

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of **Nalin Lease Finance Limited** will be held on Wednesday, the 18th July, 2012 at 11.00 a.m. at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar- 383 001, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2012, Profit & Loss Account for the year ended on that date together with the Report of Board of Director & Auditors thereon.
2. To appoint an independent 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 deem fit to pass with or without modification , the following resolution as ordinary resolution

Resolved that pursuant to provisions under section 198,269,309,311,314 schedule XIII and other applicable provisions , if any under the companies act 1956, consent of the company be and is here by accorded for the reappointment of Smt. Pallaviben Dilipkumar Gandhi as executive director of the company for a period of 5(five) years with effect from 01st day of August 2012, and payment of remuneration to her, upon various terms and conditions set out in explanatory statement for item No. 4 of the notice convening this Annual General Meeting.

Resolved further that board of directors of company be and is here by authorized to increase augment and /or enlarge the salary and perquisites payable to the Executive director of the company including the monetary value thereof up to the maximum limit prescribed in the behalf Under the companies act 1956 schedule XIII or any statutory modification or reenactment thereof from time to time and from the date to such provisions and for guidelines come into force.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**ITEM NO. 4**

The Board of directors of the company at its meeting held on 1st June, 2012 re - appointment Smt. Pallaviben Dilipkumar Gandhi as Executive Director subject to the approval of the Shareholders at General Meeting Smt. Pallaviben Dilipkumar Gandhi was looking after the Accounts. It is desirable that the company should continue to avail her services as Executive Director of the Company on the following terms and conditions;

1. The Executive Director shall, subject to supervision, control and directions of the Board of Directors and / or Managing Director of the Company, manage the business and affairs of the company.
2. Period of appointment 5 years commencing from 01.08.2012 to 31.07.2017.
3. Remuneration payable salary Rs. 60000 (Sixty Thousand only) per month including all allowances in the scale of 60000-10000-100000.
4. Medical Reimbursement: Reimbursement of medical expenses incurred for Smt. Pallaviben Dilipkumar Gandhi and her family.
5. Leave Travel Concession: Leave Travel Concession for Smt. Pallaviben Dilipkumar Gandhi and her family once in a year in accordance with the Rules and Regulations specified by the company.
6. Personal Accident insurance and Hospitalisation/Mediclaim Insurance also premium not exceeding Rs. 10000/- per annum.
7. Club Fee: Remuneration of fees of club. This will not include admission and Life Membership Fees.
8. Car and telephone: Provision of car for use on company's business and telephone at the residence will not be considered as perquisites. Personal long distance call on telephone and use of car for private purpose shall be billed by the company to Smt. Pallaviben Dilipkumar Gandhi.
9. The remuneration and other perquisites as set out above are in accordance with and within limit prescribed under Schedule XIII of the Companies Act, 1956.

Above may be treated as an abstract to notice pursuant to section 302 of the companies Act, 1956. The Directors recommend the resolution as set out in Item No. 4 of the notice for approval of shareholders.

In the event of loss or inadequacy of profit in any financial year, the executive Director shall be paid remuneration by way of salary and perks as specified above.

Executive Director, so long as the functions as such, shall not be paid any sitting fees for attending the meeting of the Board of Directors.

Company shall reimburse the Executive Director traveling and all other expenses incurred by she for the business of the Company.

This explanatory statement together with accompanying notice is and it should be treated as extract of the terms and conditions for the appointment of Whole time Director and Executive Director of the company under Sec. 230 of the companies Act, 1956.

Smt. Pallaviben Dilipkumar Gandhi is deemed to be concerned or interested in the resolution set out at Item No. 4 of the notice as it pertains to her appointment and remuneration payable to her.

Registered Office**By order of the Board of Directors**

Ground floor,
Gandhi Nursing Home Bldg.
Dr. Nalinkant Gandhi Road,
Himatnagar-383001.
Dated: June 1st, 2012

(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 Monday, 16th July, 2012 to Wednesday, 18th July, 2012 (both days inclusive).

DIRECTORS' REPORT

To,
The Members,
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 21st Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

	2011-2012	(Rs. in Lacs) 2010-2011
Gross Profit (PBDT)	83.53	68.82
Less:-Depreciation	3.93	3.60
Profit Before Tax (PBT)	79.60	65.22
Less:-Provision for Taxation & FBT	26.40	20.75
Net Profit (PAT)	53.20	44.47
Add: Balance in Profit & Loss A/C.	4.43	3.86
Balance Available for Appropriation	57.63	48.33
Appropriations:		
Reserves	50.65	43.90
Balance carried to Balance Sheet	6.97	4.43

Despite of adverse situation and also competition, your Directors have, by making continuous sincere efforts maintained its advances portfolio in auto two wheelers in the area of its operation. .

DIVIDEND

Dividend Not recommended for the year 2011-12 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.

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 31-03-2012 Rs. 345.11 Lacs.
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2011:- 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. During the year as required by NBFC prudential norms (Reserve Bank) directions, 2007 company has made a general provision @ 0.25% amounting to Rs. 191,600/- on outstanding standard assets.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the companies act, 1956, your director's 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 : Himatnagar
Dated:- 01.06.2012

(N. D. SHAH)
CHAIRMAN

**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 transparence 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 five directors Three Directors are executive Directors and two 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.	Harsh Dilipkumar Gandhi	Executive (Whole time Director)
4.	Pallaviben Dilipkumar Gandhi	Executive (Executive Director)
5.	Navinchandra Chandulal Soni	Non Executive(Independent Director)

(ii) MEETINGS OF BOARD

Five Board Meeting were held during the year ended 31.03.2012. These were held on 11.04.2011, 15.06.2011, 11.07.2011, 11.10.2011, 11.01.2012. 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 31st March, 2012 are given below:

Directors	No. of Board Meeting Attended During 2011-12	No. of Audit Committee Attended During 2011-12	No. of Share-holders' Inves-tors Grievance Committee Attended During 2011-12	Last Annual General Meeting Attained 2011-12
Narendrakumar Dalsukh Shah	5	4	4	Yes
Dilipkumar Nalinkant Gandhi	5	4	4	Yes
Harsh Dilipkumar Gandhi	5	-	-	Yes
Pallaviben Dilipkumar Gandhi	5	-	-	Yes
Navinchandra Chandulal Soni	5	4	4	Yes

(III) OTHER DIRECTORSHIPS

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

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.
Narendrakumar Dalsukhdas Shah	Nil	Nil	Three
Dilipkumar Nalinkant Gandhi	Four	Nil	Three
Harsh Dilipkumar Gandhi	Nil	Nil	Nil
Pallaviben Dilipkumar Gandhi	Four	Nil	Nil
Navinchandra Chandulal Soni	Nil	Nil	Nil

(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 dalshukhdas shah joined the Board of the Company from 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) Navinchandra Chandulal Soni

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 2012, the audit committee meeting were held on 11.04.2011, 11.07.2011, 11.10.2011 & 11.01.2012.

Sr. No.	Name of the Director	No. of Meetings attended
1.	Dilipkumar Nalinkant Gandhi	4
2.	Narendrakumar Dalsukhdas Shah	4
3.	Navinchandra Chandulal Soni	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 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) Navinchandra Chandulal Soni

The Grievance 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, Statutory auditor and internal audit functions. During the financial year ended 2012, the Grievance committee meeting were held on 11.04.2011, 11.07.2011, 11.10.2011 & 11.01.2012.

Sr. No.	Name of the Director	No. of Meetings attended
1.	Dilipkumar Nalinkant Gandhi	4
2.	Narendrakumar Dalsukhdas Shah	4
3.	Navinchandra Chandulal Soni	4

The minutes of the Audit 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 2011-2012 is as follows:

Name	Salary	Perquisites	Commission	Total
Dilipkumar Nalinkant Gandhi	9,00,000	-	-	9,00,000
Pallalviben Dilipkumar Gandhi	4,80,000	-	-	4,80,000
Harsh Dilipkumar Gandhi	6,00,000	-	-	6,00,000
Total	19,80,000			19,80,000

Number of Shares held by non executive directors is as under

Sr. No.	Name of the Directors	No. of shares held
1	Narendrakumar Dalsukhdas Shah	2,500

6. GENERAL BODY MEETING

Financial Year	Date	Time	Venue
2007-2008 17 th AGM	30.07.2008	4.00 P.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2008-2009 18 th AGM	29.07.2009	4.00 P.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2009-2010 19 th AGM	28.07.2010	11.00 A.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2010-2011 20 th AGM	20.07.2011	11.00 A.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 is given under Note No. 16 of Notes Forming part of accounts for the year ended on 31st March, 2012.

Equity Shares held by Director as on 31st March, 2012.

Sr. No.	Name of the Director	No. of Shares held
1.	Dilipkumar Nalinkant Gandhi	2,63,368
2.	Pallaviben Dilipkumar Gandhi	1,80,000
3.	Harsh Dilipkumar Gandhi	30,500
4.	Narendrakumar Dalsukhdas Shah	2,500

- (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.

9. GENERAL SHAREHOLDERS INFORMATION:

Annual General Meeting Details:

Date	18.07.2012
Time	11.00 A.M.
Venue	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
Book Closure Date	16.07.2012 to 18.07.2012
Record Date	18.07.2012
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	39092
2.	Bombay Stock Exchange Ltd	531212
3.	Vadodara Stock Exchange Ltd	31212

(ii) Listing Fees

The Company has paid Listing fees for the financial year 2011-2012 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 31.03.2012

No. Of Equity Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of shareholding
1-100	160	12.08%	10420	0.32%
101-500	662	50.00%	207293	6.35%
501-1000	77	5.81%	64729	1.98%
1001-5000	220	16.62%	769997	23.61%
5001-10000	181	13.67%	1168027	35.81%
10001-100000	21	01.59%	481534	14.76%
100001-500000	03	00.23%	560000	17.17%
500001 & above	00	00.00%	00	00.00%
Total	1324	100.00%	3262000	100.00%

(Vi) Dematerialization of shares :

The company is having 1041600 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 the 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

Place : Himatnagar

Date : 01/06/2012

Managing Director &

Chief Executive Officer



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

Nalin Lease Finance Ltd., Himatnagar.

We have examined the compliance of conditions of Corporate Governance by **Nalin Lease Finance Ltd.** for the year ended 31st March, 2012 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 future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: **Himatnagar**

Date: 02.06.2012

(D.R.Soni)

Sole Proprietor

M.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 2012, 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, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 31st March, 2012.
 - (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.

For DEEPAK R SONI & CO.
F.R.N 102245W
Chartered Accountants

Place : **Himatnagar**
Date : **02.06.2012**

(DEEPAK SONI)
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 has 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 two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as Rs.63,80,113/- and the year end balance of loans taken from such parties was Rs. 63,11,588/-
- (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 31st March, 2012 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 no. 4 ii, viii, and xvi of the said order are not applicable in the case of the company for the year under audit.

For DEEPAK R SONI & CO.
Chartered Accountants

Place : Himatnagar
Date : 02.06.2012

(DEEPAK SONI)
Proprietor
Mem.No. 35177

Balance Sheet as at 31st March, 2012

Particulars	Note No	31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	32620000	32620000
(b) Reserves and Surplus	2	29394589	23883433
(c) Money received against share warrants		0	0
(2) Share application money pending allotment		0	0
(3) Non-Current Liabilities			
(a) Long-term borrowings		0	0
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long term provisions		0	0
(4) Current Liabilities			
(a) Short-term borrowings	3	43261603	42892255
(b) Trade payables		0	0
(c) Other current liabilities	4	54068	95542
(d) Short-term provisions	5	2987015	2421015
Total		108317275	101912245
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	2831184	2753910
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments	7	1561777	1103328
(c) Deferred tax assets (net)		0	0
(d) Long term loans and advances		0	0
(e) Other non-current assets	8	6000	5000
(2) Current assets			
(a) Current investments	9	5176674	5433684
(b) Inventories	10	756490	896390
(c) Trade receivables	11	76974074	81312288
(d) Cash and cash equivalents	12	18894073	8828712
(e) Short-term loans and advances		0	0
(f) Other current assets	13	2117003	1578932
Total		108317275	101912245

Significant Accounting Policies
Notes on Financial Statements

1 to 21

As per our Report of Even Date
For, Deepak R. Soni & Co.
Chartered Accountants

D.R.Soni
Sole Proprietor
Place : Himatnagar
Date : 02.06.2012

S.N. Parikh
Company Secretary

For and on behalf of the Board
N. D. Shah *Chairman*
D. N. Gandhi *Managing Director*
H. D. Gandhi *Director*
P. D. Gandhi *Director*
N. C. Soni *Director*

Place : Himatnagar
Date : 01.06.2012

STATEMENT OF PROFIT AND LOSS for the year ended 31.03.2012

Particulars	Note No	31.03.2012	31.03.2011
I. Revenue from operations	14	30442400	28519752
II. Other Income (Kasar)	15	2383578	3035377
III. Total Revenue (I +II)		32825978	31555129
<i>IV. Expenses:</i>			
Employee Benefits Expenses	16	1640987	1545973
Adminstration expenses	17	19034260	19252242
Financial Cost	18	3606504	3673021
Depreciation	4	393071	360467
Contingent Provision on Std Assets		191600	201600
Total Expenses		24866422	25033303
V. Profit before tax (III - IV)		7959556	6521826
VI. Exceptional Items (Profit ater adjusting loss on sale of fixed asset)		0	0
VII. Profit before extraordinary items and tax (V - VI)		7959556	6521826
VIII. Extraordinary Items (prior period expenses)		0	0
IX. Profit before tax (VII - VIII)		7959556	6521826
X. Tax expense:			
(1)Current tax		2640000	2075000
(2) Deferred tax		0	0
XI. Profit(Loss) for the Year (IX - X)		5319556	4446826
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discounting operations		0	0
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
XV. Profit/(Loss) for the year (XII + XIV)		5319556	4446826
XVI. Earning per equity share:			
(1) Basic		1.63	1.36
(2) Diluted			

Significant Accounting Policies

Notes on Financial Statements

1 to 21

 As per our Report of Even Date
 For, Deepak R. Soni & Co.
 Chartered Accountants

D.R.Soni
 Sole Proprietor

S.N. Parikh
 Company Secretary

For and on behalf of the Board

N. D. Shah *Chairman*
D. N. Gandhi *Managing Director*
H. D. Gandhi *Director*
P. D. Gandhi *Director*
N. C. Soni *Director*

 Place : Himatnagar
 Date : 02.06.2012

 Place : Himatnagar
 Date : 01.06.2012

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at	
	31.03.2012	31.03.2011
Notes : 1 .. Share Capital		
a Authorised Share Capital:		
37,50,000 Equity shares of Rs. 10/- each	37500000	37500000
b Issued, Subscribed and Fully Paid up Share Capital:		
32,62,000 Equity shares of Rs. 10/- each	32620000	32620000
c Par Value per Share	Rs. 10	10
d Number of equity shares at the beginning of the year	3262000	3262000
Add: Rights issue	0	0
Bonus issue	0	0
Less: Buy back	0	0
Number of equity shares at the end of the year	3262000	3262000
e Number of shares held by share holders more 5% of total shares		
Dilipkumar Nalinkant Gandhi	263368	243368
Nipurnaben Nalinkant Gandhi	200000	200000
Pallaviben Dilipkumar Gandhi	180000	180000
Notes 2 .. Reserves and Surplus		
A General Reserve		
Opening Balance	16470876	12970876
Add: Transfer from Profit & Loss Account	4000000	3500000
Closing balance	20470876	16470876
B Statutory Reserve (U/s 45 IC of RBI Act)		
Opening Balance	6768426	5878426
Add: Transfer from Profit & Loss Account	1065000	890000
Closing balance	7833426	6768426
C Surplus from Profit & Loss account		
Opening balance	442531	385705
Add: Current year surplus	5319556	4446826
Less: Transfer to general reserve	4000000	3500000
Less: Transfer to Compulsory Reserve	1065000	890000
Less: Dividend Tax Provisions	0	0
Closing balance	697087	442531
D Contingent Provision on Std Assets		
Opening Balance	201600	0
Add: Transfer from Profit & Loss Account	191600	201600
Closing balance	393200	201600
	29394589	23883433

Additional Disclosure

- i As required by Section 45 IC of Reserve bank of India Act, 1934, Company has appropriated 20% of its Profits to Special Reserve Accounts
- ii As per RBI's Direction, all NBFCs are required to make necessary provisions for non performing assets. Accordingly Company has make a provision of 0.25% of its outstanding HP Advance.
[DNBS.PD.CC.No.207/03.02.002/2010-11 dated 17.01.2011]



Particulars	As at 31.03.2012	As at 31.03.2011
Notes : 3 .. Short Term Borrowings		
A Loans Repayable on Demand		
Himatnagar Nagrik Sahakari Bank Ltd OD 319	2438851.48	972833.48
B Deposits		
F D Accounts	34511163.00	36224563.00
C Inter Corporate Deposits		
Nalin Consultancy Services Limited	5768404.10	5204750.85
Nalin Services Limited	543184.20	6311588.30
	43261603	490107.20
		5694858.05
		42892255
Additional Disclosure		
A) Over Draft facility is secured against Fixed Deposit of Rs. 30 lacs.		
B) Public Deposits and Inter Corporate Deposits are unsecured.		
Notes : 4 .. Other Current Liability		
a Excess Interest Refundable		
Hemraj Banamal Bhavnani	1941	0
Vinodbhai Banamal Bhavnani	627	0
b Deepak R. Soni & Co.	31500	29781
c Ajaykumar J. Shah & Co. (Internal Auditor)	20000	18000
d Suspense A/c	0	47761
	54068	95542
Notes : 5 .. Short Term Provisions		
a Provision for income tax	2640000	2075000
b Salary Conveyance	94000	69000
c Director Remuneration	114015	114015
d Postage Payable	12500	13500
e Travelling Exp.	72500	62000
f Refreshment exp	27000	31000
g Staff Welfare	13000	15000
h Advertisement Exp	11000	14500
i Electricity Exp	3000	12000
j Telephone Exp	0	15000
	2987015	2421015
Notes : 7 .. Non Current Investment		
Excess Investment in Government Securities (See Notes 9)	1561777	1103328
Notes : 8 .. Other Non Current Assets		
Telephone Deposits	6000	5000



Notes : 6 .. Fixed Assets

6	Trangible asset	Gross Value				Depreciation				Closing balance	
		Opening balance	Additions	Deletions	Total	Opening balance	Additions	Deletions	Total	31.03.2012	31.03.2011
a	Office Building	381500	0	0	381500	96019	6226	0	102245	279255	285481
b	Office Equipments	1847535	239515	0	2087050	1280639	152804	0	1433443	653607	566896
c	Vehicles	2910830	0	0	2910830	1489840	144645	0	1634485	1276345	1420990
d	Furniture & Fixtures	1035960	185495	0	1221455	581437	73762	0	655199	566256	454523
e	Air Conditioner	188325	45335	0	233660	162305	15634	0	177939	55721	26020
	Total	6364150	470345	0	6834495	3610240	393071	0	4003311	28311842	2753910
	Figures for the previous year	4908500	1831194	375544	6364150	3249773	360467	0	3610240	2753910	1658727



Particulars	As at 31.03.2012	As at 31.03.2011
Notes : 9 .. Current Investment		
Investment in Government Securities for SLR	5176674	5433684
As per RBI Norms, Company Has to Invest 15% of its Public Deposits in Specified Securities for SLR. Our Company has made investmnet in following Governement Securities which is in excess of required 15%. Hence as per requirement of Revised Schedule VI we have classified 15% of Public Deposits in Current Assets and excess investment in Non Current Assets		
Unquoted, at Cost		
Investment in GOI 2023	2115000	2115000
Investment in GOI 20-12	2164000	2164000
Bank of India FIX A/c	2459451	2258012
Notes : 10 .. Inventories (as taken and valued at cost by Director)		
Sp. Adhesive Stamp	456490	261390
Stationery Stock	300000	635000
	756490	896390
Notes : 11 .. Trade Receivables		
Secured, considered good		
H P Accounts	76659279	80600033
Interest Receivables on HP	314795	318953
Gujarat Motors, Meghraj	0	393302
	76974074	81312288
Notes : 12 .. Cash & Bank Balances		
A Cash and cash equivalents		
a Balance with banks		
Axis Bank Collection A/c	1463365.19	42366.46
Axis Bank OD A/c	27145.00	27145.00
Axis Bank Payment A/c	835722.18	887621.25
Bank of Baroda CBS 0495	174083.80	91262.00
Bank of India, Himatnagar	170431.00	181898.00
Dena Bank, Himatnagar	63256.00	0.00
HDFC Bank Realisation	0.00	-94419.00
HDFC Bank, Himatnagar	670857.20	404289.80
Himatnagar Nagrik Sahakari Bank	7793040.11	153057.16
Himatnagar Nagrik Sahakari Bank Realisation	-119300.00	
IDBI Bank, A/c No. 028	64751.10	27311.10
IDBI Bank, A/c No. 4558	195895.00	15214.00
IDBI Realisation	-46255.00	0.00
S K Dist Central Coop. Bank Ltd	10029.00	12744.00
State Bank of India	25305.44	74031.44
b Cash on Hand	439168.98	147674.33
	11767495	1970196
c Other Bank Balance		
in Deposit account		
Axis Bank FD A/c	1214109.00	1121818.00
HDFC, HMT FIX A/c	2412468.52	2236698.63
Himatnagar Nagrik Sahakari Bank	3000000.00	3000000.00
IDBI FD A/c	500000.00	500000.00
	7126578	6858517
	18894073	8828712

Additional information

- a OD has been Taken against security of Fixed Deposits of Himatnagar Nagrik Sahakari Bank Ltd.



Particulars	As at		As at	
	31.03.2012		31.03.2011	
Notes : 13 .. Other Current Assets				
TDS Receivables	76648.44		107841	
Advance Tax	2008500.00		1442000	
Advance Subscription	15626.00		0	
Advance Insurance	16229.00		29091	
		2117003		1578932
Notes : 14 .. Revenue from Operations				
Interest Income	23383325.91		21696052	
Interest Receivables on HP	314795.00		318953	
Late Fee Charges	6744279.50	30442400	6504747	28519752
Notes : 15 .. Other income				
Interest on FDs	810025.79		667277	
Cheque Return Charges	32102.00		28857	
Insurance Commission	201530.00		652268	
Advocate Exp Recovered	1065920.00		1402317	
Interest From Govt Securities	274000.00		274000	
Excess IT Provisions W/Back	0.00		9839	
Excess provisions of Audit Fees	0.00	2383578	819	3035377
Notes : 16 .. Salary & Wages				
Salary & Conveyance	1445000		1370000	
Staff Welfare Exp	195987	1640987	175973	1545973
Notes : 17 .. Administrative & Other Expenses				
Advertisement Exp	246430.00		220700	
Audit Fees Exp	57000.00		54090	
Bad Debts Exp	64554.27		23868	
Bank Commission & Charges	217401.42		282978	
Books, Periodicals & Subscription	7385.00		41976	
Demate Exp	40811.00		40744	
Director Remuneration	1980000.00		1910667	
Electricity Exp	127527.08		140179	
Godown Rent Exp	100000.00		100000	
Income-tax Exp	21260.00		13474	
IT Provision Directly dr in P & L	174.00		0	
Legal & Professional Fees				
Advocate Fees Expenses	1685200.00		1791600	
Professional Fees	8000.00		53085	
ROC Return Filing Fees	3000.00		9300	
Loss on Sale of Vehicles	62574.34		105544	
Misc. Expenditure				
Annual General Meeting Exp	21300.00		25500	
Computer Consultatating	0.00		40285	
General Exp	31070.00		19900	
Office Rent	420000.00		420000	
Professional Tax	1000.00		1000	
Refreshment Exp	535995.00		455239	
Repairs & Maintenance	119058.16		9805	
Seizing & Collection Expenses	8045591.00		8092590	
Sp Adhesive Stamp Exp	1024900.00		1106000	
Stationary, Printing & Postage	3110047.00		3171402	
Stock Exchange Listing Fees	36537.00		31022	



Particulars	As at	
	31.03.2012	31.03.2011
Telephone Exp	111772.87	138011
Travelling & Conveyance	781900.00	764100
Vehicle Exp.	173772.35	189183
	<u>19034260</u>	<u>19252242</u>

Notes : 18 .. Financial Cost

Interest on Public Deposits	2911326.00	3023992
Interest on Inter Corporate Advances	685255.25	638497
Interest on Bank OD	<u>9922.51</u>	<u>10532</u>
	3606504	3673021

Notes : 19 .. Remuneration to Auditors

As Auditors	45000	42090
In other Capacity	<u>12000</u>	<u>12000</u>
TOTAL	57000	54090

Notes : 20 .. Earnings per Share

i Net Profit after tax as per Statement of Profit & Loss attributable to Equity Share Holder (A)	5319556	4446826
ii Basic No. of Equity Shares (B)	3262000	3262000
iii Basic Earnings per Shares (A/B)	1.63	1.36
iv Face Value Per Equity Shares	10	10

Notes : 21 .. Related Party Disclosures

A List of Related Parties where control exists and related parties with whom transactions have taken place and relationship

Sr. No.	Name of the Related Party	Relationship
i	Nalin Consultancy Services Ltd	Associates
ii	Nalin Services Ltd	Associates
iii	Dilipkumar Nalinkant Gandhi	Key Management Personnel
iv	Pallaviben Dilipkumar Gandhi	Key Management Personnel
v	Harsh Dilipkumar Gandhi	Key Management Personnel
vi	Nipurnaben Nalinkant Gandhi	Key Management Personnel

B Transactions During the year with related parties

Sr. No.	Name of the Related Party	Nature of Transaction	Associates	Key Mgt Personnel
i	Nalin Consultancy Services Ltd	Loan Taken	5768404	0
ii	Nalin Services Ltd	Loan Taken	543184	0
iii	Nalin Consultancy Services Ltd	Interest	626281	
iv	Nalin Services Ltd	Interest	58974	
v	Dilipkumar Nalinkant Gandhi	Director Remuneration	0	900000
vi	Pallaviben Dilipkumar Gandhi	Director Remuneration	0	480000
vii	Harsh Dilipkumar Gandhi	Director Remuneration	0	600000
viii	Dilipkumar Nalinkant Gandhi	Office Rent	0	120000
ix	Nipurnaben Nalinkant Gandhi	Office Rent	0	120000

NALIN LEASE FINANCE LIMITED, HIMMATNAGAR**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31ST MARCH, 2012****SCHEDULE "A"****A) Accounting convention:**

The Financial Statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

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) Own Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

D) Depreciation

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

E) Investments:

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

F) 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.

G) Provision for Income-tax & Deferred Tax

Provision for Income Tax is made after considering deductions and exemptions available at the rates applicable under the Income tax Act, 1961.

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

H) The Company has been advised that the payment of bonus Act, 1965 and the payment of gratuity Act, 1972 are not applicable.

- I) 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 realized in the ordinary course of business. Further provisions 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.
- J) Outstanding Debit \ Credit Balances are Subject to Confirmations from the Parties.
- K) 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.
- L) 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.
- M) 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 separatable segment.
- N) Company is registered as NBFC with RBI and mainly engaged in the business of financing against two wheelers. The said advance is generally recoverable in 36 monthly installments. As the advance is realizable in 36 months, the operating cycle, is considered of 36 months (3 years) for classification of current / non current assets and liabilities as required under Revised Schedule VI for the Balance sheet as at 31.03.2012.
- O) Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

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.

As per our report of even date.

For and on behale of the Board

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

Company Secretary
(S.N.Parikh)

N. D. Shah *Chairman*
D. N. Gandhi *Managing Director*
H. D. Gandhi *Director*
P. D. Gandhi *Director*
N. C. Soni *Director*

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

Place :- Himatnagar
Dated:- 02.06.2012

Place :- Himatnagar
Dated:- 01.06.2012

NALIN LEASE FINANCE LIMITED, HIMATNAGAR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012
(Pursuant to the Listing Agreement with Stock Exchange)

A. CASH FLOW FROM OPERATING ACTIVITIES:-

		2011-2012		2010-2011
Net Profit Before Tax		79.60		65.22
Adjustment for :				
Depreciation	3.93		3.60	
Taxation Provision & FBT	-26.40		-20.75	
Contingent provision against standard assets	1.92		2.02	
Loss on sale of asset	0.00	-20.55	3.76	-11.37
Operating Profit before working capital changes		59.05		53.85
Adjustment for:				
Trade & Other receivables	41.96		2.62	
Trade payables & Provisions	5.25	47.21	1.85	4.47
Net Cash used in operating activities		106.26		58.32
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	-4.70		-18.31	
Increase / Decrease in Investment	-4.58		-1.46	
Net cash used in Investing Activities		-9.28		-19.77
		96.98		38.55
C. CASH FLOW FROM FINANCING ACTIVITIES				
Total proceeds from Borrowings		+3.69		-29.32
Net cash used in Financing Activities		100.65		9.23
NET INCREASE IN CASH & CASH EQUIVALENTS				
CASH & CASH EQUIVALENTS AS AT 1.4.2011 (Opening Balance)		88.29		79.06
CASH & CASH EQUIVALENTS AS AT 31.03.2012 (Closing Balance)		188.94		88.29

As per our attached report of even date

For Deepak R. Soni & Co.
Chartered Accountants

Company Secretary
S.N.Parikh

(D.R.Soni)
Sole Proprietor
Place: Himatnagar
Date: 02.06.2012

For and on behalf of the Board

N. D. Shah *Chairman*
D. N. Gandhi *Managing Director*
H. D. Gandhi *Director*
P. D. Gandhi *Director*
N. C. Soni *Director*

Place: Himatnagar
Date: 01.06.2012



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.

Himmatnagar
Dated: - 02.06.2012

For Deepak R. Soni & Co.,
Chartered Accountants

(D.R.Soni)
Sole Proprietor



Schedule to the Balance Sheet of a Non Banking Financial Company
(as required in terms of Paragraph 9BB of Non Banking Financial Companies Prudential Norms) (Reserve Bank) Directions, 1998

Company Name : **NALIN LEAS FINANCE LIMITED, Financial Year : 2011-12**

(Amt. In Rs.)

Particulars		
Liabilities side :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid; (a) Debentures : Secured : Unsecured (Other than falling within the meaning of public deposits*) (b) Deferred Credits (c) Term Loans (d) Inter Corporate loans and borrowing (e) Commercial Paper (f) Public Deposits* (g) Other Loans (Specify nature) Loan against FD *please see Note 1 below	Amount outstanding 6311588.30 34511163.00 2438851.48	Amount overdue
(2) Break up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid) : (a) In the form of Unsecured debentures (b) In the form of party secured debentures i.e. debentures where there is a shortfall in the value of security (c) Other public deposits *please see Note 1 below	 34511163.00	
Assets side :		
(3) Break up of Loans and Advances including bills receivables (other than those including in (4) below) : (a) Secured (b) Unsecured	 Amount outstanding 1583932	
(4) Break up Leased Assets and stock on hire and hypothecation loans counting toward EL/HP activities (i) Lease assets including lease rentals under sundry debtors (a) Financial lease (b) Operating lease (ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets (iii) Hypothecation loans counting towards EL/HP activities (iv) (a) Loans where assets have been repossessed (v) (b) Loans other than (a) above	 76659279 0.00	
(5) Break up of Investments : <u>Current Investments :</u> 1. Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (Please specify) 2. Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of Mutual Funds (iv) Government Securities (v) Others (Please specify)		

<u>Long Term Investments :</u>			
1. Quoted :			
(i) Shares :	(a) Equity		
	(b) Preference		
(ii) Debentures and Bonds			
(iii) Units of Mutual Funds			
(iv) Government Securities			4279000
(v) Others (Please specify)			
2. Quoted :			
(i) Shares :	(a) Equity		
	(b) Preference		
(ii) Debentures and Bonds			
(iii) Units of Mutual Funds			
(iv) Government Securities			
(v) Others (Please specify) = BANK FDR			2459451
(6)	Borrower group wise classification of all leased assets, stock on hire and advances : Please see Note 2 below		
Category	Amount net of provision		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties		76659279	76659279
Total		76659279	76659279
(7)	Investor group wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below		
Category	Market Value / Break up of fair value or NAV	Book Value (Net of Provisions)	
1. Related Parties **			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties	6459451	6738451	
Total	6459451	6738451	
(8)	Other Information		
Particulars			Amount
(i)	Gross Non Performing Assets		
(a)	Related Parties		0.00
(b)	Other than Related Parties		0.00
(ii)	Net Non Performing Assets		
(a)	Related Parties		0.00
(b)	Other than Related Parties		
(iii)	Assets acquired in satisfaction of debt		0.00

Notes :

- as defined in Paragraph 2(1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Provisioning norma shall be application as prescribed the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998
- All accounting standards and Guidance Notes issued by ICAI are application including for valuation of investments and othe assets as also assets acquired in satisfaction of debt. However market value in respect of uoted investments and break up / fair value / NAV in respect of unquoted investments shoud be disclosed irrespective of whether they are classified as long term of current in column (5) above.



NALIN LEASE FINANCE LIMITED

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

A T T E N D A N C E S L I P

(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 21st 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 18th July 2012 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

P R O X Y F O R M

DP ID*	Client ID*	Regd. Folion 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 21st ANNUAL GENERAL MEETING
of the Company at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar - 383 001 on
Wednesday 18th July 2012 at 11-00 A.M. Signed this _____ day of _____

Notes :

- The form should be signed across the stamp as per the specimen signature registered with the company.
- This proxy must be deposited at the Registered Office of the Company at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383 001 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.





NALIN LEASE FINANCE LTD.

21st ANNUAL GENERAL MEETING

Day : Wednesday
Date : 18th July, 2012
Time : 11-11 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
Mr. Harsh Dilipkumar Gandhi Director
Mrs. Pallaviben Dilipkumar Gandhi Director
Mr. Navinchandra C. Soni Director

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COMPANY SECRETARY

Mrs. Swatiben Parikh
Company Secretary

AUDITOR

M/s. Deepak R. Soni & Co.
Chartered Accountants
Himatnagar - 383 001.
Phone : 02772 242780

NOTES :

1. All Correspondence relating to Shares of the Company may please be addressed to be Company'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 Operation of the Company, are requested to sent their queries to the Company at its Registered Office atleast TEN day before the date of the Meeting.

Bankers
Bank of India
Axis Bank Ltd.
IDBI Bank Ltd.
Himatnagar Nagrik Sahakari Bank Ltd.
HDFC Bank Ltd.
Dena Bank
S. K. Dist. Cent. Co. Bank Ltd.
Bank of Baroda

REGISTERED OFFICE

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