



SUBJECT TO HIMMATNAGAR JURISDICTION ONLY

NALIN LEASE FINANCE LIMITED

CIN : L65910GJ1990PLCO14516

NLFL/2019-20/BSE868

September 04, 2019

To,
The Manager,
Listing Department,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400 001

Scrip Code: - 531212

Respected Sir,

**Sub: - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015,
Submission of Annual Report -Financial Year 2018-19.**

With regard to the captioned subject please find enclosed herewith Annual Report for the Financial Year 2018-19 of the Company prepared as per the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

YOURS FAITHFULLY,

FOR NALIN LEASE FINANCE LIMITED

NIKUL K PATEL
CHIEF FINANCIAL OFFICER



Encl: as above

28TH

**ANNUAL REPORT
2018-2019**



NALIN LEASE FINANCE LIMITED

CIN: L65910GJ1990PLC014516

Board and committees – Nalin Lease Finance Limited

The Board of Directors

| | | |
|-------------------------------|---|---------------------------------|
| Narendrakumar Dalsukhdas Shah | - | Chairman (Independent Director) |
| Dilipkumar Nalinkant Gandhi | - | Managing Director |
| Harsh Dilipkumar Gandhi | - | Wholetime Director |
| Pallavi Dilipkumar Gandhi | - | Wholetime Director |
| Navinchandra Chandulal Soni | - | Independent Director |
| Samirkumar Kantilal Shah | - | Independent Director |

Company Secretary

Swati Ajay Shah

Chief Financial Officer

Nikul Kumar Kantibhai Patel

Practicing Company Secretary

Amrish N. Gandhi

Statutory Auditors

M/s Paresh Thothawala & Co.
Chartered Accountant
Member No. 048435
Firm Registration No. 114777W
A-707, Times Square Arcade-II, Nr. Avalon
Hotel, Opp. Mann Party Plot, Bodakdev,
Ahmedabad, Gujarat – 380 054.

Registrar & Share Transfer Agent LINK INTIME INDIA PVT. LIMITED,

C-101, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083
Phone: +91-22-49186000
Fax: +91-22-49186060

Board Committees

Audit Committee
Stakeholder Relationship Committee
Nomination and Remuneration Committee

28th Annual General Meeting

Day : Monday
Date : 30th September, 2019
Time : 03.30 p.m.
Venue : Company Registered Office

Registered Office:

NALIN LEASE FINANCE LIMITED

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

Phone No. +91 2772 241264, 2422264

CIN: L65910GJ1990PLC014516

E-mail: nalinlease@yahoo.co.in

www.nalinfin.co.in

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Notes:

1. All Correspondence relating to share of the company may please be addressed to be Company's registered office.
2. Members are requested to bring their copy of Annual Report to the meeting, as copies of report will be distributed at the meeting.
3. Members seeking further information about the accounts and/or operation of the company are requested to send their quarries to the company at its registered office at least 10 Day before the date of meeting.



Notice

Notice is hereby given that the 28th Annual General Meeting of Nalin Lease Finance Limited will be held on **Monday, September 30, 2019 at 3:30 p.m.** at Gandhi Nursing Home Bldg, Dr.Nalinkant Gandhi Road Himatnagar -383001, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:

The Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Harsh Dilipkumar Gandhi, (DIN: 03120638) who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint M/s. PARESH THOTHAWALA & CO., Chartered Accountants (Firm Registration No. 114777W) as Auditors to hold office from the conclusion of the 28th Annual General Meeting to the conclusion of the 29th Annual General Meeting and to fix their remuneration.

Special Business:

4. Re-appointment of Narendrakumar Dalsukhdas Shah as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Narendrakumar Dalsukhdas Shah (DIN: 00314044), who was appointed as an Independent Director at the Twenty Third Annual General Meeting of the Company and who holds office up to 28th Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years upto 33rd AGM.”

5. Re-appointment of Navinchandra Chandulal Soni as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Navinchandra Chandulal Soni (DIN: 03123355), who was appointed as an Independent Director at the Twenty Third Annual General Meeting of the Company and who holds office up to 28th Annual General Meeting and who is eligible for re-appointment and who

meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years upto 33rd AGM."

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 & 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.

2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10 percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

3. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.

4. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.

5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, LINK INTIME INDIA PVT. LIMITED ("LI IPL") for assistance in this regard.

6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with LI IPL in case the shares are held by them in physical form.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to LI IPL in case the shares are held in physical form.

8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

10. Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website www.nalinfm.co.in and on the website of Link Intime India Pvt. Ltd – InstaVOTE- <https://instavote.linkintime.co.in/>

11. Voting through electronic means

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Pvt. Ltd – InstaVOTE, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The Board of Directors has appointed Amrish Gandhi (Membership No. FCS 8193) and failing him Samsad Alam Khan (Membership No. ACS 28719), Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

iii. The facility for voting, either through electronic voting system or poll paper, shall also be made available at the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their right to vote at the AGM.

iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

v. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.

vi. The details of the process and manner for remote e-voting are explained herein below:

Instructions for shareholders to vote electronically:

❖ Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:

- a. **Shareholders holding shares in Demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in Demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company.
5. Your Password details are given below:
If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

| For Shareholders holding shares in Demat Form or Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both Demat shareholders as well as physical shareholders). Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field. |
| DOB/ DOI | Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said Demat account or folio number in dd/mm/yyyy format. |
| Bank Account Number | Enter the Bank Account number as recorded in your Demat account or in the company records for the said Demat account or folio number. Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c). |

If you are holding shares in Demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by Demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ against" for voting.
Cast your vote by selecting appropriate option i.e. Favour/against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/against'.

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/Demat account shall choose the voting process separately for each of the folios/Demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

Other Instructions

i. The e-voting period commences on Friday, September 27, 2019 (9:00 a.m. IST) and ends on Sunday, September 29, 2019 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, September 23, 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd – InstaVOTE for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.

iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at enotices@linkintime.co.in. However, if he/she is already registered with Link Intime India Pvt. Ltd – InstaVOTE for remote e-voting then he/she can use his/ her existing User ID and password for casting the vote.

iii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

iv. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.nalinfin.co.in and on the website of **INSTAVOTE** <https://instavote.linkintime.co.in>. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

By Order of the Board of Directors

Nikul K Patel
Chief Financial Officer

Himatnagar, May 24, 2019

Registered Office:

Gandhi Nursing Home Bldg Dr.Nalinkant Gandhi Road Himatnagar - 383001

CIN: L65910GJ1990PLC014516

Tel: +91 2772 241264, 2422264

Email: nalinlease@yahoo.co.in Website: www.nalinfin.co.in

Explanatory Statement

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 & 5 of the accompanying Notice:

Item No 4 & 5:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Narendrakumar Dalsukhdas Shah (DIN 00314044) and Navinchandra Chandulal Soni (DIN 03123355) as Independent Directors, for a second term of five years upto 33rd AGM, not liable to retire by rotation. Narendrakumar Dalsukhdas Shah and Navinchandra Chandulal Soni were appointed as Independent Directors at the 23rd Annual General Meeting ("AGM") of the Company and holds office up to 28th AGM. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing their candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given their background, experience and contribution, the continued association of Narendrakumar Dalsukhdas Shah and Navinchandra Chandulal Soni would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

The Company has received a declaration from them to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, they fulfil the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Directors and are independent of the management of the Company. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Further details and current directorships have been given in the **Annexure to this Notice**.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Narendrakumar Dalsukhdas Shah and Navinchandra Chandulal Soni as Independent Directors are now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 4 & 5 of this Notice for approval of the Members.

Except Narendrakumar Dalsukhdas Shah and Navinchandra Chandulal Soni and their relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 4 & 5 of the Notice.

By Order of the Board of Directors

Nikul K Patel
Chief Financial Officer

Himatnagar, May 24, 2019

Registered Office:

Gandhi Nursing Home Bldg Dr.Nalinkant Gandhi Road Himatnagar - 383001

CIN: L65910GJ1990PLC014516

Tel: +91 2772 241264, 2422264

Email: nalinlease@yahoo.co.in Website: www.nalinfin.co.in

Annexure to the Notice

Details of Directors seeking appointment/re-appointment at the Annual General Meeting

| Particulars | Harsh Dilipkumar Gandhi | Narendrakumar Dalsukhdas Shah | Navinchandra Chandulal Soni |
|--|--|---|--|
| Date of Birth | May 15, 1986 | June 25, 1953 | January 09, 1949 |
| Date of Appointment | July 09, 2010 | December 13, 1994 | July 09, 2010 |
| Qualifications | B.Com, M.B.A. | B.Com | B.A., B.Ed |
| Expertise in specific functional areas | He is having Eight Years of experience in marketing,, Finance & Administration | He is having rich experience in the field of Manufacturing of Aluminium related Products. | He has served as a Government Teacher for 30 years |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | <ul style="list-style-type: none"> • Amee Finance Limited • Nalin Services Limited • Nalin Consultancy Services Limited | NIL | NIL |
| Memberships / Chairmanships of committees of other public companies | NIL | NIL | NIL |
| Number of shares held in the Company | 68117 | 2500 | No |

For other details such as the number of meetings of the board attended during the year and relationship with other directors and key managerial personnel in respect of above directors please refer to the Corporate Governance Report which is a part of this Annual Report.



Directors' Report

To the Members,

The Directors present the Annual Report of Nalin Lease Finance Limited (the Company or NLFL) along with the audited financial statements for the financial year ended March 31, 2019.

1. Financial results

(Amount in Rs.)

| | Particulars | Standalone | |
|-------------|---------------------------------|-------------------------------|--------------------------------|
| | | Current year ended 31.03.2019 | Previous year ended 31.03.2018 |
| | Gross Income | 3,79,68,630 | 3,53,83,439 |
| Less | Expenses | 2,05,41,416 | 2,11,61,804 |
| | Profit before Tax | 1,74,27,214 | 1,41,20,646 |
| Less | Tax Expenses | 47,03,775 | 39,91,201 |
| | Profit after Tax | 1,27,23,439 | 1,01,29,445 |
| | Earnings Per Share (Rs.) | 3.90 | 3.11 |
| | Reserves & Surplus | 8,86,81,429 | 7,59,57,990 |
| | Fixed Assets (Net) | 23,67,242 | 27,88,394 |
| | Borrowings | 6,14,71,646 | 7,38,30,234 |

2. Dividend

No dividend is being recommended by the Directors for the year ending on 31st March, 2019. As the Board of Directors wants to plough back the profit in the business.

3. Transfer to reserves

The closing balance of the Reserves and Surplus of the Company for FY 2019, after all appropriation and adjustments was Rs. 8,86,81,429.

4. Company's performance

The total revenue for FY 2019 was Rs. 37968630, higher by 7.31 percent over the previous year's revenue of Rs. 35383439 in FY 2018. The PAT attributable to shareholders for FY 2019 was Rs. 12723439 registering a growth of 25.61 percent over the PAT of Rs.10129445 for FY 2018.

5. Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- they 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 profit of the Company for that period;
- They 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 the Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;

- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019.

6. Directors and key managerial personnel

Harsh Dilipkumar Gandhi retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice.

Narendrakumar Dalsukhdas Shah was appointed as an independent director at the 23rd Annual General Meeting (AGM) held on June 24, 2014 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Navinchandra Chandulal Soni was appointed as independent director at the 23rd AGM of the Company held on June 24, 2014 for the period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

The Board places on record its appreciation for their invaluable contribution and guidance.

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are:

*Dilipkumar Nalinkant Gandhi, Managing Director,
Pallavi Dilipkumar Gandhi, Whole-time Director,
Harsh Dilipkumar Gandhi, Whole-time Director,
Nikul K Patel, Chief Financial Officer and Swati Ajay Shah, Company Secretary.*

7. Number of meetings of the Board

Six meetings of the Board were held during the year under review. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

8. Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company were evaluated, taking into account the views of executive directors and nonexecutive directors.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

9. Internal financial control systems and their adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

10. Audit committee

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

11. Auditors

M/s. PARESH THOTHAWALA & CO., Chartered Accountants (Firm Registration No.102245W), the Statutory Auditors of the Company, will be eligible for appointment in ensuing general meeting.

Your Company has received letter from M/s. PARESH THOTHAWALA & CO, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 read with rules made there under and that they are not disqualified for such appointment.

Your Directors recommend the appointment of M/s. PARESH THOTHAWALA & CO, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 29th Annual General Meeting of the Company to be held in the calendar year 2020.

12. Auditor's report and secretarial audit report

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer. Secretarial audit report is attached to this report as **Annexure III**.

13. Risk management

The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

14. Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

15. Transactions with related parties

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form No- AOC-2 and the same forms part of this report.

16. Corporate Social Responsibility

This provision is not applicable to the Company.

17. Extract of annual return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019 is given in **Annexure II** in the prescribed Form No- MGT-9, which is a part of this report. The same is available on www.nalinfin.co.in.

18. Particulars of employees

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

| Name | % increase in remuneration in the financial year |
|--------------------------------|---|
| Non-executive directors | |
| Narendrakumar D Shah* | N.A. |
| Navinchandra C Soni* | N.A. |
| Samir K Shah* | N.A. |
| Executive directors | |
| Dilipkumar Gandhi | 7.31 |
| Pallavi D Gandhi | 7.31 |
| Harsh D Gandhi | 7.31 |
| Chief Financial Officer | |
| Nikul K Patel | 5.71 |
| Company Secretary | |
| Swati A Shah | Nil |

*No payment is made to Non-executive Independent Directors

b. The percentage decrease in the median remuneration of employees in the financial year: 6.88 percent

c. The number of permanent employees on the rolls of Company: 05

d. Increase in the managerial remuneration for the year was 7.31 percent.

19. Disclosure requirements

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

20. Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

21. Acknowledgments

The Directors thank the Company's employees, customers, vendors and investors for their continuous support.

The Directors also thank the Government of India, Governments of Gujarat and concerned Government departments and agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the NLFL family.

On behalf of the Board of Directors

Narendrakumar D Shah
Chairman

Himatnagar, May 24, 2019

Annexure I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Nalin Lease Finance Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or at arm's length during FY 2019. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

2. Details of material contracts or arrangement or transactions at arm's length basis:

| Sl. No | Name (s) of the Related Party | Nature of Arrangements & Nature of Relationship | Duration of the Arrangements | Salient terms of the Arrangements | Date of approval by the Board/EGM | Amount paid as advances, if any (₹) |
|--------|---------------------------------|---|------------------------------|---|-----------------------------------|-------------------------------------|
| 1 | Mr. Dilipkumar Nalinkant Gandhi | Rent | 1 Year | As per Rent Agreement entered between the Company and premise owner Mr. Dilipkumar Nalinkant Gandhi | 09.04.2018 | NIL |
| 2 | Mr. Harsh Dilipkumar Gandhi | Rent | 1 Year | As per Rent Agreement entered between the Company and Mr. Harsh Dilipkumar Gandhi | 09.04.2018 | NIL |
| | | Interest | 1 Year | Company has paid interest on Unsecured Loan | 09.04.2018 | NIL |
| | | Unsecured Loan taken | 1 Year | Director has given Unsecured loan to Company | 09.04.2018 | NIL |
| | | Unsecured Loan Paid | 1 Year | Company has repaid Unsecured loan to Director | 09.04.2018 | NIL |

On behalf of the Board of Directors

Narendrakumar D Shah
Chairman

Himatnagar, May 24, 2019

Annexure II

**Form No. MGT-9
Extract of Annual Return**

As on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN: L65910GJ1990PLC014516

ii. Registration Date: October 11, 1990

iii. Name of the Company: Nalin Lease Finance Limited

iv. Category / Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company

v. Address of the registered office and contact details:

GANDHI NURSING HOME BLDG, DR.NALINKANT GANDHI ROAD, HIMATNAGAR -3830001

Tel: (02772)241264, 242264

Email: nalinlease@yahoo.co.in

Website: www.nalinfin.co.in

vi. Whether listed company: Yes (BOMBAY STOCK EXCHANGE)

vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:

LINKINTIME (INDIA) PRIVATE LIMITED

C-101,247 Park, L.B.S.Marg, Vikhroli(West), Mumbai 400 083

Phone: +91-22-49186000 Fax: +91-22-49186060

www.linkintime.co.in

E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

| SL. No | Name and Description of main products/ services | NIC Code of the Product/Service | % to total turnover of the company |
|--------|---|---------------------------------|------------------------------------|
| 1 | Financial Services | 6492 | 94.37% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

| Sr. no | Name and address of the company | CIN/GLN | Holding/Subsidiary/Associate | Applicable Section |
|--------|---|---------------------------|--|--------------------|
| 1) | AMEE FINANCE LIMITED Address : GANDHI NURSING HOME BUILDING DR. NALINKANT GANDHI ROAD HIMATNAGAR,GUJARAT INDIA - 383001 | U65923GJ199 6PLC028768 | Associate (Control of Business decisions) | 2(6) |
| 2) | GANDHI SHROFF SERVICES PRIVATE LIMITED Address : GANDHI NURSING HOME BUILDING, FIRST FLOOR DR N G ROAD HIMATNAGAR,GUJARAT INDIA - 383001 | U74140GJ199 2PTC018361 | Associate (Control of Business decisions) | 2(6) |
| 3) | NALIN CONSULTANCY SERVICES LIMITED Address : GROUND FLOOR GANDHI NURSINGHOME BLDG DR NALINKANT GANDHI ROAD HIMATNAGAR,GUJARAT INDIA | U93000GJ199 8PLC033695 | Associate (Control of Business decisions) | 2(6) |
| 4) | NALIN SERVICES LIMITED Address : GANDHI NURSING HOME BLDGDR NR GANDHI ROAD HIMATNAGAR,GUJARAT INDIA - 383001 | U15118GJ199 6PLC030871 | Associate (Control of Business decisions) | 2(6) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 1210614 | 0 | 1210614 | 37.11 | 1210614 | 0 | 1210614 | 37.11 | 0 |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub- Total (A) (1) | 1210614 | 0 | 1210614 | 37.11 | 1210614 | 0 | 1210614 | 37.11 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other - Individual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter (A) = (A) (1) + (A) (2) | 1210614 | 0 | 1210614 | 37.11 | 1210614 | 0 | 1210614 | 37.11 | 0 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B) (1) :- | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs. 2 Lakhs | 316606 | 174900 | 491506 | 15.0676 | 399651 | 168500 | 568151 | 17.42 | +2.35 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakhs | 1502379 | 0 | 1502379 | 46.0570 | 1425866 | 0 | 1425866 | 43.71 | -2.35 |

| | | | | | | | | | |
|--|---------|--------|---------|---------|---------|--------|---------|-------|-------|
| c) Others (specify) | | | | | | | | | |
| Hindu Undivided Family | 4702 | 0 | 4702 | 0.1441 | 12751 | 0 | 12751 | 0.39 | +0.25 |
| Non Resident Indians (Repat.) | 1000 | 0 | 1000 | 0.03 | 3305 | 0 | 3305 | 0.10 | +0.07 |
| Clearing Member | 7517 | 0 | 7517 | 0.2304 | 35013 | 0 | 35013 | 1.07 | +0.84 |
| Bodies Corporate | 44282 | 0 | 44282 | 1.3575 | 6300 | 0 | 6300 | 0.19 | -1.16 |
| Sub-total (B) (2):- | 1876486 | 174900 | 2051386 | 62.88 | 1882886 | 168500 | 2051386 | 62.88 | 0 |
| Total Public Shareholding (B) = (B) (1) + (B) (2) | 1876486 | 174900 | 2051386 | 62.8874 | 1882886 | 168500 | 2051386 | 62.88 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 3087100 | 174900 | 3262000 | 100 | 3093500 | 168500 | 3262000 | 100 | 0 |

ii) Shareholding of Promoters (including Promoter Group)

| SI No | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|-------|---|---|----------------------------------|--|--------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Dilipkumar Nalinkant Gandhi | 728899 | 22.3452 | 0 | 728899 | 22.3452 | 0 | 0 |
| 2 | Pallaviben Dilipkumar Gandhi | 225177 | 6.9030 | 0 | 225177 | 6.9030 | 0 | 0 |
| 3 | Manali Harshkumar Gandhi* | 93921 | 2.88 | 0 | 93921 | 2.88 | 0 | 0 |
| 4 | Gandhi Harsh Dilipkumar | 68117 | 2.09 | 0 | 68117 | 2.09 | 0 | 0 |
| 5 | Dilipkumar Nalinkant Gandhi HUF | 27000 | 0.83 | 0 | 27000 | 0.83 | 0 | 0 |
| 6 | Dr Nalinkant Gandhi HUF (Dilipkumar Nalinkant Gandhi-Karta) | 26500 | 0.81 | 0 | 26500 | 0.81 | 0 | 0 |
| 7 | Rupalben Dilipkumar Gandhi* | 15500 | 0.48 | 0 | 15500 | 0.48 | 0 | 0 |
| 8 | Urviben Dilipkumar Gandhi* | 15500 | 0.48 | 0 | 15500 | 0.48 | 0 | 0 |
| 9 | Falguniben Krishnakant Shah* | 10000 | 0.31 | 0 | 10000 | 0.31 | 0 | 0 |
| | Total | 1210614 | 37.11 | 0 | 1210614 | 37.11 | 0 | 0 |

* Forms part of the Promoter Group

iii) Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change)

| Sl. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 1210614 | 37.11 | | |
| 2 | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Nil | | | | |
| 3 | At the end of the year | 1210614 | 37.11 | | |

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holder of GDRs and ADRs):

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | Shareholding at the end of the year | | % change in shareholding during the year |
|---------|----------------------------|---|----------------------------------|-------------------------------------|----------------------------------|--|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company | |
| 1 | KARAMJIT SINGH | 86924 | 2.6647 | 88235 | 2.7049 | +0.04 |
| 2 | SONI KARTAVYA NAVINCHANDRA | 60900 | 1.867 | 60900 | 1.867 | 0 |
| 3 | SANJAYKUMAR SARAWAGI | 54521 | 1.6714 | 56272 | 1.7251 | +0.05 |
| 4 | PATEL KUNDAN MUKESHBHAI | 53200 | 1.6309 | 53200 | 1.6309 | 0 |
| 5 | PATEL REKHABEN HEMANTKUMAR | 53000 | 1.6248 | 53000 | 1.6248 | 0 |
| 6 | PATEL VARSHABEN KETANKUMAR | 51900 | 1.591 | 51900 | 1.591 | 0 |
| 7 | SOLANKI SUNILKUMAR KALYAN | 51800 | 1.588 | 51800 | 1.588 | 0 |
| 8 | PATEL MUKESHBHAI RAMJIBHAI | 51400 | 1.5757 | 51400 | 1.5757 | 0 |
| 9 | KALPESHKUMAR M PATEL | 50500 | 1.5481 | 50500 | 1.5481 | 0 |
| 10 | PRAJAPATI RAMILABEN K | 50205 | 1.5391 | 50205 | 1.5391 | 0 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | NARENDRAKUMAR DALSUKHDAS SHAH -(Non-Executive Independent Director) | | | | |
| | At the beginning of the year | 2500 | 0.08 | 2500 | 0.08 |
| | At the end of the year | 2500 | 0.08 | 2500 | 0.08 |
| 2. | DILIPKUMAR NALINKANT GANDHI -(Managing Director and KMP) | | | | |
| | At the beginning of the year | 728899 | 22.3452 | 728899 | 22.3452 |
| | At the end of the year | 728899 | 22.3452 | 728899 | 22.3452 |
| 3. | PALLAVI DILIPKUMAR GANDHI-(Whole time Director and KMP) | | | | |
| | At the beginning of the year | 225177 | 6.9030 | 225177 | 6.9030 |
| | At the end of the year | 225177 | 6.9030 | 225177 | 6.9030 |
| 4. | HARSH DILIPKUMAR GANDHI-(Whole time Director and KMP) | | | | |
| | At the beginning of the year | 68117 | 2.09 | 68117 | 2.09 |
| | At the end of the year | 68117 | 2.09 | 68117 | 2.09 |
| 5. | NAVINCHANDRA CHANDULAL SONI-(Non-Executive Independent Director) | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 6. | SAMIRKUMAR KANTILAL SHAH-(Non-Executive Independent Director) | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 7. | SWATI AJAY SHAH-(Company Secretary and KMP) | | | | |
| | At the beginning of the year | 0 | 0 | 0 | 0 |
| | At the end of the year | 0 | 0 | 0 | 0 |
| 8. | NIKULKUMAR KANTIBHAI PATEL-(C.F.O (KMP)) | | | | |
| | At the beginning of the year | 49500 | 1.52 | 49500 | 1.52 |
| | At the end of the year | 49500 | 1.52 | 49500 | 1.52 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|------------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 7,38,30,234 | 0 | - | 7,38,30,234 |
| ii) Interest due but not paid | 0 | 0 | - | |
| iii) Interest accrued but not due | 58,44,837 | 18,18,585 | - | 76,63,422 |
| Total (i+ii+iii) | 7,96,75,071 | 18,18,585 | - | 8,14,93,656 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 0 | 446982 | - | 0 |
| * Reduction | 11640341 | 0 | - | 11193359 |
| Net Change | -11640341 | +446982 | - | -11193359 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 5,94,41,646 | 20,30,000 | | 6,14,71,646 |
| ii) Interest due but not paid | 0 | 0 | | 0 |
| iii) Interest accrued but not due | 85,93,084 | 2,35,567 | | 88,28,651 |
| Total (i+ii+iii) | 6,80,34,730 | 22,65,567 | | 7,03,00,297 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

| Sl. NO. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | |
|---------|---|---|---|---|------------------|
| | | Dilipkumar Nalinkant Gandhi (Managing Director) | Pallavi Dilipkumar Gandhi (Whole-Time Director) | Harsh Dilipkumar Gandhi (Whole-Time Director) | Total Amount |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 16,40,000 | 12,80,000 | 11,60,000 | 40,80,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 |
| 2 | Fee for attending Board/Committee Meetings | 0 | 0 | 0 | 0 |
| 3 | Stock Option | 0 | 0 | 0 | 0 |
| 4 | Sweat Equity | 0 | 0 | 0 | 0 |
| 5 | Commission - as % of profit | 0 | 0 | 0 | 0 |
| 6 | Others, please specify(OFFICE/FURNITURE RENT) | 11,60,000 | 0 | 2,40,000 | 14,00,000 |
| | Total (A) | 28,00,000 | 12,80,000 | 14,00,000 | 54,80,000 |

B. Remuneration to other directors:

| Sr. no. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---------|--|---------------------------------------|-------------------------------------|----------------------------------|--------------|
| | | | | | |
| 1. | Independent Directors | | | | |
| | <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify | | | | |
| | Total (1) | | | | |
| 2. | Other Non-Executive Directors | Narendra Kumar Dalsukhdas Shah | Navin Chandra Chandulal Soni | Samir Kumar Kantilal Shah | |
| | <ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 |
| | Total (B) = (1 + 2) | 0 | 0 | 0 | 0 |
| | Total Managerial Remuneration | 0 | 0 | 0 | 0 |

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

| Sl. No | Particulars of Remuneration | Key Managerial Personnel | | |
|--------|---|---|--|-----------------|
| | | Ms. SWATI AJAY SHAH (Company Secretary) | Mr. NIKULKUMAR KANTIBHAI PATEL (Chief Financial Officer) | Total Amount |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,20,000 | 2,64,000 | 3,84,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission - as % of profit | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total | 1,20,000 | 2,64,000 | 3,84,000 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

Annexure III

Form No. MR-3
Secretarial Audit Report
For The Financial Year Ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Nalin Lease Finance Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Nalin Lease Finance Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2019 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;*
 - (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;*
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)*
 - (d) *The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)*

(e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)*

(f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)*

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and*

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).*

(vi) Other laws applicable specifically to the Company namely: -

(a) *The Trade Marks Act, 1999*

(b) *Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015;*

(c) *Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 and Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;*

(d) *Reserve Bank of India (Non-Banking Financial Companies) Returns Specifications, 1997 and Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;*

(e) *Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;*

(f) *Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;*

(g) *Frauds- Future Approach towards monitoring of Frauds in Non-Banking Financial Companies and Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;*

(h) *Know Your Customer (KYC) Guidelines- Anti Money Laundering Standards and Know Your Customer (KYC) Direction, 2016;*

(i) *Fair Practices Code;*

(j) *Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015;*

(k) *Regulation of excessive interest charged by NBFCs;*

(l) *Miscellaneous Instructions to all Non-Banking Financial Companies and Miscellaneous Instructions to NBFC-ND-SI;*

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

For **Amrish Gandhi & Associates**
Company Secretaries

Ahmedabad, May 24, 2019

Amrish Gandhi
FCS No: 8193, CP No: 5656

*This Report is to be read with our letter of even date which is annexed as **Annexure A** and Forms an integral part of this report.*

'Annexure A'

To,
The Members
Nalin Lease Finance Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Amrish Gandhi & Associates**
Company Secretaries

Ahmedabad, May 24, 2019

Amrish Gandhi
FCS No: 8193, CP No: 5656

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

BUSINESS SCENARIO

Non-Banking Finance Companies (NBFCs) are an integral part of the country's financial system because of their complementary as well as competitive role. They act as a critical link in the overall financial system catering to a large market of niche customers.

Non Banking Financial Institutions (NBFIs) are a heterogeneous group of Institutions that caters to a wide range of financial requirements and can broadly be divided into Financial Institutions (FIs) and Non Banking Financial Companies (NBFCs). With the growing importance assigned to financial inclusion, NBFCs have been regarded as important financial intermediaries particular for the small scale and retail sectors. As a result of consolidation and restructuring in the financial sector and liberalization and globalization of markets only few strong NBFCs now remain in business. However, competition continues to be intense, as the Indian and foreign banks have entered the retail lending business in a big way, thereby exerting pressure on margins. The erstwhile providers of funds have now become competitors. NBFCs can sustain in this competitive environment only through optimization of funding costs, identification of potential business areas, widening geographical reach, and use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service.

On the regulatory front, NBFCs are regulated by the Reserve Bank of India (RBI) almost at par with banks. All the prudential norms for asset classification, income recognition, provisioning etc., are applicable to NBFCs in India.

BUSINESS REVIEW AND OUTLOOK

The Company is engaged in leasing, giving on hire or hire-purchase all forms of immovable and movable properties and assets including buildings, godowns, ware-houses and real estate of any kind. It is also engaged in the business of underwriting, sub-underwriting, to invest in and acquire & hold, sell, buy or otherwise deal in shares, debentures, debenture-bonds, stocks etc. where the outlook of the business seems to be encouraging over and above maintaining the overall risk appetite of the company. We believe that we are well placed to leverage on the growth opportunities in the economy.

FINANCIAL PERFORMANCE

The Company has achieved an income of Rs. 3,79,68,630/- during the year with net profitability of Rs. 1,27,23,439/-. The Company's income from operations primarily includes Interest Income. For detailed information on the financial performance with respect to the operational performance, a reference may please be made to the financial statements.

FUTURE OUTLOOK

The future outlook of the Company is very prospective. Besides continuing aggressively in the existing growth areas, there are certain specific initiatives that we would like to highlight which the company would be undertaking in the financial year 2019-20. The Company is effectively putting together a growth strategy in the area of Gold Loan as well as Auto Loan.

SEGMENT REPORTING

Presently Accounting Standard- 17 regarding Segment-wise Reporting does not apply to the Company since revenues are derived from only one Segment i.e. Finance Activity. The Company undertakes to comply with the relevant accounting standards as and when it becomes applicable to the Company.

OPPORTUNITIES AND THREATS

NBFCs have been playing a very important role both from macroeconomic prospective and the structure of the Indian Financial System. NBFCs are the perfect or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise. However to survive and to constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. Although NBFCs enjoy considerably lower regulatory overheads, they experience challenges in raising debt, as all NBFCs can't accept public deposits and hence - NBFCs rely heavily on Commercial Banks and promoter's equity for growth. Due to high reliance on bank financing the costs of funds for NBFCs tends to be higher. As a result, NBFCs loans carry higher interest than those offered by banks.

The Company is exposed to all risks & threat which Financial Market & Non Banking Finance Company faces. The Company is also facing risk of heavy ups and downs in stock market which can be minimized due to risk management system of our Company.

RISK AND CONCERNS

Company is exposed to specific risks that are particular to its business and the environment within which it operates including economic cycle, market risk and credit risks. Managing risk effectively also helps in achieving the desired outcome, while fixing responsibility and accountability. The Company is especially focuses on improving sensitivity to assessment of risks and improving methods of computation of risk weights and capital charges. The risk assessment and mitigation procedure are reviewed by the Board periodically.

RISK MANAGEMENT

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization with increasing integration of markets, newer and more complex products & transactions and an increasingly stringent regulatory framework has exposed organizations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success.

Increased competition and market volatility has enhanced the importance of risk management. The sustainability of the business is derived from the following:

- Identification of the diverse risks faced by the Company.
- The evolution of appropriate systems and processes to measure and monitor them.
- Risk management through appropriate mitigation strategies within the policy framework.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. It maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The audit committee

of the Board of Directors comprising Independent Directors also review the system at regular intervals.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the company has seen a growth since Revenue from operations has increased by 7.51% as compared to the last financial year. Profit percent of the company is increased by 25.61% as compared to the last financial year.

INDUSTRY STRUCTURE & DEVELOPMENTS

The Company continues to be a Non Deposit Taking, Systemically not important, Non Banking Financial Company and holds the RBI certificate in this behalf. The company has followed the RBI Norms as applicable and has complied with all the statutory obligations.

SHAREHOLDERS

Shareholders shall be informed of details regarding the appointment or re-appointment of a Director. Quarterly results announced by the Company shall be put on the Company's web-site and sent to the Stock Exchange on which listed.

FULFILMENT OF RBI NORMS AND STANDARD

The Company has fulfilled all RBI norms and complied with it.

CAUTIONARY STATEMENT

Statements made in this Management Discussion and Analysis describing the Company's current position and expectations for the future may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operation include the downtrend in the industry – global or domestic or both, significant changes in political and economic environment in India.

By Order of the Board of Directors

Himatnagar, May 24, 2019

Dilipkumar N Gandhi
Managing Director
(DIN: 00339595)



Corporate Governance Report

I. Company's Philosophy on Corporate Governance

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

II. Board of Directors

i. As on March 31, 2019, the Company has six Directors. Of the six Directors, three (i.e. 50 percent) are Non-Executive Directors and all (i.e. 100 percent) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

ii. Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management.

iii. Six Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

April 09, 2018; May 22, 2018; July 17, 2018; September 26, 2018; October 27, 2018; and January 17, 2019.

The necessary quorum was present for all the meetings.

iv. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

| Name of Director | Category | Number of Board Meetings attended during FY 2019 | Whether attended last AGM held on August 14, 2018 | Number of Directorships in other Public Companies | | Number of Committee positions held in other Public Companies | | Directorship in other listed entity (Category of Directorship) |
|---|----------------------------|--|---|---|--------|--|--------|--|
| | | | | Chairman | Member | Chairman | Member | |
| Narendrakumar Dalsukhdas Shah (Chairman) DIN: 00314044 | Independent, Non-Executive | 6 | Yes | - | 3 | - | - | - |
| Dilipkumar Nalinkant Gandhi (Managing Director) DIN: 00339595 | Non-Independent, Executive | 6 | Yes | 3 | 3 | - | - | - |
| Pallaviben Dilipkumar Gandhi (Whole Time Director) DIN: 00339639 | Non-Independent, Executive | 6 | Yes | - | 3 | - | - | - |
| Harsh Dilipkumar Gandhi (Whole Time Director) DIN: 03120638 | Non-Independent, Executive | 6 | Yes | - | 3 | - | - | - |
| Navinchandra Chandulal Soni (Director) DIN: 03123355 | Independent, Non-Executive | 6 | Yes | - | - | - | - | - |
| Samirkumar Kantilal Shah (Director) DIN: 07215030 | Independent, Non-Executive | 6 | Yes | - | - | - | - | - |

v. During FY 2019, one meeting of the Independent Directors was held on February 16, 2019. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors,

Board as a whole and Chairman of the Company, taking into account the views of executive directors and non-executive directors.

vi. The Board periodically reviews the compliance reports of all laws applicable to the Company.

vii. Details of equity shares of the Company held by the Directors as on March 31, 2019 are given below:

| Name | Category | No. of Equity Shares |
|-------------------------------|----------------------------|----------------------|
| Narendrakumar Dalsukhdas Shah | Independent, Non-Executive | 2500 |
| Dilipkumar Nalinkant Gandhi | Non-Independent, Executive | 728899 |
| Pallaviben Dilipkumar Gandhi | Non-Independent, Executive | 225177 |
| Harsh Dilipkumar Gandhi | Non-Independent, Executive | 68117 |
| Navinchandra Chandulal Soni | Independent, Non-Executive | 0 |
| Samirkumar Kantilal Shah | Independent, Non-Executive | 0 |

The Company has not issued any convertible instruments.

III. Committees of the Board

i. There are three Board Committees as on March 31, 2019, details of which are as follows:

| Name of Committee | Extract of Terms of Reference | Category and Composition | | Other details |
|-------------------|--|---------------------------------------|----------------------------|---|
| | | Name | Category | |
| Audit Committee | <p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.</p> <ul style="list-style-type: none"> Oversight of financial reporting process. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval. Evaluation of internal financial controls and risk management systems Recommendation for appointment, remuneration and terms of appointment | Navinchandra Soni (Chairman) | Independent, Non-Executive | <ul style="list-style-type: none"> Five meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. Nikul Patel, CFO is the Compliance Officer, to ensure compliance and Effective implementation of the Insider Trading Code. The previous AGM of the Company was |
| | | Narendrakumar Shah (Director) | Independent, Non-Executive | |
| | | Dilipkumar Gandhi (Managing Director) | Non-Independent, Executive | |

| | | | |
|--|--|--|--|
| | <p>of auditors of the Company.</p> <ul style="list-style-type: none"> • Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same. | | <p>held on August 14, 2018 and was attended by all three members of the Audit Committee.</p> |
|--|--|--|--|

| Name of Committee | Extract of Terms of Reference | Category and Composition | | Other details |
|---------------------------------------|---|-------------------------------|----------------------------|--|
| | | Name | Category | |
| Nomination and Remuneration Committee | <p>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> • Recommend to the Board the setup and composition of the Board and its committees. • Recommend to the Board the appointment/ re-appointment of Directors and Key Managerial Personnel. • Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. • Oversee familiarization programs for Directors. | Navinchandra Soni (Chairman) | Independent, Non-Executive | <ul style="list-style-type: none"> • One Nomination and Remuneration Committee meeting was held during the year under review. |
| | | Narendrakumar Shah (Director) | Independent, Non-Executive | |
| | | Samir Shah (Director) | Independent, Non-Executive | |

| Name of Committee | Extract of Terms of Reference | Category and Composition | | Other details |
|--------------------------------------|--|---------------------------------------|----------------------------|---|
| | | Name | Category | |
| Stakeholders' Relationship Committee | <p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> Consider and resolve the grievances of security holders. Consider and approve issue of share certificates, transfer and transmission of securities, etc. | Navinchandra Soni (Chairman) | Independent, Non-Executive | <ul style="list-style-type: none"> Four meetings of the Stakeholders' Relationship Committee were held during the year under review. The Company has always valued its customer relationships. This philosophy has been extended to investor relationship Details of Investor complaints and Compliance Officer are provided herein below. |
| | | Narendrakumar Shah (Director) | Independent, Non-Executive | |
| | | Dilipkumar Gandhi (Managing Director) | Non-Independent, Executive | |

The terms of reference of these committees are available on the website (<https://www.nalinfin.co.in>)

ii. Stakeholders Relationship Committee - other details

a. Name, designation and address of Compliance Officer:

Nikul Patel
Chief Financial Officer
Nalin Lease Finance Limited
Gandhi Nursing Home Bldg ,Dr.Nalinkant Gandhi Road
Himatnagar -383001.
Telephone: (02772)241264, 242264

b. Details of investor complaints received and redressed during FY 2019 are as follows:

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| --- | NIL | N.A. | ----- |

iii. Details of the Remuneration for the year ended March 31, 2019:

a. Non-Executive Directors:

| Name | Commission | Sitting Fees |
|-------------------------------|------------|--------------|
| Narendrakumar Dalsukhdas Shah | --- | ---- |
| Navinchandra Chandulal Soni | --- | ---- |
| Samirkumar Kantilal Shah | --- | ---- |

b. Managing Director and Executive Directors

| Name of Director | Salary | Benefits, Perquisites and Allowances | Commission |
|------------------------------|-------------|--------------------------------------|------------|
| Dilipkumar Nalinkant Gandhi | 16,40,000/- | ---- | ---- |
| Pallaviben Dilipkumar Gandhi | 12,80,000/- | ---- | ---- |
| Harsh Dilipkumar Gandhi | 11,60,000/- | ---- | ---- |

IV. Number of committee meetings held and attendance records

| Name of Committee → | Audit Committee | Nomination and Remuneration Committee | Stakeholders' Relationship Committee |
|---|--|---------------------------------------|---|
| No. of Meetings held→ | 5 | 1 | 4 |
| Date of Meetings → | 22 nd May, 2018; 17 th July, 2018; 26 th September, 2018; 27 th October, 2018; 17 th January, 2019 | 4 th February, 2019 | 22 nd May, 2018; 17 th July, 2018; 27 th October, 2018; 17 th January, 2019 |
| No. of Meetings attended | | | |
| Name of Member | | | |
| Narendrakumar Dalsukhdas Shah | 5 | 1 | 4 |
| Navinchandra Chandulal Soni | 5 | 1 | 4 |
| Samirkumar Kantilal Shah | --- | 1 | --- |
| Dilipkumar Nalinkant Gandhi | 5 | --- | 4 |
| Pallaviben Dilipkumar Gandhi | --- | --- | --- |
| Harsh Dilipkumar Gandhi | --- | --- | --- |
| Whether quorum was present for all the meetings | The necessary quorum was present for all the above committee meetings | | |

IV. General Body Meetings

a. Annual General Meeting ("AGM"):

| Financial Year | Date | Time | Venue |
|----------------|--------------------------------------|------------|---|
| 2016 | 20 th Day of August, 2016 | 04:00 P.M. | GANDHI NURSING HOME BLDG DR.NALINKANT GANDHI ROAD HIMATNAGAR - 383001 |
| 2017 | 11 th Day of August, 2017 | | |
| 2018 | 14 th Day of August, 2018 | | |

b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2019.

c. Special Resolution(s):

No special resolution was passed by the Company in any of its previous three AGMs.

V. A certificate has been received from Amrish Gandhi and Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

VI. PARESH THOTHAWALA & CO, Chartered Accountants (Firm Registration No. 114777W) have been appointed as the Statutory Auditors of the Company.

VII. Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in Western Times. The results are also displayed on the Company's website nalinfin.co.in. Financial Results, Statutory Notices and Press Releases after the declaration of the quarterly, half-yearly and annual results are submitted to the BSE Limited (BSE) as well as uploaded on the Company's website. A Management Discussion and Analysis Report is a part of this Annual Report.

VIII. General shareholder information

i. Annual General Meeting for FY 2019

Date: September 30, 2019

Time: 3.30 p.m.

Venue: Gandhi Nursing Home Bldg, Dr.Nalinkant Gandhi Road Himatnagar -383001

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

ii. Financial Calendar

Year ending: March 31

AGM in: September

iii. Listing on Stock Exchanges:

BSE Limited, 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001

iv. Stock Codes/Symbol

BSE: 531212

Listing Fees as applicable have been paid.

v. Corporate Identity Number (CIN) of the Company: L65910GJ1990PLC014516

vi. Market Price Data:

Period: 01-Apr-2018 to 31-Mar-2019

| Security Name | Total Traded Quantity(Cr.) | Total Turnover(Cr.) |
|---------------------------------|----------------------------|---------------------|
| NALIN LEASE FINANCE LTD. | 0.02 | 0.40 |
| | Price | Date |
| Open | 19.45 | 03/04/2018 |
| High | 22.85 | 10/04/2018 |
| Low | 11.88 | 02/07/2018 |
| Close | 14.18 | 28/03/2019 |
| All Time High | 51.05 | 26/11/2010 |
| All Time Low | 2.98 | 01/08/2006 |

vii. Registrars and Transfer Agents

Name and Address: LINK INTIME INDIA PVT. LIMITED
C-101,247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai 400 083
Phone: +91-22-49186000
Fax: +91-22-49186060
E-mail: mumbai@linkintime.co.in
Website: www.linkintime.co.in

viii. Share Transfer System:

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

ix. Shareholding as on March 31, 2019

a. Distribution of equity shareholding as on March 31, 2019:

| SR. NO. | SHARES RANGE | | | NUMBER OF SHAREHOLDERS | % OF TOTAL SHAREHOLDERS | TOTAL SHARES FOR THE RANGE | % OF ISSUED CAPITAL |
|--------------|--------------|----|------------|------------------------|-------------------------|----------------------------|---------------------|
| 1 | 1 | to | 500 | 780 | 79.1075 | 194091 | 5.9501 |
| 2 | 501 | to | 1000 | 72 | 7.3022 | 60561 | 1.8566 |
| 3 | 1001 | to | 2000 | 48 | 4.8682 | 74747 | 2.2914 |
| 4 | 2001 | to | 3000 | 15 | 1.5213 | 37342 | 1.1448 |
| 5 | 3001 | to | 4000 | 5 | 0.5071 | 18558 | 0.5689 |
| 6 | 4001 | to | 5000 | 7 | 0.7099 | 33280 | 1.0202 |
| 7 | 5001 | to | 10000 | 13 | 1.3185 | 96723 | 2.9651 |
| 8 | 10001 | to | ***** * | 46 | 4.6653 | 2746698 | 84.2029 |
| Total | | | | 986 | 100.0000 | 3262000 | 100.0000 |

b. Top ten equity shareholders of the Company as on March 31, 2019:

| Sl. No. | Shareholder's Name | Shareholding at the end of the year | |
|---------|----------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of total Shares of the company |
| 1 | KARAMJIT SINGH | 88235 | 2.7049 |
| 2 | SONI KARTAVYA NAVINCHANDRA | 60900 | 1.867 |
| 3 | SANJAYKUMAR SARAWAGI | 56272 | 1.7251 |
| 4 | PATEL KUNDAN MUKESHBHAI | 53200 | 1.6309 |
| 5 | PATEL REKHABEN HEMANTKUMAR | 53000 | 1.6248 |
| 6 | PATEL VARSHABEN KETANKUMAR | 51900 | 1.591 |
| 7 | SOLANKI SUNILKUMAR KALYAN | 51800 | 1.588 |
| 8 | PATEL MUKESHBHAI RAMJIBHAI | 51400 | 1.5757 |
| 9 | KALPESHKUMAR M PATEL | 50500 | 1.5481 |
| 10 | PRAJAPATI RAMILABEN K | 50205 | 1.5391 |

x. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2019, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

xi. Address for correspondence:

Nalin Lease Finance Limited
Ground Floor, Gandhi Nursing Home Building, Dr. Gandhi Road, Sabarkantha, Himatnagar , Gujarat, 383001
Telephone: (02772)241264, 242264
Designated e-mail address for Investor Services: nalinlease@yahoo.co.in
Website: www.nalinfin.co.in

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
NALIN LEASE FINANCE LTD.
Himatnagar

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of NALIN LEASE FINANCE LTD. ("the company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters to communicate in our report.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-A** a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
- g) With respect to the other matters to be included in the Auditor's Report and in accordance with rule 11 of the companies (Audit & Auditors) Rule 2014 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial positions
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, Paresh Thothawala & Co.
Chartered Accountants
Firm Reg. No. 114777W

CA Paresh Thothawala
Partner
Membership No. 048435

Date: 24/05/2019
Place: Himatnagar

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

| | |
|------------|--|
| 3(i) (a) | In our opinion the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. |
| (b) | The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. |
| (c) | According to the information and explanation given to us and based on the examination of the registered sale deed/transfer deed/conveyance deed/other corroborative evidence provided to us, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, we held in the name of the company as at the balance sheet date. The company had not entered in to any lease till the end of the financial year. |
| 3(ii)(a) | The Company is a finance company and it does not hold any physical inventories except stationery & Adhesive Stamp. Hence paragraph 3(ii) of the Order is not applicable |
| (b) | In our opinion and based on information provided to us, no material discrepancies were noticed and in the absence of the same, commenting on dealing with the books of accounts does not arise |
| 3 (iii) | Based on information given to us during the year the company has not granted any loans, secured or unsecured loan to any party covered in the register maintained under Section 189 of Companies Act, 2013. |
| 3 (iv) | Based on information given to us during the year the company has not granted any loans, investments, guarantees and securities to any party as specified under Section 185 and 186 of Companies Act, 2013. |
| 3 (v) | The Company has not accepted any deposits from the public during the year which attract the directives issued by the Reserve Bank of India. Being a Non-Banking Finance Company, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder regarding acceptance of deposits are not applicable. Therefore, the reporting requirement under clause (v) of paragraph 3 of the Order is not applicable. |
| 3 (vi) | To the best of our knowledge and explanation given to us, the provision of maintenance of cost records under sub-section (1) of section 148 of the Act is not applicable to the company. |
| 3 (vii)(a) | In our opinion and according to information and explanation given to us and according to records of the company, the company has been regular in depositing undisputed statutory dues including Provident fund, Employee's state insurance, Income Tax, Sales Tax, Goods & Service Tax, Duty of customs, Duty of Excise, Value added tax, cess and other material statutory dues with the appropriate authorities. There is no arrears of statutory dues as at 31 st March 2019 which are outstanding for a period of more than 6 Months from the date they becomes |

| | |
|----------|---|
| | payable. |
| (b) | According to the information and explanations given to us, there are no material dues of income-tax, sales tax, goods and service tax, duty of customs and excise and cess which have not been deposited with the appropriate authorities on account of any dispute. |
| 3 (viii) | In our opinion and based on information given to us, the company has not defaulted in repayment of dues to the banks. |
| 3 (ix) | During the year under Audit the Company has not raised moneys by way of IPO or Further Public Offer including debts instruments and term loans. |
| 3 (x) | According to the information and explanations given to us, No fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year. |
| 3 (xi) | In our opinion, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act. |
| 3 (xii) | As the company is not Chit Fund/ Nidhi/ Mutual Benefit Fund/Society to which the provisions of special statute relating to Nidhi Company/Chit Fund are applicable, and hence such clause is not applicable. |
| 3(xiii) | Based upon the audit procedure performed and according to the information and explanation given to us, All transactions with related parties are in compliance with section 177 and 188 of the act where applicable and the details have been specified in Note no. 28 of the financial statements of the company. |
| 3(xiv) | The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review hence this para is not applicable. |
| 3(xv) | The company had not entered into any non-cash transactions with the directors or persons connected with him, under section 192 of the Act. |
| 3(xvi) | The Company is registered with RBI as NBFC and has Certificate of registration bearing No. 01.00242 under Section 45IA of the Reserve bank of India Act 1934. |

For, Paresh Thothawala & Co.
Chartered Accountants
Firm Reg. No. 114777W

CA Paresh Thothawala
Partner
Membership No. 048435

Date: 24/05/2019
Place: Himatnagar



NALIN LEASE FINANCE LIMITED

CIN:L65910GJ1990PLC014516

AUDITED BALANCE SHEET AS AT 31ST MARCH, 2019

| PARTICULARS | NOTES | AS AT 31/03/2019 Amount in Rs. | AS AT 31/03/2018 Amount in Rs. |
|--|--------------|---|---|
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>SHAREHOLDER'S FUNDS</u> | | | |
| Share Capital | "3" | 3,26,20,000 | 3,26,20,000 |
| Reserves And Surplus | "4" | 8,86,81,429 | 7,59,57,990 |
| <u>NON CURRENT LIABILITIES</u> | | | |
| Long Term Provisions | "5" | 1,04,431 | 1,60,830 |
| <u>CURRENT LIABILITIES</u> | | | |
| Short Term Borrowings | "6" | 6,14,71,646 | 7,38,30,234 |
| Other Current Liabilities | "7" | 2,37,520 | 2,44,219 |
| Short Term Provisions | "8" | 28,97,229 | 24,80,062 |
| TOTAL : | | 18,60,12,254 | 18,52,93,335 |
| <u>ASSETS</u> | | | |
| <u>NON CURRENT ASSETS</u> | | | |
| Fixed Assets | | | |
| Tangible Assets | "9" | 23,67,242 | 27,88,394 |
| Deferred Tax Assets (Net) | "10" | 2,93,213 | 27,708 |
| Long term Loans & Advances | "11" | 4,17,72,274 | 4,02,07,521 |
| Other Non-Current Assets | "12" | 18,489 | 18,489 |
| <u>CURRENT ASSETS</u> | | | |
| Inventories | "13" | 1,79,784 | 1,42,484 |
| Cash & Cash Equivalent | "14" | 11,89,947 | 10,54,671 |
| Short term Loans & Advances | "11" | 13,98,49,526 | 14,06,88,706 |
| Other Current Assets | "15" | 3,41,780 | 3,65,361 |
| TOTAL : | | 18,60,12,254 | 18,52,93,335 |
| Statement of Significant Accounting Policies | "2" | | |

Notes on accounts form part of the financial statements

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretaries

For and on behalf of the board
D.N.Gandhi Managing Director

H.D.Gandhi Director

Paresh K. Thothawala
Partner
M.No. 048435

(N.K.Patel)
Chief Financial Officer

P.D.Gandhi Director

Place: Himantnagar
Date: 24.05.2019

Place: Himantnagar
Date: 24.05.2019



NALIN LEASE FINANCE LIMITED

CIN:L65910GJ1990PLC014516

AUDITED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

| PARTICULARS | NOTES | Year Ended | Year Ended |
|--|-------|--------------------|--------------------|
| | | 31/03/2019 | 31/03/2018 |
| | | Amount in Rs. | Amount in Rs. |
| <u>INCOME</u> | | | |
| Revenue from Operations | "16" | 3,79,68,630 | 3,53,15,610 |
| Other Income | "17" | - | 67,829 |
| | | 3,79,68,630 | 3,53,83,439 |
| <u>EXPENDITURE</u> | | | |
| Employee Benefits Expenses | "18" | 58,36,925 | 55,85,929 |
| Financial Costs | "19" | 91,27,250 | 84,44,422 |
| Depreciation and Amortisation | "9" | 4,68,414 | 6,35,372 |
| Provisions and Write Offs | "20" | (71,639) | 21,98,626 |
| Other Expenses | "21" | 51,80,466 | 42,97,455 |
| | | 2,05,41,416 | 2,11,61,804 |
| Exceptional & Extra Ordinary Items | "22" | - | 1,00,989 |
| PROFIT / (LOSS) BEFORE TAX | | 1,74,27,214 | 1,41,20,646 |
| Provision for Current Taxes | | 49,69,281 | 39,46,125 |
| Provision for Deferred Taxes | | (2,65,505) | (27,708) |
| Income Tax of earlier years | | - | 72,784 |
| PROFIT / (LOSS) AFTER TAX | | 1,27,23,439 | 1,01,29,445 |
| PROFIT / (LOSS) FOR THE YEAR | | 1,27,23,439 | 1,01,29,445 |
| Basic / Dilluted Earning Per Share(Rs.) | "23" | 3.90 | 3.11 |
| Statement of Significant Accounting Policies | "2" | | |

Notes on accounts form part of the financial statements

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretaries

Paresh K. Thothawala
Partner
M.No. 048435
Place: Himantnagar
Date: 24.05.2019

(N.K.Patel)
Chief Financial Officer

For and on behalf of the board
D.N.Gandhi Managing Director

H.D.Gandhi Director

P.D.Gandhi Director

Place: Himantnagar
Date: 24.05.2019

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2019

Notes to Financial Statements for the Year Ended on March 31, 2019

Note 1: Corporate Information

Nalin Lease Finance Limited ('NLFL' or 'the company') was incorporated on October 11, 1990 in Himatnagar, Gujarat. The company is a Non-Banking Finance Company ('NBFC'), which provides a wide range of fund based services including gold loans, vehicle loans, business loans etc.

Note 2: Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the guidelines issued by the Reserve Bank of India as applicable to a Non-Deposit accepting NBFC ('NBFC-ND'). The financial statements have been prepared on an accrual basis and under the historical cost convention, except for interest and discounts on non-performing assets which are recognized on realization basis.

All assets and liabilities have been classified as current or non – current as per Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change required.

2.1 Summary of significant accounting policies

a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed Assets are stated at their acquisition cost less accumulated depreciation and impairment losses, if any. Cost of assets comprise of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use where applicable together with any incidental expenses of acquisition/installation. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition/construction of qualifying assets. Individual Assets whose actual cost does not exceed Rs. 5,000/- are fully depreciated in the year of purchase.

c. Depreciation on fixed assets

Depreciation on fixed assets is provided on Straight Line Method at Cost on Pro-rata basis at following rates, which is management's estimate of the useful lives of the assets.

| Nature of Assets | Useful life in years |
|----------------------|----------------------|
| Computer Equipment | 3 |
| Office Equipment* | 3 |
| Buildings | 60 |
| Furniture & Fixtures | 10 |
| Vehicles | 8 |
| Air Conditioners | 10 |

*The company has estimated useful life which is different from schedule II useful life based on technical advice obtained by the management.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

d. Intangible assets & its Amortization

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

e. Borrowing costs

Borrowing costs attributable to acquisition and/or construction of qualifying assets as defined in Accounting Standard – 16 on “Borrowing Cost” are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended purpose. All other Borrowing Costs are charged to revenue.

f. Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

g. Inventories

Stock of consumables, components, stores and spares are valued at lower of cost and net realizable value. However, consumables and other items held for use in the providing service are not written down below cost if the services in which they will be utilised are expected to be provided at or above cost. Cost of Stock of consumables, components and stores and spares is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

h. Revenue recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization of collection. In a situation where management believes that the recovery of interest is uncertain due to change in the price of the gold or otherwise, the company recognizes income on such loans only to the extent it is confident of recovering interest from its customers through sale of underlying security or otherwise.

Interest income on loans given is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Such interests, where instalments are overdue in respect of non-performing assets are recognized on realization basis. Any such income recognized and remaining unrealized after they become overdue in respect of secured and unsecured loans are reversed.

All other charges such as cheque return charges, overdue charges etc are recognized on realization basis. These charges are treated to accrue on realization, due to the uncertainty of their realization.

Revenues from fee-based activities are recognized as and when services are rendered.

i. Retirement and other employee benefits

Short-Term Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in profit & Loss Account of the year in which related service is rendered.

Post Retirement Benefits

As per applicable laws the company is not mandatorily required to make necessary provisions for retirement benefits. Therefore the company has not formulated any specific terms of employment for specific requirement benefits.

j. Foreign Currency Transactions

1. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit or Loss.

2. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

k. Investments

Investments are classified into current and non-current investments. Current investments are stated at the lower of cost and fair value. Non-current investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, separately for each individual non-current investments.

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as "Current investments". All other investments are classified as "Non-current investments".

l. Income taxes

Provision for tax is made for both Current and Deferred taxes.

Provision for current income tax is made on current tax rates based on assessable income in accordance with the provision of the Income Tax Act, 1961.

Deferred Tax Assets and Deferred Tax Liabilities are recognized on timing difference being the difference between taxable incomes and accounting income. Deferred Tax Assets or Liabilities are measured using the tax rates and tax laws that have been

enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

m. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Provisions

i) A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

ii) Provision policy for gold loans and other loan portfolios

Secured loans/Others loans are classified / provided for, as per management's best estimates, subject to the minimum provision required as per master direction-Non banking Financial Company -Systemically important Non-deposit taking Company and Deposit taking company (Reserve Bank) Directions, 2016

Others loans are classified / provided for, as per management's best estimates, subject to the minimum provision required as per master direction-Non banking Financial Company -Systemically important Non-deposit taking Company and Deposit taking company (Reserve Bank) Directions, 2016.

o. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

p. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

q. Surplus on auction of pledged gold

The Company has a policy of refund of any surplus that arises on auction of pledged gold which has been repossessed by the company in accordance with the terms of the agreement with the customers.

Notes on accounts form part of the financial statements

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretaries

For and on behalf of the board
D.N.Gandhi Managing Director

H.D.Gandhi Director

Paresh K. Thothawala
Partner
M.No. 048435

(N.K.Patel)
Chief Financial Officer

P.D.Gandhi Director

Place: Himantnagar
Date: 24.05.2019

Place: Himantnagar
Date: 24.05.2019



NALIN LEASE FINANCE LIMITED
CIN:L65910GJ1990PLC014516

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019
(Pursuant to the Listing Agreement with Stock Exchange)

| Particulars | for the year ended on 31st March 2019 | | for the year ended on 31st March 2018 | |
|---|---------------------------------------|----------------------|---------------------------------------|----------------------|
| | Amount in Rs. | Amount in Rs. | Amount in Rs. | Amount in Rs. |
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit Before Tax | | 1,74,27,214 | | 1,41,20,646 |
| Adjustment For : | | | | |
| Depreciation and Amortisation | 4,68,414 | | 6,35,372 | |
| Interest on Fixed Deposits | - | | (67,829) | |
| Provision on Assets | (1,58,935) | | 10,21,454 | |
| Finance Costs | 91,27,250 | | 84,44,422 | |
| Loss on sale of Fixed Assets | - | | 1,00,989 | |
| | | 94,36,729 | | 1,01,34,408 |
| Operating Profit before Working Capital Changes | | 2,68,63,944 | | 2,42,55,054 |
| Adjustment For Changes in Working Capital: | | | | |
| (Increase) / Decrease in Other Current Assets | 23,582 | | (16,648) | |
| (Increase) / Decrease in Inventories | (37,300) | | 6,400 | |
| Increase / (Decrease) in Other Current Liabilities | (6,699) | | 1,33,519 | |
| Increase / (Decrease) in Short Term Provision | (2,504) | | (91,796) | |
| | | (22,921) | | 31,475 |
| Tax Paid (net of refunds) | (44,47,074) | | (47,22,438) | |
| Finance Costs Paid | (91,27,250) | | (84,44,422) | |
| | | (1,35,74,324) | | (1,31,66,860) |
| (Increase) / Decrease in Receivables under Financing Activity | (7,25,572) | | (5,10,96,991) | |
| | | (7,25,572) | | (5,10,96,991) |
| NET CASH FLOW FROM OPERATING ACTIVITIES | A | 1,25,41,126 | | (3,99,77,322) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (47,262) | | (8,800) | |
| Proceeds of Sale of Assets | - | | 3,88,815 | |
| Interest Received on FD | - | | 67,829 | |
| | | (47,262) | | 4,47,844 |
| NET CASH FLOW FROM INVESTING ACTIVITIES | B | (47,262) | | 4,47,844 |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from Short Term Borrowing | (1,23,58,588) | | 3,62,66,964 | |
| | | (1,23,58,588) | | 3,62,66,964 |
| NET CASH FLOW FROM FINANCING ACTIVITIES | C | (1,23,58,588) | | 3,62,66,964 |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | A+B+C | 1,35,276 | | (32,62,513) |
| Cash and Cash Equivalents as at beginning of the year | | 10,54,671 | | 43,17,184 |
| Cash and Cash Equivalents as at end of the year | | 11,89,947 | | 10,54,671 |

1 The above cash flow statement have been prepared under the indirect method set out in Accounting Standard (AS) 3, 'Cash Flow Statement' notified pursuant to the Companies (Accounts) Rules, 2014.

2 All figures in brackets indicate outflow.

Notes on accounts form part of the financial statements

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretaries

For and on behalf of the board
D.N.Gandhi Managing Director

H.D.Gandhi Director

Paresh K. Thothawala
Partner
M.No. 048435
Place: Himantnagar
Date: 24.05.2019

(N.K.Patel)
Chief Financial Officer

P.D.Gandhi Director

Place: Himantnagar
Date: 24.05.2019

Note 3: Share Capital

| Particulars | 31/03/2019 | 31/03/2018 |
|--|--------------------|--------------------|
| Authorised Capital | | |
| 37,50,000 Equity Shares of RS.10/-each | 3,75,00,000 | 3,75,00,000 |
| Issued & Subscribed and Paid up | | |
| 32,62,000 Equity Shares of RS.10/-each | 3,26,20,000 | 3,26,20,000 |
| | 3,26,20,000 | 3,26,20,000 |

2.1 The details of Shareholders holding more than 5% Shares

| Name of the Share Holder | As at 31st March 2019 | | As at 31st March 2018 | |
|------------------------------|-----------------------|--------|-----------------------|--------|
| | No of Share | % held | No of Shares | % held |
| Dilipkumar Nalinkant Gandhi | 728899 | 22.35 | 728899 | 22.35 |
| Pallaviben Dilipkumar Gandhi | 225177 | 6.90 | 225177 | 6.90 |

2.2 The reconciliation of the number of shares outstanding is set out below:

| Particulars | As at 31st March 2019 No. of Shares | As at 31st March 2018 No. of Shares |
|--|--|--|
| Equity Shares at the beginning of the year | 32,62,000 | 32,62,000 |
| Add : Shares issued | - | - |
| Equity Shares at the end of the year | 32,62,000 | 32,62,000 |

2.3 Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having Par Value of Rs 10/- per Share. Each holder of Equity Share is entitled to one vote per share.

2.5 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The holders of Partly Paid Equity Shares will have to contribute unpaid amount on the the Equity Shares held by them.

Note 4: Reserves & Surplus

| Particulars | 31/03/2019 | 31/03/2018 |
|---|--------------------|--------------------|
| (A) GENERAL RESERVE | | |
| Opening Balance | 5,69,70,876 | 4,94,70,876 |
| Add: Profit/((Loss) transferred from Profit & Loss for the year | 75,00,000 | 75,00,000 |
| TOTAL (A) | 6,44,70,876 | 5,69,70,876 |
| (B) STATUTORY RESERVE (U/S 45 IC of RBI ACT) | | |
| Opening Balance | 1,72,25,184 | 1,51,99,295 |
| Add: Profit/((Loss) transferred from Profit & Loss for the year | 25,44,688 | 20,25,889 |
| TOTAL (B) | 1,97,69,872 | 1,72,25,184 |
| (C) SURPLUS FROM PROFIT & LOSS ACCOUNT | | |
| Opening Balance | 17,61,930 | 11,58,374 |
| Add: Current year surplus | 1,27,23,439 | 1,01,29,445 |
| Less: Transfer to General Reserve | 75,00,000 | 75,00,000 |
| Less: Transfer to Compulsory Reserve | 25,44,688 | 20,25,889 |
| TOTAL (C) | 44,40,681 | 17,61,930 |
| TOTAL (A+B+C) | 8,86,81,429 | 7,59,57,990 |

Additional Disclosures

As required by section 45 IC of the Reserve bank of India Act, 1934, company has to appropriated 20% of its Profits to Statutory Reserve Account

Note 5: Long Term Provisions

| Particulars | 31/03/2019 | 31/03/2018 |
|--------------------------------|-----------------|-----------------|
| Provisions for Standard Assets | 1,04,431 | 1,60,830 |
| | 1,04,431 | 1,60,830 |

Note 6: Short Term Borrowings

| Particulars | 31/03/2019 | 31/03/2018 |
|----------------------------------|--------------------|--------------------|
| Loans Repayable on demand | | |
| Cash Credit limit | 5,94,41,646 | 7,38,30,234 |
| From Directors | 20,30,000 | - |
| | 6,14,71,646 | 7,38,30,234 |

A) The Cash Credit facility is secured by charge on current assets, book debts, Loans & advances and personal guarantee of promoter directors. Further the said loan is also secured against immovable property held in the name of one of the promoter director of the company.

B) Unsecured Loan from directors carries interest rate @ 12% and repayable within 12 months.

Note 7: Other Current Liabilities

| Particulars | 31/03/2019 | 31/03/2018 |
|----------------|-----------------|-----------------|
| Other Payables | 2,37,520 | 2,44,219 |
| | 2,37,520 | 2,44,219 |

Note 8: Short Term Provisions

| Particulars | 31/03/2019 | 31/03/2018 |
|------------------------------------|------------------|------------------|
| Provisions for Standard Assets | 21,97,013 | 21,34,678 |
| Provisions for Sub-standard Assets | 1,45,409 | 3,10,280 |
| Advance Tax (Net) | 5,22,207 | - |
| Other Provisions | 32,600 | 35,104 |
| | 28,97,229 | 24,80,062 |

Movements of Provisions

Provision for Standard Assets

| | | |
|--|------------------|------------------|
| Opening Balance at the beginning of the year | 22,95,508 | 15,84,334 |
| Additional provision made / (Reversed) during the year | 5,936 | 7,11,174 |
| Closing balance at the end of the year | 23,01,443 | 22,95,508 |

Provisions for Sub-standard Assets

| | | |
|--|-----------------|-----------------|
| Opening Balance at the beginning of the year | 3,10,280 | - |
| Additional provision made / (Reversed) during the year | (1,64,871) | 3,10,280 |
| Closing balance at the end of the year | 1,45,409 | 3,10,280 |

As per RBI's direction, all NBFCs are required to make necessary provisions for standard assets. Accordingly Company has to make a provision of 0.25% for FY 2018-19 (0.40% for FY 2017-18) of its [DNBR (PD) CC NO.002/03.10.001/2014-15-DATED 10.11.2014]

Note 10: Deferred Tax Assets

| Particulars | 31/03/2019 | 31/03/2018 |
|-----------------------------|-----------------|---------------|
| Depreciation & Amortisation | 1,72,691 | 27,708 |
| Other | 1,20,522 | - |
| | 2,93,213 | 27,708 |

| Note 11: Loans and Advances | | |
|--|---------------------|---------------------|
| Particulars | 31/03/2019 | 31/03/2018 |
| <u>NON-CURRENT</u> | | |
| <u>Secured Considered Good</u> | | |
| Vehicle Loan | 4,17,72,274 | 4,02,07,521 |
| | 4,17,72,274 | 4,02,07,521 |
| <u>CURRENT</u> | | |
| <u>Secured Considered Good</u> | | |
| Vehicle Loan | 3,71,01,016 | 3,02,54,045 |
| Gold Loan | 9,76,66,293 | 11,04,34,661 |
| <u>Unsecured, Considered Good</u> | | |
| Business Loan | 50,82,217 | - |
| | 13,98,49,526 | 14,06,88,706 |
| | 18,16,21,800 | 18,08,96,228 |
| Note 12: Other Non Current Assets | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Security Deposits | 18,489 | 18,489 |
| | 18,489 | 18,489 |
| Note 13: Inventories | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Sp. Adhesive Stamp | 1,46,284 | 1,28,984 |
| Stationery Stock | 33,500 | 13,500 |
| | 1,79,784 | 1,42,484 |
| Note 14: Cash & Cash Equivalent | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| <u>Cash & Bank Equivalent</u> | | |
| Cash On Hand | 8,61,119 | 5,39,297 |
| Balances with Bank | 3,28,828 | 5,15,374 |
| | 11,89,947 | 10,54,671 |
| Note 15: Other Current Assets | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Balance with Govt. Authorities | 2,66,803 | 2,66,803 |
| Other Receivables | 74,977 | 98,558 |
| | 3,41,780 | 3,65,361 |

| Note 16 : Revenue from Operations | | |
|--|--------------------|--------------------|
| Particulars | 31/03/2019 | 31/03/2018 |
| Finance Activity: | | |
| i) Interest Income on Hire Purchase | 1,59,52,490 | 1,54,87,503 |
| ii) Interest Income on Gold Loan | 1,94,68,670 | 1,80,27,369 |
| iii) Interest on Other Loan | 4,09,859 | 91,792 |
| Other Operating Revenue: | | |
| Late Fee Charges | 15,55,851 | 12,67,619 |
| Bad Debts Recoveries | 2,00,962 | 44,086 |
| Miscellaneous Charges and receipts | 3,80,798 | 3,97,240 |
| | 3,79,68,630 | 3,53,15,610 |
| Note 17 : Other Income | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Interest Income | - | 67,829 |
| | - | 67,829 |
| Note 18 : Employee Benefit Expense | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Salary & Conveyance | 16,54,500 | 17,33,500 |
| Staff Welfare Expense | 1,02,425 | 1,32,429 |
| Director Remuneration | 40,80,000 | 37,20,000 |
| | 58,36,925 | 55,85,929 |
| Note 19 : Finance Cost | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Interest on Unsecured Loan | 2,35,567 | 18,18,585 |
| Bank Interest & Charges | 85,93,084 | 58,44,837 |
| Loan Processing Charges | 2,98,599 | 7,81,000 |
| | 91,27,250 | 84,44,422 |
| Note 20 : Provisions and Write Offs | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Bad Debts & Written off | 87,296 | 11,77,172 |
| Provision for Standard Assets | 5,936 | 7,11,174 |
| Provision for Sub-standard Assets | (1,64,871) | 3,10,280 |
| | (71,639) | 21,98,626 |

| Note 21 : Other expenses | | |
|--|-------------------|-------------------|
| Particulars | 31/03/2019 | 31/03/2018 |
| Advertisement & Marketing Expense | 1,51,080 | 2,74,202 |
| Audit Fees | 1,77,000 | 1,77,000 |
| CIBIL Charges | 1,06,685 | 1,34,244 |
| Computer & Software Expense | 26,700 | - |
| Demate Charges & Stock Exchnage Listing Fee | 4,15,140 | 3,81,594 |
| Electricity Expense | 3,40,579 | 4,10,304 |
| Insurance Expense | 3,73,707 | 2,46,173 |
| Legal & Professional Fees | 6,18,927 | 87,900 |
| Membership & Subscription Expense | 40,809 | - |
| Office & General Expense | 39,597 | 2,62,164 |
| Rent Expense | 16,08,800 | 11,33,400 |
| Repairs & Annual Maintenance Expense | 1,18,492 | 2,17,818 |
| Sp Adhesive Stamp Expense | 1,91,900 | 2,71,900 |
| Stationery, Printing & Postage Expense | 5,98,968 | 3,26,921 |
| Telephone Expense | 1,61,718 | 1,86,288 |
| Vechile & Travelling Expense | 2,10,364 | 1,87,547 |
| | 51,80,466 | 42,97,455 |
| Payment to Auditor | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Statutory Audit | 82,600 | 82,600 |
| Tax Audit | 47,200 | 47,200 |
| Other Services | 47,200 | 47,200 |
| | 1,77,000 | 1,77,000 |
| Note 22 : Exceptional & Extra Ordinary Items | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Loss on sale of Fixed Assets | - | 1,00,989 |
| | - | 1,00,989 |
| Note 23 : Earning per Share | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| tax as per Statement of Profit | 1,27,23,439 | 1,01,29,445 |
| ii: Basic No of Equity Share | 32,62,000 | 32,62,000 |
| iii: Basic & Diluted Earnings per Share | 3.90 | 3.11 |
| iv: Face Value per Equity Share | 10 | 10 |
| Note 24 : Contingent Liability & commitments (to the extent not provided for) | | |
| Particulars | 31/03/2019 | 31/03/2018 |
| Contingent Liability | - | - |
| Commitments | - | - |
| | - | - |

Note 25 : Expenditure in foreign currency and unhedged exposure

| Particulars | 31/03/2019 | 31/03/2018 |
|------------------------------------|------------|------------|
| Foreign Currency Expenditure | - | - |
| Unhedged Foreign Currency Exposure | - | - |
| | - | - |

Note: 26 - Segment Reporting

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS 17 on 'Segment Reporting'. The company operates in a single

Note 27: Gold and Other Loan Portfolio classification and provision for Non-performing Assets. (As per RBI Prudential Norms)

| Particulars | Gross Loan Outstanding | | Provision for Assets | | Net Loan Outstanding | |
|------------------------|------------------------|---------------------|----------------------|------------------|----------------------|---------------------|
| | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 | 31/03/2019 | 31/03/2018 |
| Secured Loans | | | | | | |
| A) Gold Loan | | | | | | |
| Standard Assets | 9,76,66,293 | 11,04,34,661 | (31,921) | 4,41,739 | 9,76,98,214 | 10,99,92,922 |
| Sub-Standard Assets | - | - | - | - | - | - |
| Doubtful Assets | - | - | - | - | - | - |
| Loss Assets | - | - | - | - | - | - |
| Total - A | 9,76,66,293 | 11,04,34,661 | (31,921) | 4,41,739 | 9,76,98,214 | 10,99,92,922 |
| B) HP Loans | | | | | | |
| Standard Assets | 7,74,19,197 | 6,73,58,766 | 25,151 | 2,69,435 | 7,73,94,046 | 6,70,89,331 |
| Sub-Standard Assets | 14,54,092 | 31,02,800 | (1,64,871) | 3,10,280 | 16,18,963 | 27,92,520 |
| Doubtful Assets | - | - | - | - | - | - |
| Loss Assets | 87,296 | 4,88,393 | 87,296 | 4,88,393 | - | - |
| Total - B | 7,89,60,585 | 7,09,49,960 | (52,424) | 10,68,108 | 7,90,13,009 | 6,98,81,852 |
| Total - A+B | 17,66,26,878 | 18,13,84,621 | (84,345) | 15,09,847 | 17,67,11,223 | 17,98,74,774 |
| Unsecured Loans | | | | | | |
| A) Other Loan | | | | | | |
| Standard Assets | 50,82,217 | - | 12,706 | - | 50,69,511 | - |
| Sub-Standard Assets | - | - | - | - | - | - |
| Doubtful Assets | - | - | - | - | - | - |
| Loss Assets | - | 6,88,779 | - | 6,88,779 | - | - |
| Total | 50,82,217 | 6,88,779 | 12,706 | 6,88,779 | 50,69,511 | - |

Note 9 : Non Current Assets: Fixed Assets

| Particulars | Gross Block | | | | | Accumulated Depreciation | | | | Net Block | |
|------------------------|----------------------------|---------------|-----------|--------------------------|-----------------------------|----------------------------|-----------------------------|-------------|-----------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2018 | Additions | Disposals | Revaluations/Impairments | Balance as at 31 March 2019 | Balance as at 1 April 2018 | Depreciation charge for the | Adjustments | Balance as at 31 March 2019 | Balance as at 31 March 2019 | Balance as at 31 March 2018 |
| | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) | (Rs.) |
| Tangible Assets | | | | | | | | | | | |
| Air Conditioner | 7,98,545 | - | - | - | 7,98,545 | 3,18,183 | 72,970 | - | 3,91,153 | 4,07,392 | 4,80,362 |
| Furniture & Fixtures | 20,55,204 | - | - | - | 20,55,204 | 9,56,212 | 1,24,445 | - | 10,80,657 | 9,74,547 | 10,98,992 |
| Office Building | 3,81,500 | - | - | - | 3,81,500 | 1,38,870 | 6,045 | - | 1,44,915 | 2,36,585 | 2,42,630 |
| Office Equipment | 21,84,028 | 47,262 | - | - | 22,31,290 | 20,11,512 | 66,748 | - | 20,78,260 | 1,53,030 | 1,72,516 |
| Vehicles | 16,69,107 | - | - | - | 16,69,107 | 8,75,213 | 1,98,206 | - | 10,73,419 | 5,95,688 | 7,93,894 |
| Grand Total | 70,88,384 | 47,262 | - | - | 71,35,646 | 42,99,990 | 4,68,414 | - | 47,68,404 | 23,67,242 | 27,88,394 |
| Previous Year | 1,15,62,822 | 8,800 | 44,83,238 | - | 70,88,384 | 76,58,052 | 6,35,372 | 39,93,434 | 42,99,990 | 27,88,394 | 39,04,770 |

Note 28 Related Party Disclosure

As per Accounting Standard 18, disclosures of the transactions with the related parties as defined in the Accounting Standard are given below:

A) Name of the related party and description of the relationship with whom transaction taken place:

| Description of relationship | Names of related parties |
|--------------------------------|---|
| Key Management Personnel (KMP) | Mr. Dilipkumar Nalinkant Gandhi Mrs. Pallaviben Dilipkumar Gandhi Mr. Harsh Dilipkumar Gandhi |

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2019 and balances outstanding as at 31 March, 2019:

| Nature of Transaction with Related Parties (Excluding Reimbursement) | 2018-19 | | 2017-18 | |
|--|-------------------|---|-------------------|---|
| | Transaction Value | Outstanding amount carried in the Balance Sheet | Transaction Value | Outstanding amount carried in the Balance Sheet |
| <u>Mr. Dilipkumar Nalinkant Gandhi</u> | | | | |
| Director Remuneration | 16,40,000 | | 15,20,000 | |
| Rent | 11,60,000 | | 9,53,400 | |
| Interest | - | | 12,36,154 | |
| Unsecured Loan taken | - | | 1,47,50,000 | - |
| <u>Mrs. Pallaviben Dilipkumar Gandhi</u> | | | | |
| Director Remuneration | 12,80,000 | | 11,60,000 | |
| <u>Mr. Harsh Dilipkumar Gandhi</u> | | | | |
| Director Remuneration | 11,60,000 | | 10,40,000 | |
| Rent | 2,40,000 | | 1,80,000 | |
| Interest | 2,35,567 | | 5,82,431 | |
| Unsecured Loan taken | 1,58,60,000 | 20,30,000 | 1,69,80,000 | - |
| Unsecured Loan paid | 1,40,42,010 | | | |

Note: 29 In the opinion of the Board of Directors, the Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the foregoing Balance Sheet and adequate provision for all known liabilities on the Company has been made.

Note: 30 Figures of previous year have been reworked/regrouped/reclassified wherever

Notes on accounts form part of the financial statements

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretaries

For and on behalf of the board
D.N.Gandhi Managing Director

H.D.Gandhi Director

Paresh K. Thothawala
Partner
M.No. 048435

(N.K.Patel)
Chief Financial Officer

P.D.Gandhi Director

Place: Himantnagar
Date: 24.05.2019

Place: Himantnagar
Date: 24.05.2019

NALIN LEASE FINANCE LTD.

CIN: L65910GJ1990PLCO14516

GROUND FLOOR, GANDHI NURSING HOME BLDG., DR.NALINKANT GANDHI ROAD,
HIMATNAGAR, SABARKANTHA, GUJARAT – 383001.

TEL NO.: +91 2772 241264, 242264

Web: www.nalinfm.co.in, E-mail: nalinlease@yahoo.co.in

**ANNEXURE TO THE NOTICE FOR THE 28TH ANNUAL GENERAL MEETING OF THE
COMPANY TO BE HELD ON 30TH DAY OF SEPTEMBER, 2019**

| | | |
|----------|--|--|
| 1 | Name of the sole/first named member: | |
| 2 | Address of sole/first named member: | |
| 3 | Name (s) of joint member(s) if any: | |
| 4 | Registered folio no. /DP ID No. /Client ID NO. | |
| 5 | Number of shares held: | |

Subject: - Process and manner for availing E-voting facility

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and **Regulation 44 of SEBI (LODR) Regulations, 2015**, the business to be transacted at the Annual General Meeting of the company to be held on Monday, September 30, 2019 at 3.30 may be transacted through electronic voting system and the company is providing facility for voting by electronic means. The Company has engaged the services of Linkintime (Instavote) to provide e-voting facilities. The e-voting facility is available at the link <https://instavote.linkintime.co.in>

The electronic voting particulars are set out below:

| EVEN E-VOTING EVENT NUMBER | USER ID | PASSWORD / PIN |
|-----------------------------------|----------------|-----------------------|
| 190247 | | |

The e-voting facility will be available during the following voting period:

| COMMENCEMENT OF REMOTE E-VOTING | END OF REMOTE E-VOTING |
|---|---|
| 27 th September, 2019 (9.00 a.m. onwards) | 29 th September, 2019 (5.00 p.m. onwards) |

E-voting shall not be allowed beyond 5:00 p.m. of 29th September, 2019. During the e-voting period, shareholders of the company holding shares either in physical form or in dematerialized form, as on cut – off date may cast their vote electronically. The Company has fixed 23rd September, 2019 as the cut-off date for determining voting rights of shareholders entitled to participating in the e-voting process.

Please read the instructions mentioned in the Notice of Annual General Meeting.

These details and instructions from internal part of the Notice for the Annual General Meeting to be held on **30TH DAY OF SEPTEMBER, 2019.**

NALIN LEASE FINANCE LTD.
 CIN: L65910GJ1990PLCO14516
 GROUND FLOOR, GANDHI NURSING HOME BLDG., DR.NALINKANT GANDHI ROAD,
 HIMATNAGAR, SABARKANTHA, GUJARAT – 383001.
 TEL NO.: +91 2772 241264, 242264
 Web: www.nalinfin.co.in, E-mail: nalinlease@yahoo.co.in

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

28th Annual General Meeting on 30TH DAY OF SEPTEMBER, 2019

Full name of the members attending _____

(In block capitals)

Ledger Folio No/Client ID No _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 28th Annual General Meeting of the Nalin Lease Finance Limited, Gandhi Nursing Home Bldg Dr. Nalinkant Gandhi Road, Himatnagar, Gujarat, India-380001, on **30TH DAY OF SEPTEMBER, 2019**

(Member's /Proxy's Signature)

.....

NALIN LEASE FINANCE LTD.
 CIN: L65910GJ1990PLCO14516
 GROUND FLOOR, GANDHI NURSING HOME BLDG., DR.NALINKANT GANDHI ROAD,
 HIMATNAGAR, SABARKANTHA, GUJARAT – 383001.
 TEL NO.: +91 2772 241264, 242264
 Web: www.nalinfin.co.in, E-mail: nalinlease@yahoo.co.in

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | | |
|-----------------------|--|--|
| Name of the Member(s) | | |
|-----------------------|--|--|

| | | |
|--------------------|--|--|
| Registered Address | | |
|--------------------|--|--|

| | | |
|-----------|---------------------|-------|
| E-mail Id | Folio No /Client ID | DP ID |
|-----------|---------------------|-------|

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

| | |
|--------|------------|
| Name : | E-mail Id: |
|--------|------------|

| | |
|----------|--|
| Address: | |
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| Signature , or failing him | |
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| Name : | E-mail Id: |
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| Address: | |
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| Signature , or failing him | |
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| Name : | E-mail Id: |
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| Address: | |
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| Signature , or failing him | |
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as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the company, to be held on the **30TH DAY OF SEPTEMBER, 2019** at 03: 30 p.m. at **Nalin Lease Finance Limited, Gandhi Nursing Home Bldg Dr. Nalinkant Gandhi Road, Himatnagar, Gujarat, India-380001** and at any adjournment thereof in respect of such resolutions as are indicated below: -

Note:

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the company

.....

Resolution No.

| Sl. No. | Resolution(S) | Vote | |
|---------|---|------|---------|
| | | For | Against |
| 1. | Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31 st March, 2019 | | |
| 2. | To appoint a Director in place of Mr. Harsh Dilipkumar Gandhi who retires by rotation and being eligible offers himself for reappointment | | |
| 3. | Appointment of M/s. Paresh Thothawala & Co., Chartered Accountants as Statutory Auditors & fixing their remuneration | | |
| 4. | Re-appointment of Narendrakumar Dalsukhdas Shah as an Independent Director | | |
| 5. | Re-appointment of Navinchandra Chandulal Soni as an Independent Director | | |

Signed this ____ day of ____ 20__

| |
|----------------------------|
| Affix Revenue Stamps |
|----------------------------|

Signature of Shareholder

Signature of Proxy holder

Signature of the shareholder
-across Revenue Stamp

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.



BOOK-POST

To,

If undelivered please return to :

Registered Office:

NALIN LEASE FINANCE LIMITED

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

Phone No. +91 2772 241264, 2422264

E-mail: nalinlease@yahoo.co.in * www.nalinfm.co.in

