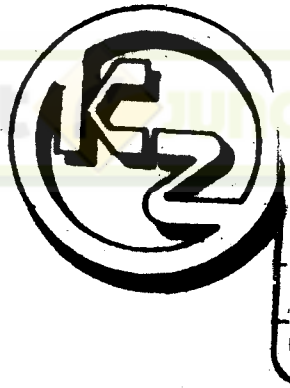


**17TH
ANNUAL REPORT
2002-2003**



Certified True Copy

For K.Z. Leasing & Finance Ltd.

Managing Director
Managing Director

K. Z. LEASING & FINANCE LTD.

**1ST FLOOR, DESHNA CHAMBER, ASHRAM ROAD,
USMANPURA, AHMEDABAD-380014.**

17th ANNUAL REPORT

K. Z. LEASING & FINANCE LTD.

BOARD OF DIRECTORS

SHRI KESHAVLAL Z. PATEL	CHAIRMAN
SHRI PRAVINKUMAR K. PATEL	MANAGING DIRECTOR
SHRI RAMESHKUMAR N. PATEL	DIRECTOR
SHRI KESHAVLAL K. PATEL	DIRECTOR
SHRI GANDABHAI A. PATEL	DIRECTOR

REGISTERED OFFICE

1ST FLOOR, DESHNA CHAMBER,
B/H. KADVA PATIDAR WADI,
ASHRAM ROAD, USMANPURA,
AHMEDABAD-380014.

AUDITORS

J. M. PATEL & BROS. (M.COM., F.C.A.)
402, HARSH AVENUE,
NAVJIVAN PRESS ROAD,
NAVRANGPURA, AHMEDABAD - 380 014.

BANKS

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

K. Z. LEASING & FINANCE LTD.

NOTICE

NOTICE is hereby given that 17th Annual General Meeting of the members of K. Z. LEASING & FINANCE LTD., will be held on **27th September, 2003 at Regd. Office :- 1st Floor, Deshna Chambers, B/h. Kadva Patidar Wadi, Usmanpura, Ashram Road, Ahmedabad - 380014 (Gujarat)** at 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 2003 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 Shri Keshavlal K. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
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 - 380 014.

DATE : 26/07/2003

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 a member.
2. The Register of Members and Share Transfer Book of the Company will remain closed from **19/09/2003 to 27/09/2003** (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.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 273(2) OF THE COMPANIES ACT, 1956 Item No.-4

The Board of Directors of the company(the board) appointed Shri Gandlal A. Patel as an Additional Director of the company with effect from 27/07/2002, Pursuant to Articles 142 of the Articles of Association of the company and section 260 of the companies act, 1956 and accordingly holds office upto the date of seventeen coming Annual General Meeting.

A Notice pursuant to Section 257 of the Companies Act, 1956 has been received from a member of the company of hi intention to propose at the Seventeen coming Annual General Meeting that Shri Gandabhai A. Patel be appointed as a Director of the Company accordingly the said resolution is submitted for your approval.

Except Shri Gandabhai A. Patel none of Directors may be deemed to be concerned or interested in the said resolution.

Place : Ahmedabad

By order of the Board

Date : 26/07/2003

Pravin K. Patel
Managing Director

17th ANNUAL REPORT**DIRECTOR'S REPORT**

To,
The Shareholders
K. Z. LEASING & FINANCE LTD.

Your Directors have pleasure in presenting the 17th ANNUAL REPORT of your company together with the Audited Accounts for the year ended 31st March 2003.

FINANCIAL RESULT

INCOME	2002-2003	2001-2002
Profit before depreciation & tax	979149.81	982005.71
Less : Depreciation	806012.00	806423.00
Provision for taxation	--	--
Net profit after tax	173137.81	175582.71
Less : Transfer to statutory Reserve A/c 20%	34627.56	35116.54
Balance	138510.25	140466.17
Transfer to Revenue Reserve	138510.25	140466.17
	0.00	0.00

OPERATION

The year 2002-2003 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 NBFC's. 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 adverse circumstances and decrease trend of industry our net profit for the year is Rs. 173137.81 (Rs. One lacs seventy three thousand one hundred thirty seven and eighty one Paise only)

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 have decided not to recommend any dividend.

DIRECTORATE

Mr. Gandabhai A. Patel has been appointed by the Board as Additional Director on 27/07/2002. He hold office until the ensuing Annual General Meeting. Notice has been received from a member under section 257 of the companies Act, 1956 proposing his name for appointment as Director. 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 and being eligible, offer themselves for re appointment.

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.

K. Z. LEASING & FINANCE LIMITED**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, 2003, 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 provisions 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, 2003 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 all advances outstanding.

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 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 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.

Certified True Copy.
For K.Z. Leasing & Finance Ltd.

Keshavlal Z. Patel
Managing Director

By Order of the Board of Director

Keshavlal Z. Patel
(Chairman)

Place:- Ahmedabad
Date :- 26/07/2003

17th ANNUAL REPORT**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 to enhancing shareholders value. 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 stakeholders 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 five Directors as on 31/03/2003. 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 31/3/2003

Shri Keshavlal Zaverchand Patel
Executive Chairman

Shri Pravinbhai Keshavlal Patel
Executive Managing Director

Non Executive & Independent Directors

1. Keshavlal Kashiram Patel
2. Rameshbhai N. Patel
3. Gandlal Ambalal Patel

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

April 10, 2002
 April 22, 2002
 May 18, 2002
 June 30, 2002
 July 27, 2002
 August 30, 2002
 September 19, 2002
 October 5, 2002
 October 26, 2002
 November 25, 2002
 December 14, 2002
 January 11, 2003
 January 22, 2003
 February 15, 2003
 March 1, 2003
 March 31, 2003

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 Keshavlal Z. Patel	16	15	Yes	Nil
Shri Pravinbhai K. Patel	16	16	Yes	Nil
Shri Rameshbhai N. Patel	16	12	Yes	Nil
Shri Keshavlal K. Patel	16	7	Yes	Nil
Shri Gandadalal A. Patel	16	6	No	Nil

3. AUDIT COMMITTEE :

Managing Director

Shri P. K. Patel

Other Members

Shri K. K. Patel

Shri G. A. Patel

The Committee met thrice on 23rd July, 2002, 29th November, 2002 and 31st March 2003 during the financial year 2002-2003 and the attendance of the committee were as follows:

Name of Director	No. of Meetings		Attended Last AGM
	Held	Attended	
Shri P. K. Patel	3	3	Yes
Shri K. K. Patel	3	3	Yes
Shri G. A. Patel	3	2	No

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 redressal 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 :

- Transfer/Transmission/Transposition of shares, issue of duplicate shares, consolidation of shares/subdivision of shares.
- Review of Dematerialization of shares.
- 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 K. Z. Patel

Other Members

Shri R. N. Patel

Shri G. A. Patel