



**NOTICE**

NOTICE is hereby given that the 19th Annual General Meeting of the members of **Nalin Lease Finance Limited** will be held on Wednesday, the 28th July, 2010 at 11.00 a.m. at "Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar. - 383 001, to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended on that date together with the Reports of Board of Directors & Auditors thereon.
2. To appoint a director in place of Shri Narendrabhai D. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:-  
RESOLVED THAT Shri Navinchandra Chandulal Soni was appointed as an additional director of the company and holds office up to the date of this Annual General Meeting of the company, and eligible for appointment, and in respect of whom the company has received a notice in writing from the member under the provisions of section 257 of the Companies Act, 1956, proposing his candidature for the office of a director be and is hereby appointed as a director of the company.
5. To consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution:-  
RESOLVED THAT Shri Harsh Dilipkumar Gandhi was appointed as an additional director of the company and holds office up to the date of this Annual General Meeting of the company, and eligible for appointment, and in respect of whom the company has received a notice in writing from the member under the provisions of section 257 of the Companies Act, 1956, proposing his candidature for the office of a director be and is hereby appointed as a director of the company designated as whole time director of the company to hold the office for a period of five years with effect from 01.08.2010
6. To consider and if thought fit, to pass the following resolution with or without modification which will be proposed as a Special Resolution:-  
Resolved that pursuant to section 198, 269, 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals as may be necessary, the company hereby accords its consent and approved to the appointment of Shri Harsh Dilipkumar Gandhi as a whole time director of the company for the period of five years with effect from 01.08.2010 to 31.07.2015 on the terms & conditions (including the remuneration to be paid in the event of loss or inadequacy of profit or in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the notice convening this Annual General Meeting, with a liberty to



directors to alter and vary the terms and conditions of the said reappointment in such manner as may be agreed to between the directors and Shri Harsh Dilipkumar Gandhi. Resolved further that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

7. To consider and if thought fit, to pass the following resolution with or without modification which will be proposed as a Special Resolution:-

Resolved that pursuant to section 198, 269, 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals to the reappointment and remuneration of Shri Dilipkumar Nalinkant Gandhi as a managing director of the company for the period of five years with effect from 01.08.2010 to 31.07.2015 and on the terms & conditions (including the remuneration to be paid in the event of loss or inadequacy of profit or in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the notice convening this Annual General Meeting, with a liberty to directors to alter and vary the terms and conditions of the said reappointment in such manner as may be agreed to between the directors and Shri Dilipkumar Nalinkant Gandhi.

Resolved further that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

**Registered Office**

Ground floor,  
Gandhi Nursing Home Bldg.  
Dr. Nalinkant Gandhi Road,  
Himatnagar-383001.  
Dated: June 17<sup>th</sup> 2010

**By order of the Board of Directors**

(N. D. Shah)  
Chairman

**Notes:-**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxies need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. All documents referred to in the accompanying notice are open for inspection at the registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.
3. Members are requested to send their quarries, if any, at least 10 days before the date of meeting so that the information can be made available at the meeting.
4. The Register of Members and the Share Transfer Books will remain closed from 26<sup>th</sup> July, 2009 to 28<sup>th</sup> July, 2010 (both days inclusive).



## Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

As required by Section 173 of the Companies Act, 1956 ("Act") the following explanatory statements set out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice.

1. Item No.4:

The Board of directors have appointed Navinchandra Chandulal Soni as an additional director of the company at its meeting held on 9<sup>th</sup> July 2010.

Shri Navinchandra Chandulal Soni, he is engaged in education line and vast experience in varied fields.

The company has received a notice from a member signifying his intention to propose the appointment of Navinchandra Chandulal Soni as a director of the company. A deposit of Rs.500 is required by law as accompanied the said notice. The directors commend the resolution for the approval of members.

Shri Navinchandra Chandulal Soni is concerned and interested in the proposed resolution as this agenda item pertains to his appointment as a director of the company. The remaining directors of the company are not any way concerned or interested in the resolution.

2. Item No.5 & 6:

The Board of directors had appointed Shri Harsh Dilipkumar Gandhi as an additional director of the company in the meeting of the Board of directors held on 9<sup>th</sup> July 2010. In the same meeting, subject to confirmation of the members in general meeting, he was designated as the whole time director of the company w.e.f.01.08.2010.

Shri Harsh Dilipkumar Gandhi is B.com, M.B.A. (International Management) from University Of Ballarat, Victoria, Australia. He is 24 (Twenty Four) years old, but very dash-ing in decision making and implementation of novel ideas. He is also visionary. He will look after marketing, finance and administration.

As an additional director, Shri Harsh Dilipkumar Gandhi holds office upto the date of Annual General Meeting. The company has received a notice from a member signifying his intention to propose the appointment of Shri Harsh Dilipkumar Gandhi as the direc-tor of the company. A deposit of Rs.500 is required by law has accompanied the said notice. In the proposed resolution under item no.:5 & 6, he is designated as the whole time director of the company w.e.f.01.08.2010.

The remuneration/ perquisites/benefits payable to Shri Harsh Dilipkumar Gandhi as a whole time director of the company & other terms and conditions as set out in this Explanatory Statement are as under:-

A. Tenure of Agreement:

The appointment of the whole time director is with effect from August 1, 2010 to July 31, 2015.+

**B. Nature of Duties:**

The Whole time director shall devote his whole time to the business of the company and shall carry out such duties as may be entrusted to him by the Board of directors pertaining to marketing, finance and administration, subject to the superintendence, control and directions of the Board of directors in connection with and in the best interest of the company and the business.

**C. Remuneration:**

Salary - Rs. 50,000/- per month in the scale of  
Rs. 50000-100000-100000

And the perquisites will be provided as under:-

1. House Rent allowance at the rate of 25% of the salary per month.
2. The expenditure incurred on Gas, Electricity, Water and furnishings shall may be paid by the company shall not be exceed 10% of the salary.
3. The reimbursement of the medical expenses of self and his family subject to the ceiling of one months salary in a year or three months salary over a period of three years.
4. Leave Travel concession for self and family once in a year as per rules specified by the company.
5. Fees of club and other admission and life membership fee maximum of two clubs.
6. Personal accident insurance premium not to excess Rs.4000/- Per annum.

**CATEGORY B:**

1. Contribution to the Provident Fund, Super Annuation Fund, Annuity Fund as per the rules of the Company.
2. Gratuity not exceeding half a month salary for each completed Year of service subject to a ceiling of Rs. 100,000/-.

**CATEGORY C:**

1. A Car with Chauffeur will be provided for the companies business.
2. Telephone facility shall be provided at residence.
3. Personal long distance calls on telephone and use of car for private purpose shall be borne by him.

**D** The whole time director is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283 (1) (I) of the Act.

**E** This may be treated as an abstract of the draft agreements between the Company and Shri Harsh Dilipkumar Gandhi for his remuneration and his appointment as whole time director pursuant to Section 302 of the Act.

Shri Harsh Dilipkumar Gandhi is concerned and interested in the proposed resolution as this agenda items pertain to his appointment as a director, whole time director of the company and the payment of remuneration to him. Shri Dilipkumar N. Gandhi, managing director of the company and Pallaviben Dilipkumar Gandhi being relative of Harsh Dilipkumar Gandhi may be deemed to be concerned or interested in the proposed resolution. None of the other directors are not any way concerned or interested in the proposed resolution.



3. Item No.7:

The Board of directors have reappointed Shri Dilipkumar Nalinkant Gandhi as a managing director of the company for a period of five years with effect from 01.08.2010 in the meeting of Board of directors held on 9<sup>th</sup> July, 2010.

Shri Dilipkumar Nalinkant Gandhi is one of the main promoters of the company and he is the managing director of the company since 1<sup>st</sup> August 2000. Due to his experience, expertise and vision, the company is doing well and inspite of recessionary trend and cut thought competition of the market, the company was survived. He is having long 30 (Thirty) years experience of finance and lease finance business. Because of his reputation in Sabarkantha district, the company is getting continuous business from the district.

His existing terms as a managing director of the company will be completing on 30 July, 2010. Therefore, he appointed as the managing director of the company w.e.f. 01.08.2010 for a period of five years. The remuneration/perquisites/benefits payable to Dilipkumar Nalinkant Gandhi as a managing director of the company and other main terms and conditions as set out in this Explanatory Statement are as under:

A. Tenure of Agreement:

The appointment of the Managing Director is with effect from August 1, 2010 to July 31, 2015.

B. Nature of Duties:

The managing director shall devote his whole time to the business of the company. He will look after day to day affairs of the company and shall carry out such other duties as may be entrusted to him by the Board of directors. He will perform his duty as a managing director of the company, subject to superintendence, control and directions of the Board of directors. He will perform his duty in the best interest of the company and the business of the company.

C. Remuneration:

Salary	Rs. 80,000/- per month in the scale of Rs. 80000-5000-100000
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And the perquisites will be provided as under:-

1. House Rent allowance at the rate of 25% of the salary per month.
2. The expenditure incurred on Gas, Electricity, Water and furnishings shall may be paid by the company shall not be exceed 10% of the salary.
3. The reimbursement of the medical expenses of self and his family subject to the ceiling of one months salary in a year or three months salary over a period of three years.
4. Leave Travel concession for self and family once in a year as per rules specified by the company.
5. Fees of club and other admission and life membership fee maximum of two clubs.
6. Personal accident insurance premium not to excess Rs.4000/- Per annum.



**CATEGORY B:**

1. Contribution to the Provident Fund, Super Annuation Fund, Annuity Fund as per the rules of the Company.
2. Gratuity not exceeding half a month salary for each completed Year of service subject to a ceiling of Rs. 100,000/-.

**CATEGORY C:**

1. A Car with Chauffeur will be provided for the companies business.
  2. Telephone facility shall be provided at residence.
  3. Personal long distance calls on telephone and use of car for private purpose shall be borne by him.
- D The managing director is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283 (1) (I) of the Act.
- E This may be treated as an abstract of the draft agreements between the Company and Shri Dilipkumar Nalinkant Gandhi for his remuneration and his appointment as whole time director pursuant to Section 302 of the Act.

Shri Dilipkumar Nalinkant Gandhi is concerned and interested in the proposed resolution as this agenda item pertains to his reappointment as a managing director of the company and the payment of remuneration to him. Shri Harsh Dilipkumar Gandhi and Pallaviben Dilipkumar Gandhi directors of the company being relative of Dilipkumar Nalinkant Gandhi may be deemed to be concerned or interested in the proposed resolution. None of the other directors are not any way concerned or interested in the proposed resolution.

**Registered Office**

Ground floor,  
Gandhi Nursing Home Bldg.  
Dr. Nalinkant Gandhi Road,  
Himatnagar-383001.  
Dated: June 17<sup>th</sup> , 2010

**By order of the Board of Directors**

(N. D. Shah)  
Chairman



**DIRECTORS' REPORT**

To,  
The Members,  
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 19th Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2010.

<b>FINANCIAL RESULTS</b>	<b>(Rs. in Lacs)</b>	
	<b>2009-2010</b>	<b>2008-2009</b>
Gross Profit (PBDT)	<b>55.40</b>	49.14
Less:-Depreciation	<b>03.02</b>	2.88
Profit Before Tax (PBT)	<b>52.38</b>	46.26
Less:-Provision for Taxation & FBT	<b>16.37</b>	15.78
Net Profit (PAT)	<b>36.01</b>	30.48
Add: Balance in Profit & Loss A/C.	<b>00.27</b>	0.89
Balance Available for Appropriation	<b>36.28</b>	31.37
<b>Appropriations:</b>		
Reserves	<b>32.20</b>	31.20
Balance carried to Balance Sheet	<b>03.86</b>	0.27

Your Directors have successfully maintained its advances portfolio in auto two wheelers in the area of its operation. Company has also expanded its area of operation and achieved better turnover.

**DIVIDEND**

The Directors regret their inability to recommend dividend for the year 2009-2010 in view to accumulate funds for future requirement and also to strengthen the financial position of the company.

**DIRECTORS**

Shri Narendrakumar D. Shah - Director of the Company, retires by rotation pursuant to Article No.125 of the Companies Act, 1956, at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

The Board of Directors has appointed Shri Navinchandra Chandulal Soni as an additional director with effect from 01.08.2010. He will hold office up to the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Notices under Section 257 of the Companies Act, 1956, have been received by the Company from members signifying their intention to propose the candidature of Shri Navinchandra Chandulal Soni as a Director of the Company.



Shri Harsh Dilipkumar Gandhi was appointed as an additional director of the Company, designated as a Whole time director of a company with effect from 01.08.2010. He will hold office up to the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Notices under Section 257 of the Companies Act, 1956, have been received by the Company from members signifying their intention to propose the candidature of Shri Harsh Dilipkumar Gandhi as a Director of the Company. His appointment as Whole time director of the Company with effect from 01.08.2010, is subject to the approval of the members of the forthcoming Nineteenth Annual General Meeting.

Shri Dilipkumar Nalinkant Gandhi, Managing Director of the Company re-appointed as the Managing Director of the Company in the meeting of Board of Directors held on 09 July, 2010 for a period of five years with effect from 01.08.2010, subject to the approval of members at the forthcoming Nineteenth Annual General Meeting.

#### **FIXED DEPOSITS**

Our Company is registered as N.B.F.C. with R.B.I. Company has Complied with various Guidelines issued by Reserve Bank Of India for accepting Public Deposits and the Deposits accepted are within the permissible limits.

- Public Deposits held by the Company as on 31-03-2010 Rs. **379.89 Lacs.**
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2010 :- **NIL.**

#### **AUDITORS AND AUDITORS REPORT**

M/s. Deepak R. Soni & Co., Auditors of the Company, retire and hold Office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments except as under.

#### **PERSONNEL**

During the year under review, there was no employee in receipt of any remuneration in excess of the limits prescribed in Section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 As amended.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to your Company.

#### **REGULATORY GUIDELINES**

There being no non-performing assets, no provision is made for the year. Company has fully complied with prudential norms prescribed by Reserve Bank of India. The Company has also complied with the Directions issued by Reserve Bank Of India regarding Capital Adequacy, Assets classification etc.





### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of section 217(2AA) of the companies act, 1956, your directors state :

1. That in the preparation of the annual accounts , the applicable accounting standards have been followed and no material departures have been made from the same,
2. That your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 profits of the company for that period,
3. That your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities,
4. That your directors have prepared the annual accounts on a going concern basis.
5. Corporate Governance  
pursuant to clause 49 of the listing agreement with stock exchanges, a separate section titled "corporate governance" is attached to this annual report.

### **ACKNOWLEDGEMENT**

Your Directors would like to put on record their grateful appreciation for the assistance and co-operation received from the Bankers of the Company, valued Customers of the Company, the Ahmedabad Stock Exchange, Vadodara Stock Exchange and the Bombay Stock Exchange and various other Government and Semi Government Authorities, Agencies and Offices.

Your Directors would also like to put on record with thanks their deep sense of appreciation for the assistance, diligence and co-operation of the executives and staff of the Company.

For and on behalf of the Board of Directors

Place : **HIMMATNAGAR**

DATED:- 17<sup>th</sup> June 2010.

**N.D.SHAH**

CHAIRMAN

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **NATURE OF BUSINESS AND DEVELOPMENT:**

Finance is one of the important tools for the development in bullish market or bearish market. It is must for economic growth. The Company is engaged in providing finance for vehicles mainly two wheelers in rural part of interior villages of Sabarkantha District.

#### **DISCUSSION: FINANCIAL / OPERATIONAL PERFORMANCE:**

For the year under report, your Company has made a net profit (PAT) of **Rs. 36.01** Lacs after providing for depreciation of **Rs. 3.02** Lacs despite of full proof competition in the market particularly from Private Bank and Nationalized Bank and Special Trust giving on the retail banking, due to efficient services and timely and speedy disbursement of vehicle finance and



relations of the company from generation to generation in the whole of Sabarkantha District and as per the earlier year's commitment to expand the business activities in another districts and at the interior areas of the Banaskantha, Mehasana, Kheda, Patan, Ahmedabad and nearby Gandhinagar district, the Company had sustain and increased its income by **12.74%**.

Your Company is committed to speedy and timely disbursement of loan and providing good services after finance to the customers. Due to this the company is expected to achieve a sizeable leaf in working of the company in the coming years.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

The day to day operations of the Company are being looked after by the Managing Director, The Company has the following committees to over view the operations:

1. Audit Committee of Board of Director
2. Management Committee
3. Executive Committee

The Company has adequate internal control systems, procedures, checks designed to provide reasonable assurance on achievement of the objectives relating to efficiency and effectiveness of operations, reliability of financial reporting and compliance with applicable laws and regulations. The management committees and the executive committee monitor the operations and the progress of the project on a continuous basis and suggest the ways and means for strengthening the operations of the Company. The internal auditors have expressed their satisfaction on the overall internal control systems in force.

**THREATS**

The Company is having constant threats from Private Bank, Multination Banks National Banks, other Non Banking Finance Companies, Financial institutions, Due to this to stand in competition; the Company has to reduce their rate of finance. Due to this, the operating profit may go down.

**RISKS AND CONCERNS**

The Company is mainly dealing in two wheeler finance, in the current year the demand of the vehicle loans decrease due to increase in the rate of interest and increase in the fuel prices in the domestic market. As committed in the last year the Company is continuously trying their best to recover its dues by mutual dialogs and in last resort by fast and full recovery including seizures of vehicles to reduce the overall NPA of the Company.

**HUMAN RESOURCES AND INDUSTRIAL RELATION:**

The Company has its own system to control all divisions to ensure proper and adequate control, facility, transparency and accuracy. The employer employee relation ship has been cordial. The Company considers the quality of its human resources as its important asset and it endeavors to attract and recruit best possible talent and to retain and groom it to meet its needs.

**ANNEXURE TO DIRECTOR'S REPORT****Report on Corporate Governance****A. MANDATORY REQUIREMENTS :****1. COMPANY'S PHILOSOPHY ON CODE OF GEVERNANCE :**

The Company has always been committed to the principles of good corporate governance which inter alia includes protection of shareholders rights, enhancement of shareholder value, equitable treatment of all shareholders, stake holders such as suppliers, customers and employees and to report financial information adequately and transparently. A continuous process of delegation of powers commensurate to accountability, coupled with trust, faith and transparency has been embedded in the day to day functioning. A System to defectively manage risks has been implemented. The Company has been disclosing detailed information on different issues concerned the Company's performance form time to time.

**2. BOARD OF DIRECTORS****(I) Composition:**

The Board of Directors comprises of a combination of Executive and Non-Executives who are professionals in their respective fields and bring in a wide range of skills and experience, out of six directors Three Directors are executive Directors and three Directors are non-executive Directors. There is no nominee Directors on the Board. The names and occupation of Directors are as under:-

Sr. No.	Name of the Director	Executive / Non - Executive
1	Narendrakumar Dalsukhdas Shah	Non-Executive (Chairman) Independent
2.	Dilipkumar Nalinkant Gandhi	Executive (Managing Director)
3.	Nipurnaben Nalinkant Gandhi	Executive (Wholetime Director)
4.	Pallalviben Dilipkumar Gandhi	Executive (Executive Director)
5.	Mahendrakumar Prabhulal Shah	Non-Executive Director
6.	Indravadan Chhotalal Shah	Non- Executive (Independent Director)

**(ii) MEETINGS OF BOARD**

Six Board Meeting were held during the year ended 31.03.2010. these were held on 09.04.2009, 24.06.2009, 09.07.2009, 09.10.2009, 09.01.2010, 22-03-2010 The details of the attendance of each Director at the Board, last Annual General Meeting and various committees of the Board, during the financial year ended on 31<sup>st</sup> March, 2010, are given below:

Directors	No. of Board Meeting Attended During 2009-10	No. of Audit Committee Attended During 2009-10	No. of Shareholders' Investors Grievance Committee Attended During 2009-10	Last Annual General Meeting Attained 2009-10
Narendrakumar Dalsukh Shah	06	0	-	Yes
Dilipkumar Nalinkant Gandhi	06	4	4	Yes
Nipurnaben Nalinkant Gandhi	06	-	-	Yes
Pallaviben Dilipkumar Gandhi	06	-	-	Yes
Mahendrakumar Prabhudas Shah	06	4	4	Yes
Indravadan Chhotalal Shah	06	4	4	Yes



**(III) OTHER DIRECTORSHIPS**

The details of other directorships and chairmanships held by the Directors of the Company are given below:-

Sr. No.	Name (s) of Directors	No of Directorship, excluding directorship in Pvt. Companies/ firms and Cos. Incorporated u/s 25 of the Companies Act, 1956	Chairman of the Board	No. of other Board Committees in which he/she is a member or chairperson.
1	Narendrakumar D. Shah	Nil	Nil	Three
2	Dilipkumar Nalinkant Gandhi	Four	Nil	Three
3	Nipurnaben Nalinkant Gandhi	Three	Nil	Nil
4	Pallaviben Dilipkumar Gandhi	Four	Nil	Nil
5	Mahendrakumar Prabhudas Shah	Nil	Nil	Three
6	Indravadan Chhotalal Shah	Nil	Nil	One

**(iv) Re-appointment of Directors (as required under Listing Agreement)**

The brief particulars of the directors of the company, retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are as under :-

Shri Narendrakumar Dalsukhdas Shah joined the Board of the Company since last many years. He looks after overall management of the company he normally sits at the registered office of the company.

**3. AUDIT COMMITTEE**

The Audit Committee of the Board was formed on 25.10.2002 and it comprises of 2 (Two) non-executive Directors & 1 (One) executive Director However to comply the requirement of revised clause 49 of the listing agreement, the audit committee was reconstituted having 2 independent director out of 3 members in the audit committee w.e.f. 1.1.2006 the present audit committee is comprising of the following 3 directors

- (1) Dilipkumar Nalinkant Gandhi
- (2) Narendrakumar Dalsukhdas Shah
- (3) Indravadan Chhotalal Shah

The audit Committees functions include reviewing the Company's internal control system, audit procedures, compliances with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct, it also reviews the half yearly results and the annual financial statements before submission to the Board. The Audit Committee effectively acts as a link among the Board of Directors, Statutory auditor and internal audit functions. During the financial year ended 2010, the audit committee meeting were held on 09.4.2009, 09.07.2009, 09.10.2009 & 09.01.2010.



<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of Meetings attended</b>
1	Dilipkumar Nalinkant Gandhi	4
2.	Narendrakumar Dalsukhdas Shah	4
3	Indravadan Chhotalal Shah	4

The minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

#### **4. GRIEVANCE COMMITTEE**

The Grievance Committee of the Board was formed on 25.10.2002 and it comprises of 2 (Two) non-executive Directors & 1 (One) executive Director However to comply the requirement of revised clause 49 of the listing agreement, the Grievance committee was reconstituted having 2 independent director out of 3 members in the Grievance Committee w.e.f. 1.1.2006 the present audit committee is comprising of the following 3 directors

- (1) Dilipkumar Nalinkant Gandhi
- (2) Narendrakumar Dalsukhdas Shah
- (3) Indravadan Chhotalal Shah

The Audit Committees functions include reviewing the Company's internal control system, audit procedures, compliances with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct, it also reviews the half yearly results and the annual financial statements before submission to the Board. The Grievance Committee effectively acts as a link among the Board of Directors. During the financial year ended 2010, the Grievance Committee meeting were held on 09.4.2009, 09.07.2009, 09.10.2009 & 09.01.2010.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>No. of Meetings attended</b>
1	Dilipkumar Nalinkant Gandhi	4
2.	Narendrakumar Dalsukhdas Shah	4
3	Indravadan Chhotalal Shah	4

The minutes of the Grievance Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.



**5. REMUNERATION OF DIRECTORS**

A. Non Executive Directors

No remuneration paid to non executive directors.

B. Executive Directors

The Company pays remuneration by way of salary, perquisites, allowances and commission to the directors.

The salary paid during the year to the directors of the company is within the ceiling prescribed by section 198, 309 and the provisions of Schedule XIII of the Companies Act, 1956.

The remuneration paid to the directors for the year 2009-2010 is as follows:

Name	Salary	Perquisites	Commission	Total
Dilipkumar Nalinkant Gandhi	9,00,000	-	-	9,00,000
Nipurnaben Nalinkant Gandhi	4,80,000	-	-	4,80,000
Pallalviben Dilipkumar Gandhi	4,80,000	-	-	4,80,000
<b>Total</b>	<b>18,60,000</b>	-	-	<b>18,60,000</b>

Number of Shares held by non executive directors are as under

Sr. No.	Name of the Directors	No. of shares held
1	Narendrakumar Dalsukhdas Shah	2,500
2	Mahendrakumar Prabhulal Shah	2,500
3	Indravadan Chhotalal Shah	6,500

**6. GENERAL BODY MEETING**

Financial Year	Date	Time	Venue
2005-2006 15 <sup>th</sup> AGM	25-9-2006	4.00 P. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2006-2007 16 <sup>th</sup> AGM	30-7-2007	4.00 P. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2007-2008 17 <sup>th</sup> AGM	30-7-2008	4.00 P. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2008-2009 18 <sup>th</sup> AGM	29-7-2009	4.00 P. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.

No special resolutions were required to be put through postal ballot last year. No. Special resolutions on matters requiring postal ballot as recommended under clause 49 of the Listing Agreement are placed for shareholders.

**7. DISCLOSURES:**

(a) Disclosure on materially significant related party transactions:

Full disclosure of related party transactions as per accounting standard 18 issued by the Institute of Chartered Accountants of India are given under Note No. 16 of Notes forming part of accounts for the year ended on 31<sup>st</sup> March, 2010.

Equity Shares held by Director as on 31<sup>st</sup> March, 2010.

Sr. No.	Name of the Director	No. of Shares held
1	Dilipkumar Nalinkant Gandhi	2,43,368
2.	Nipurnaben Nalinkant Gandhi	2,00,000
3.	Pallaviben Dilipkumar Gandhi	1,80,000
4.	Narendrakumar Dalsukhdas Shah	0,02,500
5	Mahendrakumar P. Shah	0,02,500
6.	Indravadan Chhotalal Shah	0,06,500

(b) There were no transactions of material nature with its promoters, the Directors or the management or their subsidiaries or relatives of the Directors during the year. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

(c) No. penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

**8. MEANS OF COMMUNICATION**

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board. These results are published in prominent daily news papers viz. Western Times English and Gujarati Edition. The Company has not made any presentation to the institutional investors or analysis. The Company does not put up the results on website.



**8. GENERAL SHAREHOLDERS INFORMATION :**

Annual General Meeting Details :

Date	28.07.2010
Time	11.00 A. M.
Venue	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi road, Himatnagar-383001.
Book Closure Date	26.07.2010 to 28.07.2010
Record Date	28.07.2010
Dividend payment date	No Dividend during the year

**Address of correspondence :**

Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.

**(i) Listing of equity shares on Stock Exchange at**

Sr. No.	Name (s) of the Stock Exchange	Stock Code
1.	Ahmedabad Stock Exchange Ltd	039092
2.	Bombay Stock Exchange Ltd	531212
3.	Vadodara Stock Exchange Ltd	031212

**(ii) Listing Fees**

The Company has paid Listing fees for the financial year 2009-2010 to all the Stock Exchanges where securities are listed.

**(iii) Registrar & Share Transfer Agent**

The Company transfers physical and D-mat shares through Link Intime India Pvt. Ltd., Mumbai. The Company accepts, deals with and resolves complaints of shareholders. Shareholder complaints are given top priority by the Company and replied promptly by the office of the Company Secretary. The Company had attended to all of the investor grievances. Correspondences with speed.

**(iv) Share Transfer System:**

The Company transfers Physical and D-mat shares through Link Intime India Pvt. Ltd. Mumbai.

Stock Code: D-mat ISIN Number: INE 606C01012.

**(v) Distribution of Shareholding as on 31.03.2010**

No. Of Equity Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of shareholding
1-100	101	07.65 %	007275	00.22 %
101-500	705	53.41 %	218930	06.71 %
501-1000	76	05.76 %	64585	01.98 %
1001-5000	222	16.82 %	795337	24.38 %
5001-10000	184	13.94 %	1204209	36.92 %
10001-100000	29	02.20 %	348316	10.68 %
100001-500000	03	00.22 %	623368	19.11 %
500001 & above	00	00.00 %	00	00.00 %
<b>Total</b>	<b>1320</b>	<b>100.00 %</b>	<b>3262000</b>	<b>100.00 %</b>

**(vi) Dematerialization of shares :**

The company is having **249700** Equity shares in D-materialized format.





**(vii) Plant Location : N..A.**

Shareholders correspondence should be addressed to: Ground Floor, Gandhi Nursing home Bldg., Dr.Nalinkant Gandhi road, Himatnagar-383001.

**B. Non Mandatory Requirements:**

**(A) Chairman of the Board**

At present the chairman does not have separate office in the Company. The Corporate office of the Company supports the Chairman in discharging the responsibilities as & when he visits the Company.

**(B) Shareholders' rights:**

As the Company's half yearly results are published in an English news paper having good circulation and in a Gujarati News Paper widely circulated in Gujarat the same are not sent to each household of the shareholders.

**Postal Ballot:**

The Provisions relating to Postal ballot will be complied with in respect of matters where applicable.

**Declaration**

To

The Members of Nalin Lease Finance Ltd.

I, Dilipkumar Nalinkant Gandhi Managing Director and of the Company, to hereby declare that the Directors and Senior Officers of the Company have exercised their authorities and powers and discharged their duties and functions in accordance with the requirement of the Code of Conduct as prescribed by the Company and have adhered to the provisions of the same.

For Nalin Lease Finance Ltd.

**Dilipkumar Nalinkant Gandhi**  
Managing Director &  
Chief Executive Officer

Place : Himatnagar

Date : 17/06/2010

**Auditor's certificate**

The Compliance certificate from the Auditor's of the Company M/s Deepak R. Soni & Co. is appended.



**Deepak R. Soni**  
B.Com., F.C.A.

**DEEPAK R. SONI & CO.**

CHARTERED ACCOUNTANTS

Dr. Nalinkant Gandhi Road, Himatnagar-383 001.

Phone : (02772) 242780

E-mail : deepak\_soni11@yahoo.com

**CERTIFICATE ON COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE**

To,  
The Members of  
**Nalin Lease Finance Limited, Himatnagar.**

We have examined the compliance of conditions of Corporate Governance by **Nalin Lease Finance Limited** for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : **Himatnagar**  
Date : 18-6-2010

**D. R. Soni**  
Sole Proprietor  
Mem. No. : 35177



**AUDITORS' REPORT**

To  
The Members  
**NALIN LEASE FINANCE LIMITED**  
Himatnagar.

1. We have audited the attached Balance Sheet of **NALIN LEASE FINANCE LIMITED** as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and Companies (Auditors Report) (Amendment) order 2004 thereon issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
  - i. 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.
  - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
  - iii. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this Report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - v. On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;



- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
- (c) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**Place : HIMMATNAGAR**

Date : 18th June, 2010

**For Deepak R. Soni & Co.**

*Chartered Accountants*

**D. R. Soni**

*Sole Proprietor*

*Mem. No. : 35177*



**ANNEXURE TO THE AUDITORS' REPORT**  
(Referred to in paragraph 3 of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Majority of the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any major part of the Fixed Assets.
- (ii) (a) There are no Companies, firms and parties covered in the register maintained under Section 301 of the Companies Act, 1956 to whom the Company has granted unsecured loans. Hence the provision of this clause (a), (b), (c), and (d) is not applicable.
- (b) The Company had taken unsecured loans from four companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as Rs. 53,37,520/- and the year end balance of loans taken from such parties was Rs 53,37,520/-
- (c) In our opinion, the rate of interest and the other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (d) We have been informed that the said loans are repayable on demand. .
- (iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of equipments and fixed assets and with regard to the loans and advances made. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (iv) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contract or arrangement have been made at rates which are reasonable having regard to prevailing market rates at the relevant time.
- (v) In our opinion and according to the information and explanations given to us, the company has taken loans and has complied with the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted by filing necessary returns with R.B.I. only. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.



- (vii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues which may be applicable out of Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other Statutory Duties.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service tax, Excise Duty, and Cess were outstanding, as at 31<sup>st</sup> March, 2010 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- (viii) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the banks.
- (x) The company has not granted any loans against security by way of pledge of shares, debentures and other securities.
- (xi) The company is not a chit fund or a Nidhi mutual benefit fund/society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xii) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) According to the information & explanation given to us, the company has not given any guarantee hence we do not have any comment under this para.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no significant funds raised on short-term basis have been used for long-term investment by the company.
- (xv) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xvi) The company has not raised money by public issue hence any specific comments up on the disclosure of end use is not applicable to the company.
- (xvii) To the best of our Knowledge and belief, and according to the information and explanation given to us, no frauds on or by the company was noticed or reported during the year.

Item nos. 4 ii, viii, and xvi of the said order are not applicable in the case of the company for the year under audit.

**Place : HIMMATNAGAR**

Date : 18th June, 2010

**For Deepak R. Soni & Co.**

Chartered Accountants

**D. R. Soni**

Sole Proprietor

Mem. No. : 35177

**19th ANNUAL REPORT 2009-2010****BALANCE SHEET AS AT 31ST MARCH, 2010**

(Rs.In Lacs)

PARTICULARS	SCH.	31.03.2010	31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>1 Shareholders' Funds</b>			
A. Share Capital	1	326.20	326.20
B. Reserves & Surplus	2	192.35	156.56
		518.55	482.76
<b>2. Loan Funds</b>			
A. Secured Loans	3	21.40	21.75
B. Unsecured loans	4	379.89	375.03
		401.29	396.78
<b>TOTAL :</b>		919.84	879.54
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets (Net Block)</b>	5	16.59	16.79
<b>2. Investments</b>	6	63.91	62.41
<b>3. Current Assets, Loans &amp; Advances</b>	7		
A. Stock		8.77	6.13
B. Debtors		7.93	0.22
C. Cash and Bank Balances		79.06	132.20
D. Loans & Advances		823.85	760.01
E. Repossessed Assets		0.00	0.00
<b>TOTAL :</b>		919.61	898.56
Less: Current Liabilities & Prov.	8	80.27	98.22
Net Current Assets		839.34	800.34
<b>4. Miscellaneous Expenditure</b>	9	0.00	0.00
<b>TOTAL :</b>		919.84	879.54
Notes to the Accounts	A		

As per our attached report of even date.

**For Deepak R.Soni & Co.,** Company Secretary  
Chartered Accountants **S. N. Parikh****D.R. SONI**  
Sole Proprietor  
Mem. No. 35177Place : **HIMMATNAGAR**Dated : **18 / 06 / 2010**

For and on behalf of the Board

**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**N. N. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**M. P. Shah** *Director*  
**I. C. Shah** *Director*Place : **HIMMATNAGAR**Dated : **17 / 06 / 2010**

**NALIN LEASE FINANCE LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31.03.2010**

(Rs.In Lacs)

PARTICULARS	SCH.	31.03.2010	31.03.2009
<b>INCOME FROM OPERATIONS</b>	10	307.00	278.32
<b>TOTAL :</b>		307.00	278.32
<b>EXPENDITURE</b>			
A. Interest		42.37	38.26
B. Administrative & General Exp.	11	183.34	177.64
C. Commission		5.35	2.42
D. Professional fees		20.76	4.63
E. Loss on Sale of asset		0.00	6.23
F. Depreciation		3.02	2.88
<b>TOTAL</b>		254.85	232.06
Profit before tax		52.16	46.26
Less: Income Tax provision		16.37	15.00
Fringe Benefit Tax		0.00	0.78
Profit After Tax		35.79	30.48
Add: Surplus brought forward from previous year		0.27	0.89
Surplus available for appropriation		36.06	31.37
<b>APPROPRIATIONS</b>			
A. Transfer To Special Reserve		7.20	6.10
B. Transfer To General Reserve		25.00	25.00
C. Balance carried to Balance Sheet		3.86	0.27
<b>TOTAL :</b>		36.06	31.37
Earning Per Shares (Sch. A (14)(ii) )	Rs.	1.10	0.93

As per our attached report of even date.

**For Deepak R.Soni & Co.,** Company Secretary  
Chartered Accountants **S. N. Parikh**
**D.R. SONI**  
Sole Proprietor  
Mem. No. 35177

 Place : **HIMMATNAGAR**  
Dated : **18 / 06 / 2010**

For and on behalf of the Board

**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**N. N. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**M. P. Shah** *Director*  
**I. C. Shah** *Director*

 Place : **HIMMATNAGAR**  
Dated : **17 / 06 / 2010**





**19th ANNUAL REPORT 2009-2010**

(RS. IN LACS)

<b>SCHEDULE - 1</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
<b>SHARE CAPITAL</b>		
A. Authorised 37,50,000 Equity Shares of Rs.10/- each	375.00	375.00
B. Issued, Subscribed and paid up 32,62,000 equity shares of Rs.10 each fully paid up	326.20	326.20
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
A. General Reserves	129.71	104.71
B. Special Reserve	58.78	51.58
C. Profit and Loss Account	3.86	0.27
<b>TOTAL :</b>	<b>192.35</b>	<b>156.56</b>
<b>SCHEDULE - 3 SECURED LOANS</b>		
From Himatnagar nagarik sahakari bank Secured against Fixed Deposits	12.97	21.75
From HDFC Bank Secured against Fixed Deposits	8.43	0.00
<b>TOTAL :</b>	<b>21.40</b>	<b>21.75</b>
<b>SCHEDULE - 4 UNSECURED LOANS</b>		
A. Public Deposits	379.89	375.03
<b>TOTAL :</b>	<b>379.89</b>	<b>375.03</b>

**SCHEDULE - 5 FIXED ASSETS** (Rs. In Lacs)

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 01.04.09	Addi tions	Dedu ctions	As At 31-3-10	Up To 31-03-09	During Year	Total 31-3-10	As At 31-3-10	As At 31-03-09
Office Building	03.82	0.00	0.00	03.82	00.83	0.29	01.12	02.70	02.99
Office Equipments	13.30	2.66	0.00	15.96	10.33	0.86	11.19	04.77	02.97
Vehicles	18.16	0.00	0.00	18.16	12.32	1.18	13.50	04.66	05.84
Furniture & Fixtures	09.16	0.16	0.00	09.32	04.58	0.59	05.17	04.15	04.58
Air Conditioners	01.83	0.00	0.00	01.83	01.42	0.10	01.52	00.31	00.41
<b>Total...</b>	<b>46.27</b>	<b>2.82</b>	<b>0.00</b>	<b>49.09</b>	<b>29.48</b>	<b>3.02</b>	<b>32.50</b>	<b>16.59</b>	<b>16.79</b>
Previous Year's Figures	45.79	0.48	0.00	46.27	26.60	2.88	29.48	16.79	19.19

<b>SCHEDULE - 6 INVESTMENTS</b>		
Fixed Deposits with Bank - SLR	21.12	19.62
SLR GOI 2012	21.64	21.64
SLR GOI 2023	21.15	21.15
<b>TOTAL</b>	<b>63.91</b>	<b>62.41</b>

**NALIN LEASE FINANCE LIMITED**


(RS. IN LACS)

<b>SCHEDULE - 7</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
A. Stock(As Taken by Director)		
a. Adhesive Stamps	2.52	0.38
b. Stationary Stock	6.25	5.75
<b>TOTAL :</b>	<b>8.77</b>	<b>6.13</b>
B. Debtors(Unsecured,Considered Good)		
a. Other Debtors	7.93	0.13
b. Interest Receivable	0.00	0.09
<b>TOTAL :</b>	<b>7.93</b>	<b>0.22</b>
C. Cash and Bank Balances		
a. Cash on hand	3.94	3.21
b. Bank Balances & Fixed Deposits	75.12	128.99
<b>TOTAL :</b>	<b>79.06</b>	<b>132.20</b>
D. Loans And Advances (Unsecured, Considered Good)		
a. Deposits.	0.05	0.05
b. Tax deducted at source & Advance tax	14.78	17.50
c. Advances	808.97	742.39
d. Prepaid Expenses	0.06	0.07
<b>TOTAL :</b>	<b>823.85</b>	<b>760.01</b>
E. Repossed Assets	0.00	0.00
<b>TOTAL :</b>	<b>0.00</b>	<b>0.00</b>
<b>SCHEDULE - 8</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
a. Sundry Creditors	4.00	4.01
b. Income Tax Provision & T.D.S.	16.37	15.40
c. Himatnagar Nagarik Bank- Book bal.	4.27	0.00
d. HDFC Bank - Book Bal.	2.26	0.00
d. Inter Corporate Deposit	53.38	78.81
<b>TOTAL :</b>	<b>80.27</b>	<b>98.22</b>
<b>SCHEDULE - 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)		
A. Preliminary Expenses	0.00	0.00
<b>TOTAL :</b>	<b>0.00</b>	<b>0.00</b>

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<b>SCHEDULE - 10</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
<b>INCOME FROM OPERATION</b>		
Interest & Other charges	284.58	269.27
Miscellaneous Income	22.42	9.05
<b>TOTAL :</b>	<b>307.00</b>	<b>278.32</b>
<b>SCHEDULE - 11</b>		
<b>ADMINISTRATIVE &amp; GENERAL EXP.</b>		
Salaries And Benefits	13.61	14.14
Stationery & Printing	27.01	24.26
Administrative & General Exp.	1.20	0.95
Travelling & conveyance	8.10	7.81
Vehicle expenses	1.31	1.44
Advertisement Exp	3.02	2.27
Postage & Telephone Exp.	5.92	6.58
Office & General Expenses	1.14	0.99
Refreshment	4.29	4.09
Director remuneration	18.60	16.80
Audit fees	0.52	0.47
Stamp Exp.	9.42	7.92
Listing fees	0.31	0.31
Repairs & maintainance	0.19	0.33
Key-Man Insurance Premium	0.00	0.48
Collection Expenses	64.65	65.49
Seizure Expenses	17.83	17.70
Annual General Meeting Exp.	0.31	0.36
Office Rent	4.20	2.70
Godown Rent	1.00	1.00
Income Tax	0.60	1.56
Bad Debts exp & kasar expenses	0.13	0.00
<b>TOTAL :</b>	<b>183.34</b>	<b>177.64</b>

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2010.  
SCHEDULE "A"****1 ACCOUNTING POLICIES:-****A) Accounting convention :**

The Accounts have been prepared under the historical cost basis, as a going concern, and are consistent with generally accepted accounting principles.

**B) Revenue recognition :**

Revenue/Income and cost/expenditure are generally accounted on accrual as and when they are earned or incurred except in case of uncertainties.

**C) Fixed Assets :**

I. Fixed assets are stated at cost.

II. Company has provided depreciation on fixed assets at the rates specified in schedule XIV of the Companies Act on pro-rata basis.

**D) Investments :**

Investment are stated at cost. Dividends/Interests are accounted for when received and provision for reduction/surplus is made in Accounts on realization.



**E) Finance Transaction :**

Company is financing under various funding schemes. Processing charge and late payment fees are credited on receipt basis.

The monthly installments are bifurcated in two parts. One part being principle is credited to respective borrower account and second part being interest calculated at stipulated rate on declining balance of said account credited to interest account further at the end of the year if some EMIS are due provision for interest receivable on said installment is made in the Accounts.

Finally at the year end the outstanding balance of all borrowers Accounts is shown as balance under the head loans and advances.

**2 Deferred tax provision as required by AS 22**

The depreciation difference on the assets being negligible, no provision is made as required by AS 22.

- 3 The Company has been advised that the payment of bonus Act, 1965 and the payment of gratuity Act, 1972 are not applicable.
- 4 Provision for Income Tax is made after considering deductions and exemptions available at the rates applicable under the income tax Act, 1961.
- 5 In the opinion of the board the current assets, loans and advances are having value at least equal to the amount at which they are stated if realised in the ordinary course of business. Further provision for all known liabilities are adequate and not in excess of the amount reasonably necessary and no personal expenses have been charged to revenue accounts..
- 6 Bank balances include balances of following non scheduled Banks. The details of which is given hereunder.

<b>Name of Bank</b>	<b>Bal. As On 31.03.2010.</b>	<b>Maximum Balance.</b>
Himatnagar Nagarik Sah.Bank Ltd.		
Current Account	4,26,691.00	97,28,901.00
Modasa Nagarik Sah. Bank Ltd.	6,527.00	6,527.00
The S.K.Dist. Cen.Co.Op. Bank Ltd.	11,241.00	32,13,784.00
HDFC BANK LTD., Ahmedabad.	----	----
Himatnagar	2,25,540.00	96,46,731.00
Nadiad	10,000.00	81,410.00
<b>7 Remuneration to Auditors:</b>	<b>2009-2010</b>	<b>2008-2009</b>
		(In lacs)
As Auditors	0.34	0.18
In other capacity	0.00	0.12
	<u>0.34</u>	<u>0.30</u>
<b>8 Remuneration to the directors:</b>		
Salaries	18.60	16.80
Others	0.00	0.00
	<u>18.60</u>	<u>16.80</u>



9 The details of Investments held by the Company as on 31.03.2010 is given here under.

(a) GOI Stock 2012	2164000
GOI Stock 2023	<u>2115000</u>
<b>Total:</b>	4279000

(b) Fixed Deposits With Banks.	
Bank Of India	<u>2111816</u>
<b>Total :</b>	6390816

10. Outstanding Debit \ Credit Balances are Subject to Confirmations from the Parties.

11. As required by Section 45 - IC of Reserve Bank Of India Act , 1934, Company has appropriated 20% of its profits to Special Reserve Account.

12 During the year under audit , company has seized / repossessed the assets of the borrowers in default. The entries of profit (if any) is made on sale which is credited to other income and the entries of loss (if any) is made on sale which is debited to Bad Debts / Loss on sale of repossessed assets. Further the assets which are not sold they are shown as repossessed assets at outstanding balance of respective borrower's account.

13. We have verified the vouchers and documentary evidences wherever made available. Where no documentary evidences were available , we relied on the information/ authentication given by the management.

#### 14. Earning per Share : (AS-20)

- The amount used as numerator in calculating basic earning per share is the profit after depreciation and taxes i.e. Rs. 3579000/-
- The number of ordinary shares used as the denominator in calculating the basic earning per share is 3262000/-

	As at 31 <sup>st</sup> March 2010	As at 31 <sup>st</sup> March 2009
Profit attributable to the Equity		
Shares holders (Rs.) (A)	3579000	3048000
Basic number of Equity Shares (B)	3262000	3262000
Nominal value of Equity Shares (Rs.)	10	10
Basic Earning per Shares (Rs.) A/B	1.10	0.93

#### 15. Segment Reporting : (AS-17)

Based on the guiding principle given in Accounting standard on 'Segment Reporting' (AS-17) issued by the ICAI , the Company's primary business is of providing finance mainly for auto vehicles which mainly have similar risk and returns, hence , in our opinion , there is no separateble segment.

**NALIN LEASE FINANCE LIMITED****16. Related Party Disclosures : (AS-18)**

(a) Relationships :

Associates

Nalin Housing Finance Ltd.

Nalin Services Ltd. (Pre.-Nalin Orchared Ltd.)

Amee Finance Ltd.

Key Management Personnel

Mahendrakumar P. Shah

Dilipbhai N. Gandhi

Nipurnaben N. Gandhi

Pallaviben D. Gandhi

The following transaction were carried out with the related parties in the ordinary course of business as under :

Nature of Transactions	Associates	Key Management Personnel
1. Expenses		
Interest	10,46,167/-	
Directors Remuneration		16,80,000/-
Office Rent		4,20,000/-
2. Loan Taken From:-	Bal. As On 31/03/10	Maximum Bal.
Nalin Housing Finance Ltd.	48,95,185/-	48,95,185/-
Nalin Orchard Ltd.	4,42,335/-	4,42,335/-
Amee Finance Ltd.	NIL	25,45,469/-

17. Previous year's figures have been regrouped and / or rearranged wherever considered necessary.

18. Information required in terms of part IV of schedule VI of the Companies Act, 1956 is attached.

19. Additional information pursuant to para 3, 4C, and 4D, of part II of schedule VI of Companies Act, 1956 are not applicable in the case of the Company.

**Signatures of schedules 1 to 11**

As per our attached report of even date.

For and on behalf of the Board

**For Deepak R.Soni & Co.,** Company Secretary  
Chartered Accountants **S. N. Parikh**

**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**N. N. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**M. P. Shah** *Director*  
**I. C. Shah** *Director*

**D.R. SONI**  
Sole Proprietor  
Mem. No. 35177

Place : **HIMMATNAGAR**  
Dated : **17 / 06 / 2010**

Place : **HIMMATNAGAR**  
Dated : **18 / 06 / 2010**

**19th ANNUAL REPORT 2009-2010****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010  
(Pursuant to the Listing Agreement with Stock Exchange)**

	(Rs. in Lacs)			
	2009-2010		2008-2009	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:-</b>				
Net Profit Before Tax		52.16		46.26
Adjustment for :				
Depreciation	3.02		2.88	
Loss on Sale of Asset	0.00		0.00	
Taxation Provision & FBT	-16.37	-13.35	-15.78	-12.90
Operating Profit before working capital changes		38.81		33.36
Adjustment for:				
Trade & Other receivables	-74.19		74.33	
Trade payables	-17.95	-92.14	-25.38	48.95
Net Cash used in operating activities		-53.33		82.31
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-2.82		-0.48	
Decrease in Investment	-1.50		-1.76	
Net cash used in Investing Activities		-4.32		-2.24
		-57.65		80.07
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Total proceeds from Borrowings		4.51		-2.73
Net cash used in Financing Activities		-53.14		77.34
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		53.14		-77.34
<b>CASH &amp; CASH EQUIVALENTS AS AT 1-4-08 (Opp. Balance)</b>		132.20		54.86
<b>CASH &amp; CASH EQUIVALENTS AS AT 31-3-09 (Clo. Balance)</b>		79.06		132.20

As per our attached report of even date.

**For Deepak R.Soni & Co.,** Company Secretary  
Chartered Accountants **S. N. Parikh**

**D.R. SONI**  
Sole Proprietor  
Place : **HIMMATNAGAR**  
Dated : **18 / 06 / 2010**

For and on behalf of the Board

**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**N. N. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**M. P. Shah** *Director*  
**I. C. Shah** *Director*  
Place : **HIMMATNAGAR**  
Dated : **17 / 06 / 2010**

**AUDITORS CERTIFICATE**

We have verified the above Cash Flow Statement with the books and records maintained by **Nalin Lease Finance Limited** and found the same in agreement therewith.

**For Deepak R. Soni & Co.,**  
Chartered Accountants

Place : **Himmatnagar**  
Dated : **18th June 2010**

**D.R. Soni**  
Sole Proprietor

**NALIN LEASE FINANCE LIMITED**



**PART IV OF SCHEDULE VI OF COMPANIES ACT. 1956 (AS AMENDED) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

**I. Registration Details**

Registration No. L 6 5 9 1 0 G J 1 9 9 0 P L C 0 1 4 5 1 6 State Code 0 4  
 Balance Sheet Date 3 1 0 3 2 0 1 0  
 Date Month Year

**II. Capital Raised during the Year (Amount in Rs. Lacs)**

Public Issue	Rights Issue
0 0 0 0 0 0 N I L	0 0 0 0 0 0 N I L
Bonus Issue	Private Placement
0 0 0 0 0 0 N I L	0 0 0 0 0 0 N I L

**III Position of Mobilisation and Deployment of Funds (Amount in Lacs)**

Total Liabilities	Total Assets
0 0 0 9 1 9 . 8 4	0 0 0 9 1 9 . 8 4
<b>Source of Funds</b>	
Paid up Capital	Reserve & Surplus
0 0 0 3 2 6 . 2 0	0 0 0 1 9 2 . 3 5
Secured Loans	Unsecured Loans
0 0 0 2 1 . 4 0	0 0 0 3 7 9 . 8 9
<b>Application of Funds</b>	
Net Fixed Assets	Investments
0 0 0 1 6 . 5 9	0 0 0 6 3 . 9 1
Net Current Assets	Misc. Expenditure
0 0 0 8 3 9 . 3 4	0 0 0 0 . 0 0
Accumulated Losses	
0 0 0 0 0 0 N I L	

**IV Performance of Company (Amount Rs in Lacs)**

Income from Operations	Total Expenditure
0 0 0 3 0 7 . 0 0	0 0 0 2 5 4 . 8 5
+ - Profit/Loss Before Tax	+ - Profit/Loss After Tax
+ 0 0 0 5 2 . 1 6	+ 0 0 0 3 5 . 7 9
Earning Per Shares in Rs.	Dividend rate %
0 0 0 1 . 1 0	0 0

**V Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code) N A  
 Product Description F I N A N C E









## NALIN LEASE FINANCE LIMITED

Regd. Off. : Ground Floor, Gandhi Nursing Home Bldg.,  
Dr. Nalinkant Gandhi Road, HIMATNAGAR - 383 001.

### ATTENDANCE SLIP

(To Be handed over, duly filled in, at the Entrance of the Meeting Place)

Name of the attending Member / Proxy (in block letters) :

Member's Folio No. :

No. of Shares held :

I hereby record by presence at the 19<sup>TH</sup> ANNUAL GENERAL MEETING of the Company to be held at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383 001 on Wednesday 28th July 2010 at 11-00 A.M.

Place : Himatnagar

Member's / Proxy's Signature



## NALIN LEASE FINANCE LIMITED

Regd. Off. : Ground Floor, Gandhi Nursing Home Bldg.,  
Dr. Nalinkant Gandhi Road, HIMATNAGAR - 383 001.

### PROXY FORM

DP ID*	Client ID*	Regd. Folio No.

I / We \_\_\_\_\_  
of \_\_\_\_\_ being a member / members of the abobe named Company  
hereby appoint \_\_\_\_\_ of  
failing him \_\_\_\_\_ of  
\_\_\_\_\_ as my / our proxy to vote for me / us and on my / our behalf at the 19<sup>TH</sup> ANNUAL GENERAL MEETING  
of the Company at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar - 383 001 on  
Wednesday 28 July 2010 at 11-00 A.M. Signed this \_\_\_\_\_ day of \_\_\_\_\_

#### Note :-

1. The form should be signed across the stamp as per the specimen signature registered with the company.
2. This proxy must be deposited at the Registered Office of the Company at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001 not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

\* Applicable for members holding shares in electronic form.

Revenue  
Stamp



## NALIN LEASE FINANCE LIMITED

### 19<sup>th</sup> ANNUAL GENERAL MEETING

Day : Wednesday  
Date : 28th July, 2010  
Time : 11-00 A.M.  
Venue : Ground Floor,  
Gandhi Nursing Home Bldg.,  
Dr. Nalinkant Gandhi Road,  
HIMATNAGAR - 383 001.

### BOARD OF DIRECTORS

Mr. Narendrakumar Dalsukhdas Shah *Chairman*  
Mr. Dilipkumar Nalinkant Gandhi *Managing Director*  
Mrs. Nipurnaben Nalinkant Gandhi *Director*  
Mrs. Pallaviben Dilipkumar Gandhi *Director*  
Mr. Mahendrakumer P. Shah *Director*  
Mr. Indravadan Chhotalal Shah *Director*

### COMPANY SECRETARY

**Mrs. Swatiben Parikh**  
*Company Secretary*

### AUDITORS

**M/s. Deepak R. Soni & Co.**  
*Chartered Accountants*  
Himatnagar - 383 001.  
Phone : 247780

### BANKERS

Bank of India  
Bank of Baroda  
Axis Bank Ltd.  
State Bank of India  
Union Bank of India  
IDBI Bank.  
Dena Bank  
Himatnagar Nagrik Sahakari Bank Ltd.  
The S.K. Dist. Cen. Co-op. Bank Ltd.  
Modasa Nagarik Sahakari Bank Ltd.  
H.D.F.C. Bank Ltd., Himatnagar.

### REGISTERED OFFICE

Ground Floor,  
Gandhi Nursing Home Bldg.,  
Dr. Nalinkant Gandhi Road,  
HIMATNAGAR - 383 001.  
Phone : 241264, 242264, Fax : 241264

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### NOTES :

1. All Correspondence relating to Shares of the Company may please be addressed to be Companys's Registered office.
2. Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
3. Members seeking further information about the Accounts and / or Operations of the Company, are requested to send their querries to the Company at its Registered Office atleast TEN days before the date of the Meeting.

Book-Post

To

If undelivered, Please Return to :-  
**NALIN LEASE FINANCE LIMITED**  
Ground Floor,  
Gandhi Nursing Home Bldg.,  
Dr. Nalinkant Gandhi Road,  
HIMATNAGAR - 383 001.

**19th Annual Report  
2009-2010**



**NALIN LEASE FINANCE LIMITED**