts to enable the Company to consolidate all such share holdings into one account.
14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
15. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th September, 2019 at 9.00 a.m. and ends on 26th September, 2019 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the K Z Leasing And Finance Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. The Name , Designation , Address , E Mail ID and Phone no. of official responsible for grievances connected with facility of e voting is given below :
- Name of Official – Mr. Rakesh Dalvi
Designation – Manager

- (xxi) M/s G R Shah & Associates, Practicing Company Secretary (C.O.P – 14446) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner
- (xxii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (xxiii) The Results declared along with the report of the Scrutinizer shall be placed on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

ANNEXURE TO THE NOTICE

Item No. 2 : Details of Directors retiring by rotation

Name	Ankit Pravinkumar Patel
Qualification	Bcom., M.com.
Experience	Over 10 years of wide ranging experience in Finance Area
Other Directorship	K Z Cotspin India Limited
Chairman / Member of the Committees of the Board of the other companies on which she is a director	None
No. of shares held in the company	69,234 Equity shares of Rs. 10 each
Disclosure of the relationships	Ankit P. Patel is the son of Mr. Pravinbhai K Patel, Chairman and Managing Director and husband of Mrs. Chaitali A. Patel, Director of the Company.

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all Material facts relating to business mentioned under Item Nos. 3 of the accompanying Notice:

Item No. 3

Regularize the Appointment of Mr. Dashrathbhai Devidas Patel (holding DIN: 08516041) as the Independent Director of the Company:

Mr. Dashrathbhai Devidas Patel (holding DIN: 08516041) who was appointed as an Additional director dated 22nd July, 2019 is hereby presented for Regularization as the Director of the Company.

Further, the provisions of The Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from April 1, 2014 which requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the ensuing General Meeting), Mr. Dashrathbhai Devidas Patel (DIN: 08516041) as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from 22nd July, 2019.

Mr. Dashrathbhai Devidas Patel (holding DIN: 08516041), living in Ahmedabad, Gujarat is a Mechanical Engineer. He possesses vast experience and sound knowledge in varied fields. His expert advice will become useful for the Company's growth and development. Considering his vast experience, his presence on the Board will be of immense value to the

Company and he also fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management. The Company has received requisite deposit under Section 160 of the Act, proposing candidature of Mr. Babulal Patel for the office of Director.

REGISTERED OFFICE:

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

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

Date: 14/08/2019

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

DIRECTORS' REPORT

To,
The Members,
Your Directors are pleased to present the Company's 33rd Annual Report and the audited accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS FOR THE YEAR 2018-19:

(Amount in Rs.)

PARTICULARS	2018-19	2017-18
Income From Operation	46,39,647.00	28,46,243.00
Other Income	40,45,519.00	71,88,013.00
Total Income	86,85,166.00	1,00,34,256.00
Less: Operational Expenses	47,57,708.00	72,61,804.00
Profit before Interest, Depreciation	39,27,458.00	27,72,451.00
Less :Depreciation and Finance Cost	35,02,083.00	13,31,655.00
Profit/ Loss Before Tax	4,25,374.00	14,40,796.00
Less: Tax expenses	(1,07,080.00)	1,07,080.00
Profit/ Loss After Tax	5,32,454.00	13,33,716.00

PERFORMANCE REVIEW:

During the year under review, the Company has generated total revenue of Rs. 86,85,166/- as against Rs 1,00,34,256/- of the previous financial year. The net profit for the year under review has been decreased to Rs. 5,32,454/- as against Rs. 13,33,716/- in the previous financial year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in future period.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report, which forms part of this report.

DIVIDEND & APPROPRIATIONS:

In order to conserve the resources, in the year 2018-19, the Directors do not recommend any dividend for the year under review.

RESERVES:

The Company has transferred 20% of its current year profit to Statutory Reserve under the provisions of Section 134(3) (j) of the Companies Act, 2013 and relevant rules made there under.

BOARD OF DIRECTORS:

1. Mr. Ankit Patel (DIN: 02901371), Director of the Company retires by rotation and, being eligible, offers himself for re-appointment.
2. Mr. Dashrathbhai Devidas Patel (holding DIN: 08516041) was appointed as additional director on 22nd July, 2019 and hereby proposed for regularization as Independent director.
3. The Independent Directors have submitted their declarations of independence, as required pursuant to the provisions of section 149(7) of the Act, stating that they meet the criteria of independence.

4. Mr. Kantibhai Joytiram Patel (DIN: 02933840) has resigned from the directorship of the Company w.e.f. 18th July, 2019.

5. Changes In Board During The Year:

There was no change in the composition of Board of Directors during the year under consideration.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:

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

PUBLIC DEPOSIT:

During the year under review your Company has not accepted deposit form public as envisaged by Chapter V of the Companies Act, 2013 and as per rules and regulations framed by Reserve Bank of India for Non-Banking Finance Companies.

CHANGE IN THE NATURE OF BUSINESS:

There is no Change in the nature of the business of the Company done during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS / OUTGO:

As required by the provisions of Section 134(3)(m) of the Companies Act,2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 the relevant data pertaining to conservation of energy, technology absorption are not applicable and hence, not given. The Company has no Foreign Exchange earnings and outgo during the year under review.

PARTICULARS OF EMPLOYEES:

There are no employees drawing the remuneration in excess of limits prescribed under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No such material changes and commitments, affecting the financial position of the company have occurred and hence no comments required.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

CHANGES IN SHARES CAPITAL:

The Company has not made any changes in the share capital of the company during the year under review.

INSURANCE:

All the assets of the company are adequately insured and the Company has developed proper system for taking insurance on all its assets in order to mitigate the risk.

DECLARATION BY INDEPENDENT DIRECTORS:

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

AUDITORS:

I. STATUTORY AUDITORS:

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

II. Auditors' Report:

The Auditors' Report does not contain any qualification, reservation or adverse remark(s) and hence no comments required. The notes of accounts referred to in the auditors' report are self-explanatory and therefore do not require any further comments.

III. INTERNAL FINANCIAL CONTROLS

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

IV. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of section 204 of the Act and The Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, the Board has appointed G R Shah & Associates, Practicing Company Secretary to conduct Secretarial Audit for the financial year ended on 31st March, 2019. Secretarial Audit Report is attached to this report as **Form MR-3**.

The Board has duly reviewed the Secretarial Auditor's Report and the observations and comments, appearing in the report are self-explanatory.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The CSR Committee comprises three Directors. The CSR Committee has recommended to the Board, a CSR Policy, indicating the activities to be undertaken by the Company, which is approved by the Board and carried to the Annual Report.

The company's net profit, turnover and net worth are outside the criteria of Section 135 of the Companies Act, 2013, therefore, it is not required to spend any amount under CSR Activity.

ENVIRONMENT, HEALTH AND SAFETY:

The Company is a Non-banking finance company hence it is not in such activity which affects the environment adversely, however, it accords the highest priority to Environment, Health and Safety. The management is constantly reviewing the safety standards of the employees and the management believes in the concept of sustainable development.

MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:

i. Vigil Mechanism / Whistle Blower Policy:

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. The same is also uploaded on the website of the Company i.e. www.kzgroup.in

ii. Business Conduct Policy:

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the Policy. The objective of the Policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

AUDIT COMMITTEE:

In the financial year 2018-19, The Audit Committee comprised of 3 members namely, Chairman Shri Kantilal Joytiram Patel (DIN: 02933840), Shri Babulal Maganlal Patel (DIN: 02901047), and Shri Pravinbhai Keshavlal Patel (DIN: 00841628). However, it has been reconstituted w.e.f. 22nd July, 2019 due to the resignation of Shri Kantilal Joytiram Patel from the directorship of the Company and currently comprise of 3 members namely, Chairman Shri Babulal Maganlal Patel (DIN: 02901047), Shri Kantilal Sendharam Patel (DIN: 08077956), and Shri Pravinbhai Keshavlal Patel (DIN: 00841628). The audit committee duly met at regular intervals during the mentioned financial year and in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. The Meetings of Audit committee was held four times on during the financial year and further details of attendance of directors in the Committee meeting are mentioned in Corporate Governance Report.

The Committee periodically discussed the Financial Reporting process, reviewed the Financial Statements, and discussed the quality of the applied accounting principles and significant judgment that affected the Company's Financial Statements. Before presenting the audited accounts to the members of the Board, the Audit Committee recommended the appointment of the statutory auditors, subject to the Board's approval. The audit Committee reviewed with adequacy of internal control systems with the management, statutory and internal auditors.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

In the financial year 2018-19, The Shareholders/Investors Grievance Committee comprised of Mr. Babulal Maganlal Patel (DIN: 02901047) as the Chairman of the Committee and Mrs. Chaitali Ankit Patel (DIN: 06957559), Mr. Pravinkumar Patel (DIN: 00841628) and Mr. Kantilal Joytiram Patel (DIN: 02933840). However, it has been reconstituted w.e.f. 22nd July, 2019