SUBJECT TO HIMMATNAGAR JURISDICTION ONLY

NALIN® LEASE FINANCE LTD.

CIN : L65910GJ1990PLC014516

NLFL/2020-21/BSe932

September 03, 2020

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 2019-20.

With regard to the captioned subject please find enclosed herewith Annual Report for the Financial Year 2019-20 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

N. Kantel

NALIN LEASE FINANCE LTD. HIMATNAGAR

NIKUL K PATEL
CHIEF FINANCIAL OFFICER

Encl: as above

Regd Office : Gandhi Nursing Home Bldg.,Dr. Nalinkant Gandhi Road,HIMATNAGAR - 383 001. Gujarat.
Ph : (02772) 241264, 242264, Email : nalinlease@yahoo.co.in

29TH ANNUAL REPORT 2019-2020

NALIN LEASE FINANCE LIMITED

CIN: L65910GJ1990PLC014516

COMPANY INFORMATION & MANAGEMENT

The Board of Directors

1. Narendrakumar Dalsukhdas Shah - Chairman (Independent Director)
2. Dilipkumar Nalinkant Gandhi - Managing Director
3. Harsh Dilipkumar Gandhi - Wholetime Director
4. Pallavi Dilipkumar Gandhi - Wholetime Director
5. Navinchandra Chandulal Soni - Independent Director
6. Samirkumar Kantilal Shah - Independent Director

Chief Financial Officer

Nikulkumar Kantibhai Patel

Company Secretary

Swati Ajay Shah

Board Committees

Audit Committee

Stakeholder Relationship Committee

Nomination and Remuneration Committee

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.

Practicing Company Secretary

Amrish N. Gandhi

29TH ANNUAL GENERAL MEETING

Day : Wednesday

Date : 30th September, 2020

Time : 1:00 P.M

Venue : through Video Conference / Other Audio Visual Means.

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

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

CONTENT AND INDEX OF PAGES

SR. NO.	PARTICULARS	PAGE NO
1	NOTICE OF ANNUAL GENERAL MEETING	1
2	DIRECTORS REPORT	20
3	"ANNEXURE-I" - FORM MGT-9	32
4	"ANNEXURE-II" – FORM AOC-2	41
5	"ANNEXURE-III" – FORM MR-3 (Secretarial Audit Report)	43
6	CORPORATE GOVERNANCE REPORT	47
7	MANAGEMENT DISCUSSION AND ANALYSIS	60
8	AUDITOR'S REPORT	65
9	BALANCE SHEET	75
10	PROFIT AND LOSS ACCOUNT	76
11	CASH FLOW STATEMENT	78
12	NOTES TO ACCOUNTS	79
13	SCHEDULE TO THE FINANCIAL STATEMENTS	93
14	ANNEUXURE TO NOTICE	116

NALIN LEASE FINANCE LIMITED
CIN: L65910GJ1990PLC014516
Regis. Office: Gandhi Nursing Home Bldg Dr.Nalinkant Gandhi Road, Himatnagar -383001
Tel: (02772)241264, 242264, Email id: nalinlease@yahoo.co.in
Website: www.nalinfin.co.in

NOTICE

Notice is hereby given that the 29th Annual General Meeting of Nalin Lease Finance Limited will be held on Wednesday, September 30, 2020 at 1:00 p.m. through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Gandhi Nursing Home Bldg, Dr.Nalinkant Gandhi Road Himatnagar -383001.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020, the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri Dilipkumar Nalinkant Gandhi (DIN: 00339595), who retires by rotation and being eligible, offers himself for re-appointment.

3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

4. Re-appointment of Samirkumar Kantilal 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, Samirkumar Kantilal Shah (DIN: 07215030), who was appointed as an Independent Director at the 24thAnnual General Meeting of the Company and who holds office up to 29thAnnual 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 34th AGM."

5. Re-appointment of Mr. Dilipkumar Nalinkant Gandhi as Managing Director w.e.f. August 01, 2020

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act')

and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mr. Dilipkumar Nalinkant Gandhi (DIN: 00339595), as Managing Director of the Company for a period of 5 (five) consecutive years as per the following terms:

1) Term of Appointment: With effect from August 01, 2020 till July 31, 2025.

2)Total Compensation: Rs. 22.20 Lakhs/-(Rupees Twenty Two Lakhs Twenty Thousand Only), for the financial year 2020-21 which may vary by the change as may be decided by the Board. The Total Compensation payable to him is divided into the following heads:

a) Fixed Compensation: Rs. 19.20 Lakhs/- (Rupees Nineteen Lakhs Twenty Thousand Only) per annum which includes:

(i) Basic Salary: 100% of Fixed Compensation

(ii) Allowances:

Costs of allowances include:

House Rent Allowance: 10% of the Fixed Compensation
Travelling Allowance: 10% of the Fixed Compensation

b) Flexible Compensation: In addition to the Fixed Compensation, he shall be entitled to the following perquisites, benefits, facilities and amenities as per rules of the Company upto Rs. 3 Lakhs/- (Rupees Three Lakhs Only) per annum:

Perquisites/ Benefits/Facilities and Amenities:

Mr. Dilipkumar Nalinkant Gandhi shall continue to be eligible for perquisites (evaluated as per Income tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company Policies.

Fixed Compensation and Flexible Compensation will be subject to revision by the Board annually.

The amount forming a part of Fixed and Flexible compensation payable to Mr. Dilipkumar Nalinkant Gandhi may be inter changed, in whole or in part, within the overall limits of such compensations as approved above.

3) Commission: In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment/ modification in the Rules, Act and/or applicable laws in this regard) may also be paid to him.

"**RESOLVED FURTHER THAT** consent is also accorded for an annual increment of 10% in every financial year over his last drawn remuneration during the period of 5 years of his tenure as stated above."

"**FURTHER RESOLVED THAT** the Board (including any Committee thereof), be and is hereby authorized to alter/ vary the amount of Compensation including the type and amount of perquisites, bonus and other benefits payable from time to time, in such manner as may be agreed between the Company and Mr. Dilipkumar , within the total compensation and overall limits thereof as approved by the Members and to the extent the Board may consider appropriate and to do all such acts, deeds, matters and things including execution of a contract or written memorandum with the Mr. Dilipkumar Nalinkant Gandhi, Managing Director of the Company."

6. Re-appointment of Mr. Harsh Dilipkumar Gandhi as Wholetime Director of the Company w.e.f. August 01, 2020

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mr. Harsh Dilipkumar Gandhi (DIN: 03120638), as Whole-Time Director of the Company for a period of 5 (five) consecutive years as per the following terms

1) Term of Appointment: The term of Appointment of Mr. Harsh Dilipkumar Gandhi as Whole-Time Director shall be for a period of 5 years i.e. with effect from August 01, 2020 till July 31, 2025. Though he shall be liable to retire by rotation whilst he continues to hold office of Whole-Time Director; however, his re-appointment on retirement by rotation will not break his length of service as Whole-Time Director.

2) Total Compensation: Rs. 16.40 Lakhs /- (Rupees Sixteen Lakhs Forty Thousand Only), for the financial year 2020-21 which may vary by the change as may be decided by the Board. The Total Compensation payable to him is divided into the following heads:

a) Fixed Compensation: Rs. 14.40 Lakhs/- (Rupees Fourteen Lakhs Forty Thousand Only) per annum which includes:

(i) Basic Salary: 100% of Fixed Compensation

(ii) Allowances:

Costs of allowances include:

House Rent Allowance: 10% of the Fixed Compensation
Travelling Allowance: 10% of the Fixed Compensation

b) Flexible Compensation: In addition to the Fixed Compensation, he shall be entitled to the following perquisites, benefits, facilities and amenities as per rules of the Company upto Rs. 2 Lakhs/- (Rupees Two Lakhs Only) per annum:

Perquisites/ Benefits/Facilities and Amenities:
Mr. Harsh Dilipkumar Gandhi shall continue to be eligible for perquisites (evaluated as per Income tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company Policies.

Fixed Compensation and Flexible Compensation will be subject to revision by the Board annually. The amount forming a part of Fixed and Flexible compensation payable to Mr. Harsh Dilipkumar Gandhi may be inter changed, in whole or in part, within the overall limits of such compensations as approved above.

3) Commission: In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment/ modification in the Rules, Act and/or applicable laws in this regard) may also be paid to him.

"**RESOLVED FURTHER THAT** consent is also accorded for an annual increment of upto 10% in every financial year over his last drawn remuneration during the period of 5 years of his tenure as stated above"

"FURTHER RESOLVED THAT the Board (including any Committee thereof), be and is hereby authorized to alter/vary the amount of Compensation including the type and amount of perquisites, bonus and other benefits payable from time to time, in such manner as may be agreed between the Company and Mr. Harsh Dilipkumar Gandhi, within the total compensation and overall limits thereof as approved by the Members and to the extent the Board may consider appropriate and to do all such acts, deeds, matters and things including execution of a contract or written memorandum with Mr. Harsh Dilipkumar Gandhi, Whole-Time Director of the Company."

By order of the Board of Directors

SD/-
Nikulkumar Kantibhai Patel
Chief Financial Officer

Registered office:
Gandhi Nursing Home Bldg
Dr.Nalinkant Gandhi Road
Himatnagar -383001
CIN: L65910GJ1990PLC014516
Date: 30.07.2020

NOTES:-

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2.Pursuant to the provisions of the Act, 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. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3.Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to amrishgandhi72@gmail.com with a copy marked to enotices@linkintime.co.in

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

5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the RTA in case the shares are held by them in physical form.

6. 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 by them in electronic form and to RTA in case the shares are held by them in physical form.

7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Link Intime India Private Limited, RTA of the Company in the prescribed form. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.

8.Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or Link Intime India Private Limited, RTA of the Company along with relevant Share Certificates.

9. In case of joint holders, 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 at the AGM.

10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before September 29, 2020 through email on nalinlease@yahoo.co.in. The same will be replied by the Company suitably.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.nalinfin.co.in , websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of LinkIntime-InstaVOTE https://instavote.linkintime.co.in.

12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

14. Instructions for e-voting and joining the AGM are as follows:

A. 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 remote e-voting period commences on Sunday, September 27, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 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. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

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

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

v. 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. Members are eligible to cast vote only if they are holding shares as on that date. Kindly note that a person who is not a member of the Company as on the Cut-off date should treat this Notice for Information Purposes Only.

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

Remote e-Voting Instructions for shareholders:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

Those who are first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

▶ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -

A. User ID: Enter your User ID

• Shareholders/members holding shares in **CDSL Demat account shall provide 16 Digit Beneficiary ID**
• Shareholders/members holding shares in **NSDL Demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
• Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/
Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

• Shareholders/members holding shares in **CDSL Demat account shall provide either 'C' or 'D', above**
• Shareholders/members holding shares in **NSDL Demat account shall provide 'D', above**
• Shareholders/members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

▶ set the password of your choice (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).

▶ Click "confirm" (Your password is now generated).

NOTE: If Shareholders/members are holding shares in Demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under **'SHARE HOLDER'** tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**
4**.** After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.**
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
7. After selecting the desired option i.e. Favour / against, 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
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.inand 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.

If you have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

• In case shareholders/members are having valid email address, Password will be sent to his / her registered e-mail address.
• Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
• 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.
• It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/members holding multiple folios/Demat account shall choose the voting process separately for each of the folios/Demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the **frequently Asked Questions ('FAQs')** and **InstaVOTE e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.inor contact on: - Tel: 022 –4918 6000.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

▶ Select the **"Company"** and **'Event Date'** and register with your following details: -

Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL Demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL Demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/
Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ against" for voting.
4. 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'.
5. After selecting the appropriate option i.e. Favour/against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

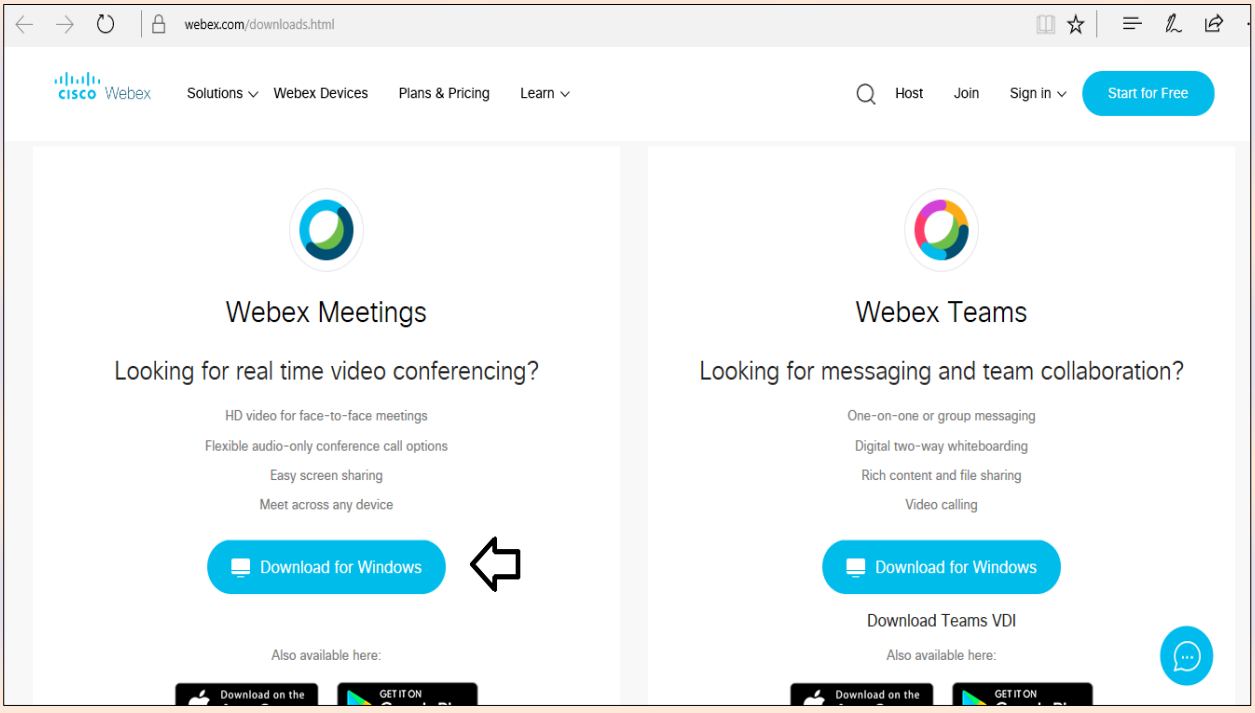
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.inor contact on: - Tel: 022-49186175.

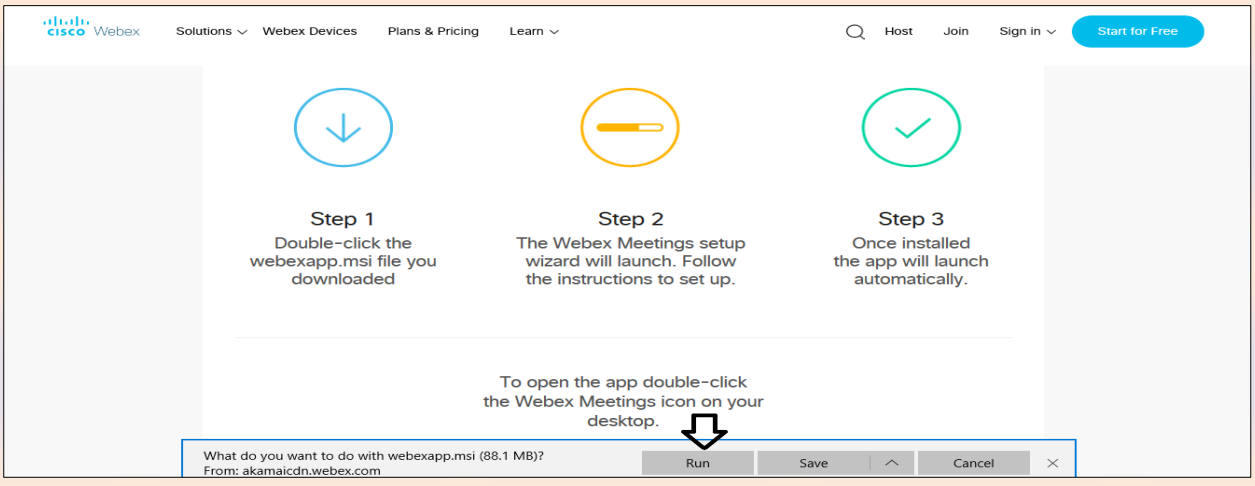
Annexure

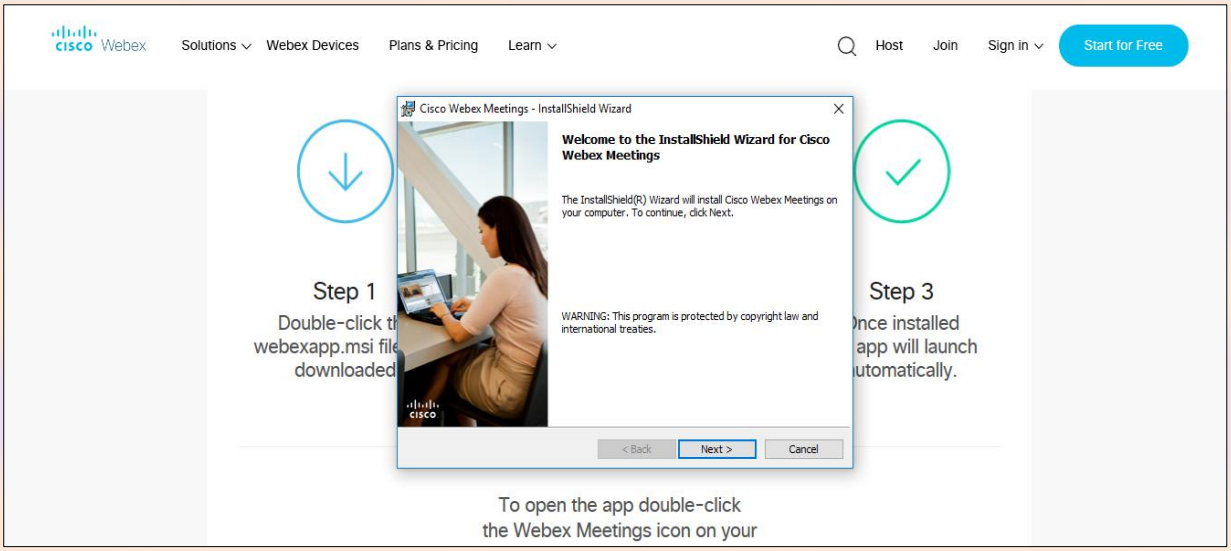
Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMeet

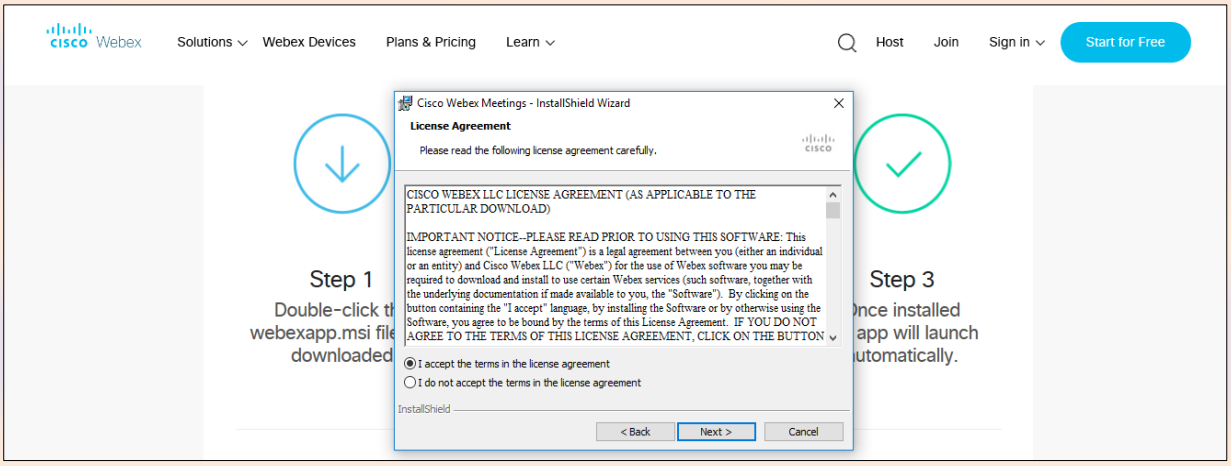
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMeet, shareholders/ members who are registered as speakers for the event are requested to download and install the WebEx application in advance by following the instructions as under:

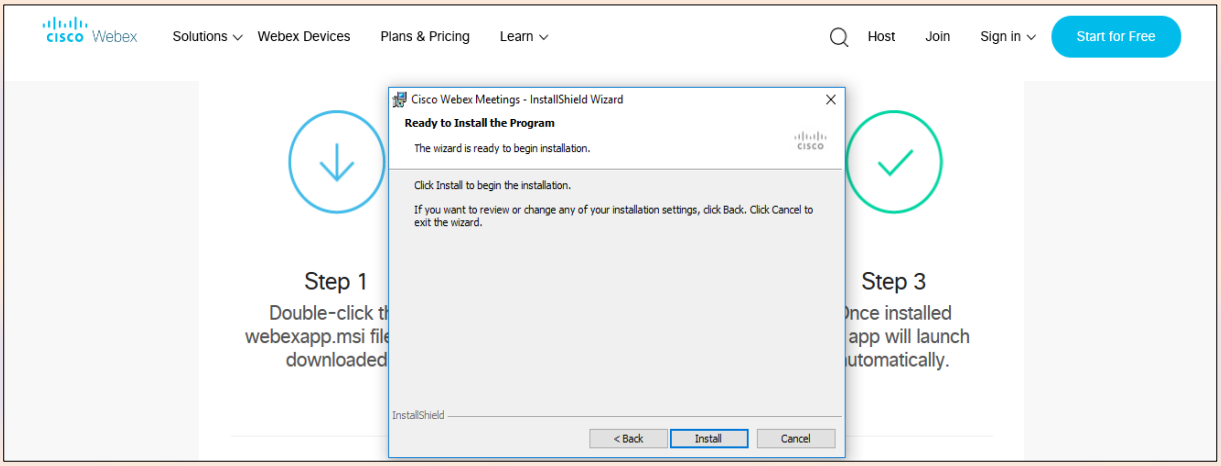
a) Please download and install the WebEx application by clicking on the link https://www.webex.com/downloads.html/







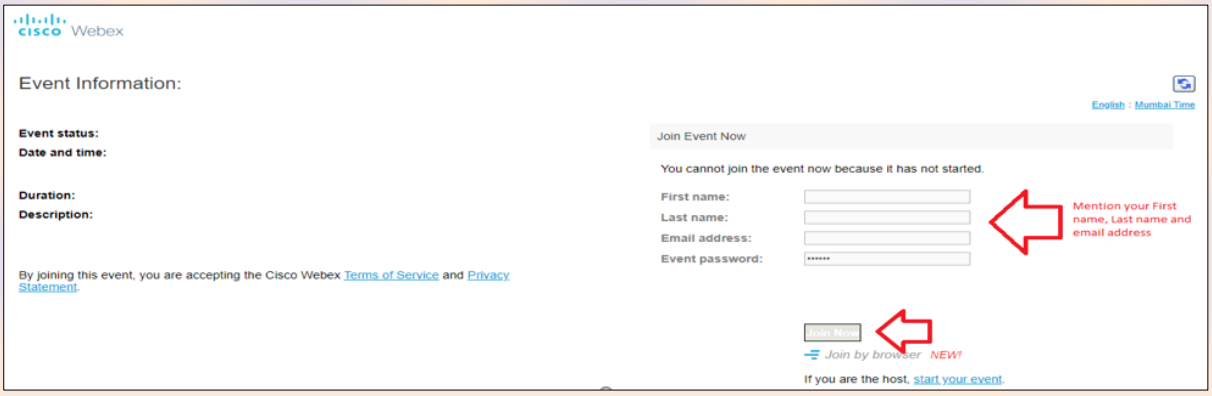




Or

b) If you do not want to download and install the WebEx application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the WebEx application on your device, join the meeting by clicking on Join Now
1 (B)	If WebEx application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting 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.

2. 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 LinkIntime InstaVOTE https://instavote.linkintime.co.in immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

4. As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of Shri Dilipkumar Nalinkant Gandhi, Managing Director retiring by rotation and seeking re-appointment under item no. 2 & 5, Shri Samirkumar Kantilal Shah seeking re-appointment under Item no. 4 and of Shri Harsh Dilipkumar Gandhi seeking appointment under Item no. 6 of the notice in accordance with applicable provisions of the Companies Act, 2013 is forming part of the notice.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE.

Item No. 4

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Samirkumar Kantilal Shah (DIN: 07215030) as Independent Director, for a second term of five years upto 34th AGM, not liable to retire by rotation. Samirkumar Kantilal Shah was appointed as Independent Director at the 24th Annual General Meeting ("AGM") of the Company and holds office up to 29th AGM.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Samirkumar Kantilal Shah would be beneficial to the Company and it is desirable to continue to avail his service as Independent Director.

The Company has received a declaration from him to the effect that he meets 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, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge his duties.

In the opinion of the Board, he fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company.

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 Samirkumar Kantilal Shah as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

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

Except Samirkumar Kantilal Shah and his 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 of the Notice.

Item No. 5

The members of the Company had appointed Mr. Dilipkumar Nalinkant Gandhi as the Managing Director of the Company for a period of 5 (five) consecutive years with effect from August 01, 2020 and the present term of his appointment would lapse on July 31, 2020. The Board of Directors ('the Board'), on July 30, 2020, re-designated Mr. Dilipkumar Nalinkant Gandhi as the Managing Director of the Company. The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Dilipkumar Nalinkant Gandhi as the Managing Director post completion of his present term, for a further period of 5 (five) consecutive years. Mr. Dilipkumar Nalinkant Gandhi is not disqualified from being reappointed as Director in terms of Section 164 of the Companies Act, 2013 (the Act) and has given his consent to act as Managing Director of the

Company. Mr. Dilipkumar Nalinkant Gandhi satisfies all the conditions as set out in the Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

The broad terms and conditions of the proposed re-appointment and remuneration to Mr. Dilipkumar Nalinkant Gandhi are mentioned below:

A. REMUNERATION (Effective from August 01, 2020 to July 31, 2025)

1. **Total Compensation:** Rs. 22.20 Lakhs/- (Rupees Twenty Two Lakhs Twenty Thousand Only), for the financial year 2020-21 which may vary by the change as may be decided by the Board. The Total Compensation payable to him is divided into the following heads:

a) Fixed Compensation: Rs. 19.20 Lakhs/- (Rupees Nineteen Lakhs Twenty Thousand Only) per annum which includes:

(i) Basic Salary: 100% of Fixed Compensation

(ii) Allowances:

Costs of allowances include:

House Rent Allowance: 10% of the Fixed Compensation
Travelling Allowance: 10% of the Fixed Compensation

b) Flexible Compensation: In addition to the Fixed Compensation, he shall be entitled to the following perquisites, benefits, facilities and amenities as per rules of the Company upto Rs. 3 Lakhs /- (Rupees Three Lakhs Only) per annum:

Perquisites/ Benefits/Facilities and Amenities:

Mr. Dilipkumar Nalinkant Gandhi shall continue to be eligible for perquisites (evaluated as per Income tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company Policies.

Fixed Compensation and Flexible Compensation will be subject to revision by the Board annually.

The amount forming a part of Fixed and Flexible compensation payable to Mr. Dilipkumar Nalinkant Gandhi may be inter changed, in whole or in part, within the overall limits of such compensations as approved above.

2. Commission: In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment/ modification in the Rules, Act and/or applicable laws in this regard) may also be paid to him.

3. Annual Increments: Annual Increment shall not exceed 10% of his last drawn remuneration during the period of 5 years of his tenure as stated above.

B. MINIMUM REMUNERATION:
At present the Company achieves adequate profits in terms of Section 198 of Companies Act, 2013 (the Act), i.e. The total managerial remuneration payable by a public company, to its directors, including managing director, whole time director and its manager in respect of any financial year shall not exceed eleven percent of the net profit of that Company for that financial year computed in the manner laid down in Section 198 of the Act except that the remuneration of the Directors shall not be deducted from the gross profits. Provided that the Company in general meeting may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V of the Act. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of Mr. Dilipkumar Nalinkant Gandhi, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites and other allowances as specified above, subject to further approvals if required under Schedule V of the Act, or any medication(s) thereto.

The brief profile, nature of his experience and expertise, is given in Annexure-I to this notice, as per Secretarial Standard on General Meeting (SS-2) and SEBI LODR Regulations are forming part of Explanatory Statement. In accordance with the provisions of Section 196, 197 and other applicable provisions of the Act, read with Schedule V of the said Act, the proposed re-appointment and the terms of remuneration to Mr. Dilipkumar Nalinkant Gandhi requires approval of members by way of Special Resolution. The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members. None of the Directors, Manager, Key Managerial Personnel of the Company and/or any relatives of such Director, Manager, Key Managerial Personnel, except Mr. Dilipkumar Nalinkant Gandhi, are in anyway concerned or interested in the resolution set out as Item No. 5 of the Notice. The Board recommends the Special Resolution set out at Item No. 5 of the notice for approval by the Members.

Item No. 6
The members of the Company had appointed Mr. Harsh Dilipkumar Gandhi as the Whole Time Director of the Company for a period of 5 (five) consecutive years with effect from August 01, 2020 and the present term of his appointment would lapse on July 31, 2020. The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Mr. Harsh Dilipkumar Gandhi as the Whole Time Director of the Company, post completion of his present term, for a further period of 5 (five) consecutive years i.e. with effect from August 01, 2020 till January 31, 2025. Though he shall be liable to retire by rotation whilst he continues to hold office of Whole-Time Director; however, his reappointment on retirement by rotation will not break his length of service as Whole-Time Director. Mr. Harsh Dilipkumar Gandhi is not disqualified from being reappointed as Director in terms of Section 164 of the Companies Act, 2013 (the Act) and has given his consent to act as Whole-Time Director of the Company. Mr. Harsh Dilipkumar Gandhi satisfies all the conditions as set out in the Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment. The broad terms and conditions of the proposed re-appointment and remuneration to Mr. Harsh Dilipkumar Gandhi are mentioned below:

A. REMUNERATION (Effective from August 01, 2020 to July 31, 2025)

1. **Total Compensation:**Rs. 16.40 Lakhs/- (Rupees Sixteen Lakhs Forty Thousand Only), for the financial year 2020-21 which may vary by the change as may be decided

by the Board. The Total Compensation payable to him is divided into the following heads:

a) Fixed Compensation: Rs. 14.40 Lakhs/- (Rupees Fourteen Lakhs Forty Thousand Only) per annum which includes:

(i) Basic Salary: 100% of Fixed Compensation

(ii) Allowances:

Costs of allowances include:

House Rent Allowance: 10% of the Fixed Compensation
Travelling Allowance: 10% of the Fixed Compensation

b) Flexible Compensation: In addition to the Fixed Compensation, he shall be entitled to the following perquisites, benefits, facilities and amenities as per rules of the Company upto Rs. 2 Lakhs /- (Rupees Two Lakhs Only) per annum:

Perquisites/ Benefits/Facilities and Amenities: Mr. Harsh Dilipkumar Gandhi shall continue to be eligible for perquisites (evaluated as per Income tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company Policies.

Fixed Compensation and Flexible Compensation will be subject to revision by the Board annually. The amount forming a part of Fixed and Flexible compensation payable to Mr. Harsh Dilipkumar Gandhi may be inter changed, in whole or in part, within the overall limits of such compensations as approved above.

2. Commission: In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment/ modification in the Rules, Act and/or applicable laws in this regard) may also be paid to him.

3. Annual Increments: Annual Increment shall not exceed 10% of his last drawn remuneration during the period of 5 years of his tenure as stated above.

B. MINIMUM REMUNERATION:

At present the Company achieves adequate profits in terms of Section 198 of Companies Act, 2013 (the Act), i.e. The total managerial remuneration payable by a public company, to its directors, including managing director, whole time director and its manager in respect of any financial year shall not exceed eleven percent of the net profit of that Company for that financial year computed in the manner laid down in Section 198 of the Act except that the remuneration of the Directors shall not be deducted from the

gross profits. Provided that the Company in general meeting may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V of the Act. Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of Mr. Harsh Dilipkumar Gandhi, the Company has no profits, or its profits are inadequate, the Company will pay remuneration by way of salary, benefits, perquisites and other allowances as specified above, subject to further approvals if required under Schedule V of the Act, or any medication(s) thereto.

The brief profile, nature of his experience and expertise, is given in Annexure to this notice, as per Secretarial Standard on General Meeting (SS-2) and SEBI LODR Regulations are forming part of Explanatory Statement. In accordance with the provisions of Section 196, 197 and other applicable provisions of the Act, read with Schedule V of the said Act, the proposed re-appointment and the terms of remuneration to Mr. Harsh Dilipkumar Gandhi requires approval of members by way of Special Resolution. None of the Directors, Manager, Key Managerial Personnel of the Company and/or any relatives of such Director, Manager, Key Managerial Personnel, except Mr. Harsh Dilipkumar Gandhi, are in anyway concerned or interested in the resolution set out as Item No. 6 of the Notice. The Board recommends the Special Resolution set out at Item No. 6 of the notice for approval by the Members.

Annexure to the Notice

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT 29th AGM UNDER ITEM NO- 2, 4, 5 and 6

Particulars	Shri D. N. Gandhi	Shri S.K. Shah	Shri H. D. Gandhi
Date of Birth/ and Age	November 08, 1954/ 65	June 09, 1966/ 54	May 15,1986/ 34
Qualification	B.Sc.	B.E. Civil	B.Com, M.B.A.
Date of Appointment	August 01, 2005	April 15, 2015	July 09, 2010
Terms and Conditions of Appointment	Re-Appointed as Managing Director by the Board of Directors vide Resolution passed in the Board Meeting dated 30-07-2020.	Re-Appointed as Independent (Non-executive) Director by the Board of Directors vide Resolution passed in the Board Meeting dated 30-07-2020.	Re-Appointed as Whole-time Director by the Board of Directors vide Resolution passed in the Board Meeting dated 30-07-2020.
Remuneration	As per terms of appointment decided by the Board of Directors.	As per terms of appointment decided by the Board of Directors.	As per terms of appointment decided by the Board of Directors.
Expertise in Functional Areas	He has more than 40 Years of experience in the field of Finance & Leasing Activities	He has more than 30 Years of experience in the field of Education and Civil Engineering	He is having 9 Years of experience in the field of Marketing, Finance & Administration
Number of Meetings of the Board held during the year and number of Board Meetings	06/06	06/06	06/06

attended			
Relationship with any other Director, Manager and other KMP of the Company	Promoter	Nil	Son of Managing Director
Number of shares held in the Company	28,14,470	Nil	80,572
Directorship in Other companies	Nil	Nil	Nil
Chairman/ MembershipOf committeesacross allpubliccompanies	**Nalin Lease Finance Limited** • Member, Audit Committee, • Member, Stakeholders Relationship and Shareholder'/ Investor' Grievance Committee	**Nalin Lease Finance Limited** • Member, Nomination and Remuneration Committee	Nil

REPORT OF THE BOARD OF DIRECTORS' FY 2019-20

The Members,

Your directors have pleasure in presenting their 29th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2020.

- **Financial Highlights (Standalone)**

During the year under review, performance of your company as under:

(Rupees in Thousands)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Turnover	49800.99	44747.99
Profit/(Loss) Before Taxation	27674.32	23569.60
Less: Tax Expense	7780.33	6345.28
Profit/(Loss) after tax	19893.99	17224.32
Add : Balance B/F from the previous year	113465.89	96241.57
Balance Profit/(Loss) C/F to the next year	133359.88	113465.89

- **State of Company's Affairs and Future Outlook**

The year under discussion mostly saw a stable business environment although towards the end of the financial year 2019-20 a slow-down in the business environment became evident.

The operations of the Company have continued to improve and this is reflected in the quality of the services offered as also in improved cost efficiencies.

All businesses including Gold Loan, Business Loan and Vehicle Loans have seen good stability and reasonable profitability through the last financial year.

An important event during the year under review was the Company completed the procedure of Merger involving amalgamation of Amee Finance Limited, Gandhi Shroff Services Private Limited, Nalin Services Limited and Nalin Consultancy Services Limited (collectively called as "Transferor Companies) with Nalin Lease Finance Limited ("Transferee Company") pursuant to Order passed by Hon'ble NCLT; Ahmedabad Bench dated 25th November, 2019.

The Company hopes to offer a full range of new services in the segment of Gold Loan and the development work is continuing.

- **Change in nature of business, if any**

There is no change in the business carried on by the company. The classes of business in which the company has an interest are: -Vehicle Loan, Gold Loan, Business Loan and Other Loans as stated in the Financial Statements.

- **Dividend**

With the view to conserve the resources of company the directors are not recommending any dividend.

- **Amounts Transferred to Reserves**

The Board of the Company has decided /proposed to Carry following amount to its Reserves as under:-
To Reserve fund as per RBI Act (Rupees in Thousands): 3978.80/-
To General Reserve (Rupees in Thousands): 7500/-

- **Changes in Share Capital, if any**

During the Financial Year 2019-20, the share capital of the Company has been increased from 32,62,000 to 65,58,180, pursuant to the allotment of 32,96,180 shares of Rs. 10 each as per the Order of Amalgamation dated 25th November, 2019 and Scheme of Amalgamation as approved by the Hon'ble NCLT.

- **Disclosure Regarding Issue of Equity Shares With Differential Rights**

Not applicable during the year

- **Disclosure Regarding Issue of Employee Stock Options**

Not applicable during the year

- **Disclosure regarding issue of Sweat Equity Shares**

Not applicable during the year

- **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 2019-20 is given in **Annexure I** in the prescribed Form No- MGT-9, which is a part of this report.

- **Number of Board Meetings**

During The Financial Year 2019-20, 06 (Six) Meetings of the Board of Directors of the Company were Held.
Dates of the Board Meeting
9th April, 2019
24th May, 2019
13th August, 2019
02nd November, 2019
31st January, 2020
13th February, 2020

- **Particulars of Loan, Guarantees and Investments under Section 186**

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

- **Particulars of Contracts or Arrangements 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 II** in Form No- AOC-2 and the same forms part of this report.

- **Explanation to Auditor's Remarks**

The statutory auditor's report and the secretarial audit report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

- **Material Changes Affecting the Financial Position of the Company**

The Honourable National Company Law Tribunal, Ahmedabad Bench, Gujarat has approved the Scheme Of Amalgamation of Amee Finance Limited, Gandhi Shroff Services Private Limited, Nalin Services Limited and Nalin Consultancy Services Limited with Nalin Lease Finance Limited vide Order dated 25-11-2019, appointed date was 01-04-2018.

The Scheme of amalgamation enabled to achieve integration of the business operations, strategic flexibility and a scale to pursue growth opportunities. Further the combined entity will be able to showcase its strength and there will also be synergy benefits and cost efficiencies through combined operations. It will also be conducive to better and more efficient and economical control and conduct of the Companies.

- **Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo**

The information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

(A) Conservation of energy

Your Company being a Non-Banking Finance Company, its activities are not energy intensive.
However, your Company has taken adequate measures for conservation of energy, wherever required.

(B) Technology Absorption

Your Company being a Non-Banking Finance Company, its activities do not require adoption any specific technology. However, your Company has been in the forefront in implementing latest information technologies & tools towards enhancing our customer convenience. Mobile number validation system introduced has enhanced the quality of our KYC data captured in the system. This helps us provide the customers useful and informative SMS alerts on transactions, repayment reminders and missed call facilities so as to track their accounts offline also. With the infusion of technology across, we walked ahead of time towards true Digital India and financial inclusion.

(C) Foreign exchange earnings and Outgo:
Total Foreign Exchange Earned: NIL
Total Foreign Exchange Used: NIL

- **Details of Subsidiary, Joint Venture or Associates**

Amee Finance Limited, Gandhi Shroff Services Private Limited, Nalin Services Limited and Nalin Consultancy Services Limited [Associate Companies of Nalin Lease Finance Limited under Section -2(6)] have ceased to be its associate companies during the year pursuant to the Order of Amalgamation passed by Hon'ble NCLT dated 25.11.2019.

- **Risk Management Policy**

The Company is exposed to Credit Risk, Liquidity Risk and Market Risk. The Company's Board of Directors has an Overall Responsibility for the Establishment and Oversight of the Company's Risk Management Framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management Policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The major risks are summarised below:

1- Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company's major income generating activity is gold loan, vehicle loan, business loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers that are an asset position. The Company considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

Policies and procedure for credit risk for different products

The Company addresses credit risk by following different processes for different product:

Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to Manager of the company. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Manager Records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Losses on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Vehicle Loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

i) Standardize the process of identifying new risks and designing appropriate controls for these risks

ii) Minimize losses due to defaults or untimely payments by borrowers

iii) Maintain an appropriate credit administration and loan review system

iv) Design appropriate credit risk mitigation techniques

2- Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flow of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through unutilised cash credit facility and cash and cash equivalents. The total cash credit limit available to the Company is Rs. 7.50 crore. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

3-Market rate risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. Market risk includes interest rate risk and foreign currency risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

b) Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

4- Price risk

For Gold Loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of Calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of them collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

5- Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

- **Details of Directors and Key Managerial Personnel**

No Directors and/or KMP appointed or resigned during the year.

Details of directors retiring by rotation in the ensuing Annual General Meeting:-

Shri Dilipkumar Nalinkant Gandhi (DIN: 00339595), who retires by rotation and being eligible, offers himself for re-appointment.

- **Details of Significant & Material Orders Passed By the Regulators or Courts or Tribunal**

The Hon'ble NCLT has passed the Order of amalgamation involving merger of Amee Finance Limited, Gandhi Shroff Services Private Limited, Nalin Services Limited and Nalin Consultancy Services Limited with Nalin Lease Finance Limited on dated 25-11-2019.

- **Adequacy of Internal Financial Control with Reference to the Financial Statements**

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.

- **Deposits**

The following details of deposits, covered under Chapter V of the Act:

I Deposits accepted during the year; **NIL**

II Remained unpaid or unclaimed as at the end of the year; **Not Applicable**

III. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- **Not Applicable**

a. At the beginning of the year; **Not Applicable**

b. Maximum during the Year; **Not Applicable**

c. At the end of the year; **Not Applicable**

IV. The details of deposits which are not in compliance with the Requirements of Chapter- **Not Applicable**

- **Declaration by Independent Director**

All the Independent Directors in the first meeting of the Board of the FY 2019-20 held on April 09, 2019, gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, all the Independent Directors in the first meeting of the Board of the FY 2020-21 held on July 30, 2020 gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors in the said meeting confirmed that the Independent Directors of the Company fulfil the conditions specified in Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. No Independent Director has resigned during the FY 2019-20.

- **Re-appointment of Independent Auditor**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Samirkumar Kantilal Shah (DIN: 07215030) as Independent Director, for a second term of five years upto 34th AGM, not liable to retire by rotation. Samirkumar Kantilal Shah was appointed as Independent Director at the 24th Annual General Meeting ("AGM") of the Company and holds office up to 29th AGM.

- **Secretarial Audit Report**

Secretarial audit report is attached to this report as **Annexure III.**

- **Corporate Social Responsibility (CSR) Policy**

Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to this Company.

- **Audit Committee**

Details about composition of the Audit Committee along with its terms of reference

Name of Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Audit Committee	Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. • 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 of auditors of the Company. • Approve policies in	Navinchandra Soni (Chairman)	Independent, Non-Executive Director	• Four 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 held on September 30, 2019 and was attended by all three members of the Audit
		Narendrakumar Shah (Member)	Independent, Non-Executive Director	
		Dilipkumar Gandhi (Member)	Managing (Executive) Director	

	relation to the implementation of the Insider Trading Code and to supervise implementation of the same.		Committee.

- **Formal Annual Evaluation by the Board of its own Performance, its Directors, and that of its Committees**

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 non-executive 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.

- **Nomination & Remuneration Committee**

Name of Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Nomination and Remuneration Committee	Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing	Navinchandra Soni (Chairman)	Independent, Non-Executive Director	• One Nomination and Remuneration Committee meeting was
		Narendrakumar Shah (Member)	Independent, Non-ExecutiveDirector	

	Regulations and Section 178 of the Act. • 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.	Samir Shah (Member)	Independent, Non-Executive Director	held during the year under review.

- **Establishment of a Vigil Mechanism**

Your Company has put in place a formal whistle blowing policy/vigil mechanism for its directors, employees, customers and other stakeholders as per the requirements of the Companies Act, 2013. The policy has clearly laid down its scope and applicability, procedure to be followed for whistle blowing including the e-mail address and telephone numbers of the senior officers handling the matters escalated to them through the whistle blowing mechanism.

The Policy provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The details of Policy are available on our website www.nalinfin.co.in.

- **Corporate Governance**

Report on Corporate Governance and a certificate from Practising Company Secretary regarding compliance with Listing Regulations is annexed herewith as **Annexure IV.**

Declaration by CEO/ CFO that the Board Members and Senior Personnel have complied with the Code of Conduct is annexed herewith as **Annexure V.**

- **Managerial Remuneration**

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **Annexure VI**.

- **Statutory 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 30th Annual General Meeting of the Company to be held in the calendar year 2021.

- **Management Discussion and Analysis**

A Management Discussion and Analysis Report is a part of this Annual Report as **Annexure VII.**

- **Directors Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, Directors confirm that:

a) In the preparation of the annual accounts for the financial year ended 31stMarch, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had 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 as at 31st March, 2020 and of the profit/loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

- **Acknowledgment**

The directors express their sincere appreciation to the valued shareholders, bankers and clients for their support.

Place: Himatnagar**For and on behalf of the Board of Directors**
Date: 30-07-2020

SD/-
Narendrakumar D Shah
Chairman

Annexure I of Board's Report

Form No. MGT-9
Extract of Annual Return
as on the financial year ended on March 31, 2020
[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

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	90.67%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL

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	4506576	0	4506576	68.72	+31.61
b) Central Govt	0	0	0	0	0	0	0		0
c) State Govt(s)	0	0	0	0	0	0	0		0
d) Bodies Corp.	0	0	0	0	0	0	0		0
e) Banks / FI	0	0	0	0	0	0	0		0
f) Any other	0	0	0	0	0	0	0		0
Sub- Total (A) (1)	1210614	0	1210614	37.11	4506576	0	4506576	68.72	+31.61
(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**	**4506576**	**0**	**4506576**	**68.72**	**+31.61**
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	399651	168500	568151	17.42	408963	161400	570363	8.70	**-8.72**

shareholders holding nominal share capital up to Rs. 2 Lakhs									
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakhs	1425866	0	1425866	43.71	1425637	0	1425637	21.74	**-21.97**
c) Others (specify)									
Hindu Undivided Family	12751	0	12751	0.39	12089	0	12089	0.18	**-0.21**
Non Resident Indians (Repat.)	3305	0	3305	0.10	3805	0	3805	0.06	**-0.04**
Clearing Member	35013	0	35013	1.07	0	0	0	0	**-1.07**
Bodies Corporate	6300	0	6300	0.19	39710	0	39710	0.61	**-0.42**
Sub-total (B)(2):-	1882886	168500	2051386	62.88	1890204	161400	2051604	31.28	**-31.6**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1882886**	**168500**	**2051386**	**62.88**	**1890204**	**161400**	**2051604**	**31.28**	**-31.6**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3093500	168500	3262000	100	6396780	161400	6558180	100	0

ii) Shareholding of Promoters (including Promoter Group)

Sl. 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	22.35	0	2814470	42.92	0	+20.57
2	Pallaviben Dilipkumar Gandhi	225177	6.90	0	562057	8.57	0	+1.67
3	Manali Harshkumar Gandhi*	93921	2.88	0	93964	1.43	0	-1.45
4	Gandhi Harsh Dilipkumar	68117	2.09	0	80572	1.23	0	-0.86
5	Dilipkumar Nalinkant Gandhi HUF	27000	0.83	0	27000	0.41	0	-0.42
6	Dr Nalinkant Gandhi HUF (Dilipkumar Nalinkant Gandhi-Karta)	26500	0.81	0	26500	0.40	0	-0.41
7	Rupalben Dilipkumar Gandhi*	15500	0.48	0	523560	7.98	0	+7.5
8	Urviben Dilipkumar Gandhi*	15500	0.48	0	353953	5.40	0	+4.92
9	Falguniben Krishnakant Shah*	10000	0.31	0	24500	0.37	0	+0.06
	Total	**1210614**	**37.11**	**0**	**4506576**	**68.72**	**0**	+31.61

***** *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): *Allotment of Shares on 31-01-2020 pursuant to the Order of Amalgamation passed by Hon'ble NCLT*	**3295962**			
3	At the end of the year	4506576	68.72		

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	88235	2.7049	88235	1.3454	**-1.3595**
2	SONI KARTAVYA NAVINCHANDRA	60900	1.867	60900	0.9286	**-0.9384**
3	SANJAYKUMAR SARAWAGI	56272	1.7251	56272	0.858	**-0.8671**
4	PATEL KUNDAN MUKESHBHAI	53200	1.6309	53200	0.8112	**-0.8197**
5	PATEL REKHABEN HEMANTKUMAR	53000	1.6248	53000	0.8082	**-0.8166**
6	PATEL VARSHABEN KETANKUMAR	51900	1.591	51900	0.7914	**-0.7996**
7	SOLANKI SUNILKUMAR KALYAN	51800	1.588	51800	0.7899	**-0.7981**
8	PATEL MUKESHBHAI RAMJIBHAI	51400	1.5757	51400	0.7838	**-0.7919**
9	KALPESHKUMAR M PATEL	50500	1.5481	50500	0.77	**-0.7781**
10	PRAJAPATI RAMILABEN K	50205	1.5391	50205	0.7655	**-0.7736**

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	0.0381	2500	0.0381
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	2814470	42.92	2814470	42.92
3.	PALLAVI DILIPKUMAR GANDHI-(Whole time Director and KMP)				
	At the beginning of the	225177	6.9030	225177	6.9030

	year				
	At the end of the year	562057	8.57	562057	8.57
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	80572	1.23	80572	1.23
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	0.7458	49500	0.7458

V. INDEBTEDNESS

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

(Rs. in Thousands)

Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of thefinancial year				
i) Principal Amount	59441.65	2030.00	-	61471.65
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	8594.00	235.57	-	8829.57
Total (i+ii+iii)	**68035.65**	**2265.57**	**-**	**70301.22**
Change in Indebtedness during the financial year				
* Addition	0	0	-	0
* Reduction	18000.58	1802.8	-	19803.38
Net Change	**-18000.58**	**-1802.8**	**-**	**-19803.38**
Indebtedness at the end of the financialyear				
i) Principal Amount	43768.98	0	-	43768.98
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	6266.09	462.77	-	6728.86
Total (i+ii+iii)	**50035.07**	**462.77**	**-**	**50497.84**

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	17,60,000	14,00,000	12,80,000	44,40,000
	(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)	13,20,000	0	2,70,000	15,90,000
	Total (A)	**30,80,000**	**14,00,000**	**15,50,000**	**60,30,000**

B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors				Total Amount
		.....	.....	.....	... ...	
1.	Independent Directors					
	• 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**		
	• Fee for attending	0	0	0		0

Sr. no.	Particulars of Remuneration	Name of Directors				Total Amount
	board committee meetings • Commission • Others, please specify					
	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	2,16,000	3,36,000
	(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**	**2,16,000**	**3,36,000**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

Annexure II of Board's Report

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 2020. 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	09.04.2019	NIL
		Interest	1 Year	Company has paid interest on Unsecured Loan	09.04.2019	NIL
		Unsecured Loan taken	1 Year	Director has given Unsecured loan to Company	09.04.2019	NIL
		Unsecured Loan Paid	1 Year	Company has repaid Unsecured loan to Director	09.04.2019	NIL
2	Mr. Harsh Dilipkumar Gandhi	Rent	1 Year	As per Rent Agreement entered between the Company and Mr. Harsh	09.04.2019	NIL

				Dilipkumar Gandhi		
		Interest	1 Year	Company has paid interest on Unsecured Loan	09.04.2019	NIL
		Unsecured Loan taken	1 Year	Director has given Unsecured loan to Company	09.04.2019	NIL
		Unsecured Loan Paid	1 Year	Company has repaid Unsecured loan to Director	09.04.2019	NIL

For and on behalf of the Board of Directors

SD/-
(Narendra Shah)
Chairman
DIN: 00314044

Place: Himatnagar
Dated: 30.07.2020

Annexure III of Board's Report

Form No. MR-3
Secretarial Audit Report
For The Financial Year Ended March 31, 2020
[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, 2020, 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, 2020 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, 2009and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 and amendments from time to time;

(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, 1993regarding the Companies Act and dealing with client;
(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) The Reserve Bank of India Act, 1934 and Regulations framed thereunder for Non-Banking Financial Companies.

(vii) Prevention of Money Laundering Act, 2002.

(viii) 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) Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;
(e) Guidelines for Asset-Liability Management (ALM) system in Non-Banking Financial Companies;
(f) Frauds- Future Approach towards monitoring of Frauds in Non-Banking Financial Companies and Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
(g) Fair Practices Code;
(h) Non-Banking Financial Companies - Corporate Governance (Reserve Bank) Directions, 2015;
(i) Regulation of excessive interest charged by NBFCs;
(j) 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 Securities and Exchange Board of India (Listing Obligations & 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.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

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.

We further report that during the audit period, the Company has allotted 3296180 number of equity shares as per the Scheme of Amalgamation involving merger of Amee Finance Limited, Gandhi Shroff Services Private Limited, Nalin Services Limited and Nalin Consultancy Services Limited as approved by the Hon'ble NCLT Ahmedabad Bench vide Final Order of Amalgamation dated 25th November, 2019 with requisite compliances.

For **Amrish Gandhi & Associates**
Company Secretaries

SD/-

Amrish Gandhi
FCS No: 8193, CP No: 5656
UDIN:F008193B000527351

Place: Ahmedabad
Dated: 30.07.2020

*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

SD/-

Amrish Gandhi
FCS No: 8193, CP No: 5656
UDIN:F008193B000527351

Place: Ahmedabad
Dated: 30.07.2020

Annexure IV of Board's Report

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is one key element in improving economic efficiency and growth as well as enhancing investor confidence. It essentially involves balancing the interests of all the stakeholders in a company i.e. shareholders, management, customers, suppliers, financiers, government and the society at large.

Your Company is committed to sound corporate governance practices based on conscience, openness, fairness, professionalism and accountability to build confidence of its various stakeholders thereby paving the way for its long term success.

A Report in line with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below as a part of the Director's Report along with a Certificate issued by a Practicing Company Secretary regarding compliance with the provisions of Corporate Governance:

1. Brief Statement on company's philosophy on Corporate Governance

Your Company's Corporate Governance philosophy is based on two core principles. These are:

i. Management must have the executive freedom to drive the enterprise forward for sustainable growth without undue restraints; and

ii. This freedom of management should be exercised within the framework of regulatory environment and effective accountability.

Your Company's corporate structure, conduct of business and disclosure practices has been accordingly aligned to its Corporate Governance Philosophy.

The Board of your Company also firmly endorses the principles of governing disclosures and obligations as provide din Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as guiding force.

2. Board of Directors

The Board of Directors of your Company provides leadership, objective judgment and strategic guidance to the Company.

The Board Charter can be said to be governed within the framework set out in the Companies Act, Memorandum of Association, Articles of Association of the company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and internal codes/procedures of the company etc.

It reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance. Your Company's Board consists of eminent individuals with diverse experience and expertise.

Composition

In terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

As on March 31, 2020 the Company's Board comprised of six Directors. During the FY 2019-20, there were no changes in the composition of the Board of Directors of the Company.

During the year, the composition of the Board of Directors was in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of Board of Directors as on March 31, 2020 was as follows:

i)	Shri Narendrakumar Shah	Chairman and Non-Executive (Independent Director)
ii)	Shri Dilipkumar Gandhi	Managing Director and Key Managerial Personnel
iii)	Smt. Pallaviben Gandhi	Whole-time Director and Key Managerial Personnel
iv)	Shri Harsh Gandhi	Whole-time Director and Key Managerial Personnel
v)	Shri Navinchandra Soni	Non-Executive(Independent Director)
vi)	Shri Samirkumar Kantilal Shah	Non-Executive(Independent Director)

Your Company has under the RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, formulated a Fit and Proper Policy for ascertaining the fit and proper status of the directors of the Company. The Nomination and Remuneration Committee of the Company has in terms of the said policy ascertained the Functional and Independent Directors as fit and proper to hold the office of Director on the Board of the Company for the FY 2019-20.

Further, pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has obtained declarations from all the directors that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of company by the Board/Ministry of Corporate Affairs or any such statutory authority.

Board Meetings

The meetings of the Board are generally held at the registered office of the company and are scheduled well in advance. The Board meets regularly. The meetings of Board are governed by a structured agenda and any member of the Board is free to recommend inclusion of any subject matter in the agenda for deliberations. Your Company follows Secretarial Standard-1 on Meetings of the Board of Directors as issued by Institute of Company Secretaries of India in its true letter and spirit.

During the year under review, the Board met 13 times on the following dates:

(i) April 09, 2019 (ii) May 24, 2019 (iii) August 13, 2019 (iv) November 02, 2019 (v) January31, 2020 and (vi) February 13, 2020

Annual General Meeting

The last Annual General Meeting of the Company was held on September 30, 2019.

Directors' attendance at the Board Meetings held during the FY 2019-20 and at the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of other companies are as follows:

Name of Director	Category	Number of Board Meetings attended during FY 2020	Whether attended last AGM held on September 30,2019	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	-	-	-	-	-
Dilipkumar Nalinkant Gandhi (Managing Director) DIN: 00339595	Non-Independent, Executive	6	Yes	-	-	-	-	-
Pallaviben Dilipkumar Gandhi (Whole Time Director) DIN:00339639	Non-Independent, Executive	6	Yes	-	-	-	-	-
Harsh Dilipkumar Gandhi (Whole Time Director) DIN:03120638	Non-Independent, Executive	6	Yes	-	-	-	-	-
Navinchandra Chandulal Soni (Director) DIN:03123355	Independent, Non-Executive	6	Yes	-	-	-	-	-
Samirkumar Kantilal Shah (Director) DIN:07215030	Independent, Non-Executive	6	Yes	-	-	-	-	-

Separate Meeting of Independent Directors

The Separate Meeting of Independent Directors was held on February 13, 2020 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 All the Independent Directors attended the said Meeting.

3. Committees of the Board of Directors

In terms of the regulatory requirements and in order to facilitate expeditious consideration and focused decision making on the affairs of the company, the Board has constituted Board level committees with distinct role, accountability and authority. The board had accepted the recommendations of committees of the board which is mandatorily required, in the relevant financial year. The Board Level Committees are as follows:

i) Audit Committee of Directors
ii) Nomination and Remuneration Committee
iii) Stakeholder Relationship and Shareholders'/Investors' Grievance Committee

3.1 Audit Committee of Directors

As per the requirements under the Companies Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms, the Board of Directors of the company has constituted an Audit Committee of Directors.

The Audit Committee of the company constituted by the Board comprises of two independent directors and one executive (Managing) Director. The meetings of the committee, during the year, were chaired by an independent director.

During the FY 2019-20, four meetings of the Audit Committee were held i.e. (i) May 24, 2019 (ii) August 13, 2019 (iii) November 2, 2019and (iv) February 13, 2020.

The details of the meetings attended by members during the FY 2019-20 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Navinchandra Soni (Chairman)	Independent (Non-Executive Director)	4	4
Narendrakumar Shah (Member)	Independent (Non-Executive Director)	4	4
Dilipkumar Gandhi (Member)	Managing (Executive) Director	4	4

Further, independent Internal Auditors and representative of the statutory auditor(s) were invited to the Audit Committee Meetings for interacting with the members of the committee.

3.2 Nomination and Remuneration Committee

Your company has constituted a Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI's Corporate Governance norms.

During the FY 2019-20, one meeting of the Nomination and Remuneration Committee were held i.e. May 24, 2019.

The detail of the meeting attended by members during the FY 2019-20 is as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Navinchandra Soni (Chairman)	Independent (Non-Executive Director)	1	1
Narendrakumar Shah (Member)	Independent (Non-Executive Director)	1	1
Samir Shah (Member)	Independent(Non-Executive Director)	1	1

3.3 Stakeholder Relationship and Shareholders'/Investors' Grievance Committee

The Company has set up a Stakeholders Relationship and Shareholders'/Investors' Grievance Committee to look into the Redressal of the complaints of investors as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.As on March 31, 2020 the Stakeholders Relationship and Shareholders'/Investors' Grievance Committee comprised of the following:

Name of Committee	Extract of Terms of Reference	Category and Composition		Other details
		Name	Category	
Stakeholders' Relationship Committee	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. • 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 Director	• 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 is provided herein below.
		Narendrakumar Shah (Member)	Independent, Non-Executive Director	
		Dilipkumar Gandhi (Member)	Managing (Executive) Director	

-Stakeholders Relationship Committee - other details

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

During the FY 2019-20, four meetings of the Stakeholder Relationship and Shareholders'/Investors' Grievance Committee were held i.e. (i) May 24, 2019 (ii) August 13, 2019 (iii) November 2, 2019 and (iv) February 13, 2020.

The details of the meetings attended by members during the FY 2019-20 are as follows:

Name of the Members	Designation	No. of Meetings	
		Held during the tenure	Attended
Navinchandra Soni (Chairman)	Independent (Non-Executive Director)	4	4
Narendrakumar Shah (Member)	Independent (Non-Executive Director)	4	4
Dilipkumar Gandhi (Member)	Managing (Executive) Director	4	4

Information on investor complaints for the year ended March 31, 2020 is as follows:

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

4. General Body Meeting

a. Annual General Meeting ("AGM"):

Financial Year	Date	Time	Venue
2017	11th Day of August, 2017	04:00 P.M.	GANDHI NURSING HOME BLDG DR.NALINKANT GANDHI ROAD HIMATNAGAR – 383001
2018	14th Day of August, 2018		
2019	30th Day of September, 2019	03:30 P.M.	

b. Extraordinary General Meeting:

No extraordinary general meeting of the members was held during FY 2020.

c. POSTAL BALLOT

No Special Resolution was passed last year through Postal Ballot. Further, no special resolution is proposed to be conducted through postal ballot upto the ensuing AGM.

5. 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 www.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.

6. Compliance with applicable laws

The company has a robust Compliance monitoring system in place. The Board periodically reviews the status of compliances to ensure proper compliance of all laws applicable to the company.

7. Code of Conduct

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").

8. Code for Prevention of Insider Trading

In pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, your Company has reviewed the comprehensive Code to preserve the confidentiality and to prevent misuse of un-published price sensitive information. All Designated Employees and other Connected Persons have a duty to safeguard the confidentiality of all such information obtained in the course of his or her assignment at the company and not to misuse his or her position or information to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the securities of the Company and the consequences of non-compliance. The Compliance Officer is responsible for ensuring adherence of the said Code.

In line with the requirement of the said Code, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. The

Compliance Officer notified the closure of trading window on the website of the company well in advance restraining all the employees and other connected person not to deal in the securities of the Company when the trading window is closed.

9. Shareholders Information

a). Annual General Meeting for FY 2020

Date: September 30, 2020
Time: 01.00 p.m.
Venue: Gandhi Nursing Home Bldg, Dr.Nalinkant Gandhi Road Himatnagar -383001

b) Listing on Stock Exchanges:

BSE Limited, 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001
Scrip Code: 531212
Stock Code (ISIN): INE606C01012
The annual listing fees for the FY 2020-21 have been paid to BSE.

c) Market Price Data

Period: 01-Apr-2019 to 31-Mar-2020

Security Name	Total Traded Quantity(Cr.)	Total Turnover(Cr.)
NALIN LEASE FINANCE LTD.	0.00	0.04
	Price	Date
Open	13.50	02/04/2019
High	23.80	13/03/2020
Low	9.78	09/09/2019
Close	22.95	26/03/2020
All Time High	51.05	26/11/2010
All Time Low	2.98	01/08/2006

d) 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

e) Share Transfer System:
Transfers of equity shares in electronic form are done 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.

f)Distribution of shareholding

a. Distribution of equity shareholding as on March 31, 2020:

SR.NO.	SHARES RANGE			NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1	to	500	773	78.9581	186914	2.8501
2	501	to	1000	81	8.2737	67928	1.0262
3	1001	to	2000	42	4.2901	64027	0.9763
4	2001	to	3000	14	1.43	34747	0.5298
5	3001	to	4000	4	0.4086	13872	0.2115
6	4001	to	5000	7	0.715	34270	0.5226
7	5001	to	10000	10	1.0215	71609	1.0919
8	10001	to	**********	48	4.903	6085443	92.7916
Total				**979**	**100.0000**	**6558180**	**100.0000**

g) Dematerialization of shares

Number of shares held in dematerialized form with NSDL, CDSL and physical mode as on March 31, 2020.

Description	No. of Shares	% to total Capital issued
NSDL	5770713	87.99
CDSL	626067	9.55
Physical	161400	2.46
Total	**6558180**	**100**

h) Outstanding GDR and ADR Warrants or any convertible instruments, conversion date and likely impact on equity

No GDR and ADR Warrants/Convertible Instruments have been issued by the Company.

i)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

Certificate on Corporate Governance

Nalin Lease Finance Limited

We have examined the compliance of conditions of Corporate Governance by **Nalin Lease Finance Limited** for the year ended 31st March, 2020, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and Para C and D of Schedule V of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as "SEBI (LODR) Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, 46 (2) (b) to (i) and Para C and D of Schedule V of SEBI (LODR) Regulations, 2015.

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

For **Amrish Gandhi & Associates**
Company Secretaries

SD/-

Amrish Gandhi
FCS No: 8193, CP No: 5656

Place: Ahmedabad
Dated: 30.07.2020

Annexure V of Board's Report

Certificate to the Board of Directors under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify to the Board of Directors that:

We have reviewed financial statements and the cash flow statement for the year ended 31.03.2020 and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:-

i) Significant changes in internal control over financial reporting during the year;

ii) That the Company has adopted Indian Accounting Standards (Ind AS) from FY 2019-20 and hence Significant Accounting policies have been re-drafted in accordance with requirements of Ind AS; and

iii) That there are no instances of significant fraud of which we have become aware of during FY 2019-20.

SD/-	**SD/-**
(Dilipkumar Gandhi)	**(N. K. Patel)**
Managing Director	**CFO**

Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2020."

SD/-
(Dilipkumar Gandhi)
Managing Director

Annexure VI of Board's Report

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	9.38
Harsh D Gandhi	10.34
Chief Financial Officer	
Nikul K Patel	Nil
Company Secretary	
Swati A Shah	Nil

.
*No payment is made to Non-executive Independent Directors

b. The percentage increase in the median remuneration of employees in the financial year: 15.90 percent

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

d. Increase in the managerial remuneration for the year was 8.33 percent.

Annexure VII of Board's Report

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Nalin Lease Finance Limited ('NLFL') is a Non-deposit-taking, Non-Banking Financial Company registered with the Reserve Bank of India (RBI).

The COVID-19 pandemic and lockdown

We are amidst unprecedented times. The COVID-19 pandemic has spread across the world - leading too well above 4.7 million confirmed infections, over 315,000 deaths, enormous human suffering and a full stop on virtually all commercial and economic activities. Even India, apparently relatively fortunate up to now, has had 101,139 confirmed cases and 3,163 deaths as per COVID-19 Situation Report-120 of World Health Organisation (WHO) dated 19 May 2020. With lockdowns spreading across countries accounting for over 50% of the world's gross domestic product (GDP), COVID-19 has caused disruptions on an unimaginable scale. Nobody really knows how long the pandemic will last; whether it will increase in the winter of 2020-21 and if so how, and what will be its final toll on lives and livelihood.

In India too, which implemented a lockdown since 25 March 2020, the pandemic has created shocks ripping through society and the world of business. The picture of millions of unemployed daily wage workers and their families trying to trudge back to their villages hundreds of kilometres away; shut factories and stores; and empty construction sites. After a nationwide lockdown involving 1.35 billion people over 55 continuous days, the debate is now on how to gradually open the economy without seriously risking a major spike in infections.

The Government of India had announced lockdown 4.0 from 18 May 2020 till 31 May 2020. Containment zones in cities and metropolises continue to remain locked down and local authorities are to intensify focus on containment zones and the so-called 'buffer zones', with some relaxations in non-containment zones. Efforts are being made to carefully open up economic activities including construction, factories, shops and stores across most parts of the country with adequate social distancing, use of masks and other stringent health protocols. Even so, returning to the pre-COVID-19 normal seems a long way away.

A group of empirically sound and carefully trained economists have been attempting to estimate what might be the impact of the pandemic in the financial year 2020-21 (FY2021). The consensus seems to be that real GDP growth will fall from 4.2% in FY2020 to (-) 5% in FY2021. If it was to happen as predicted, this will represent the greatest fall in GDP growth since 1979-80, when real GDP growth plummeted from 5.7% in the previous year to (-)5.2%. According to this group of economists, Q1 FY2021 will show a sharp negative growth; Q2 FY2021 will see tortuous limping back; and H2 FY2021 will see a gradual pickup in growth which, unfortunately, may not be sufficient to prevent the full year's GDP from a sharp contraction. What we can say quite clearly is that FY2021 will be the most difficult year that we have seen for a very long time. Not just us in India, but across much of the world.

In response, Governments across the world have unleashed massive fiscal measures to protect economic activity and dramatically strengthen health services and testing. Central banks, too, have initiated multiple monetary and regulatory measures.

India, too, has initiated relief measures. The Government of India announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating Rs. 20 Lakh crore - or approximately 10% of nominal GDP - which covered

among others (i) direct cash transfers and food security for vulnerable sections of society, (ii) collateral free loans and concessional credit to farmers and street vendors, (iii) enhancement of systemic liquidity by the Reserve Bank of India (RBI), (iv) special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, MFIs and mutual funds, (v) 100% credit guarantee scheme for aggregate Rs. 3 Lakh crore of emergency credit lines by banks and NBFCs to their MSME borrowers and (vi) subordinated debt and equity support to MSMEs. The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has also initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

Some experts, however, believe that the measures announced by the Government are predominantly liquidity support mechanisms through banks and NBFCs, and constitute only a limited fiscal stimulus. Given the extended tenor of lockdown and severity of its impact on the economy, it is likely that the fiscal stimulus announced so far may not have the desirable effect on the economy. It remains to be seen whether there are other fiscal measures in the offing.

NLFL took immediate steps to manage this force majeure situation, some of which have been:

- Keeping employee safety as the topmost priority, and so ensuring that all employees moved immediately to 'Work-from-Home' (WFH). All employees were advised to strictly follow lockdown guidelines of the Government,
- Triggering business continuity plans - for servicing and recovery, and
- The situation is still evolving, and it is not possible to hazard a guess on how this pandemic will evolve. On its part, NLFL is focusing on capital preservation, Balance Sheet protection, conservative liquidity management, operating expenses management and strengthening collections.

Macroeconomic Overview

A brief summary of FY2020 and the emerging trends in the wake of COVID-19 pandemic are discussed below.

FY2020 began with an expectation that the year would witness a slowdown in growth owing to a significant moderation in economic activity. Recognising the economic headwinds, the Government of India undertook various measures to boost growth -which included a substantial tax relief to the corporate sector to boost investments. Even without the terrible effects of COVID-19, India's GDP growth was rapidly slowing down.

Before the COVID-19 pandemic and lockdown, both the RBI and the Central Statistics Office (CSO) of the Government of India had revised the GDP growth rate downwards. The RBI changed its full year GDP growth estimate from an initial 7.2% to 5% in December 2019, and ascribed the tapering of growth to a tight credit market impacting fresh investments, weak capital expenditure and a slowdown in manufacturing. In a similar vein, the second advance estimates of national income for FY2020 released by the CSO on 28 February 2020 was substantially lower: GDP growth for FY2020 was pegged at 5% - a decadal low - compared to 6.1% in the financial year 2018-19 (FY2019); and growth in gross value added was estimated at 4.9% in FY2020 versus 6% in FY2019.

On 29 May 2020, the CSO released its estimates of GDP and GVA growth for FY2020 and the fourth quarter of FY2020. In this exercise, it also substantially revised downward its earlier estimates for the first three quarters of FY2020.

GDP growth was 5.7% in January-March 2019; fell to 5.2% in April-June 2019; then yet again to 4.4% in July-September 2019; followed by 4.1% growth in October-December 2019 and 3.1% growth in January-March 2020.

GDP growth for FY2020 was 4.2% -worst in the last 11 years.

Retail inflation, measured by the consumer price index (CPI), peaked in January 2020 and then fell by a full percentage point in February 2020 to 6.6%. Fuel inflation increased sharply in February 2020, only to plunge in March with international crude prices plummeting as never before, including the brief phenomenon of negative prices for May 2020 futures. If the reduction in oil prices is allowed to pass-through, it will help to keep inflation down for at least the first half of FY2021. However, cash-strapped central and state Governments may not do so.

Thankfully, the RBI intervened and provided a special liquidity facility for mutual funds of up to Rs. 50,000 crore through commercial banks. While this will ease liquidity pressures on mutual funds and provide confidence to financial system, it is definitely going to have an impact on pricing and flow of funds in money markets.

Having said this, the outlook for the coming year is expected to be extremely demanding. In the current situation, lending businesses face four daunting challenges of (i) disruption in business acquisition, (ii) providing customers adequate relief on their debt servicing obligations, (iii) dealing with a weakened customer service and debt recovery infrastructure, and (iv) continuing to service their own debt.

To overcome the COVID-19 crisis, Governments across the world will look to the financial sector to help revive their economies. Here, given NLFL's healthy capital adequacy, strong liquidity position, low gross and net NPAs, the Company is better placed than many others in the NBFC space to capitalise on the opportunities that will emerge in what will possibly be a totally new business environment.

Industry Overview

The NBFC sector continued to grow its share in the financial services industry. Credit growth of scheduled commercial banks (SCBs) continued to moderate throughout FY2020. On 31 March 2019, growth in advances of SCBs was 13.2%. By 30 September 2019, this had reduced to 8.7% and on 27 March 2020, it was further down to 6.1%. SCBs also continued to face asset quality challenges in FY2020. Data published by the RBI in its Financial Stability Report dated 27 December 2019 show that NBFCs have outperformed SCBs on asset quality, as the figures below indicate.

While the importance of NBFCs in credit intermediation continued to grow, repayment default by a systemically important NBFC in September 2018 brought to focus asset-liability mismatches of the sector - where some NBFCs were more impacted than the others. To strengthen the asset-liability profile of the sector, RBI introduced a liquidity coverage ratio (LCR) requirement for all NBFCs with AUM of Rs. 5,000 crore and above. The LCR regulation mandates NBFCs to maintain a minimum level of high-quality liquid assets to cover expected net cash outflows in a stressed scenario. The regulation also

stipulates that NBFCs should attain LCR of 100% in a phased manner over a period of four years starting December 2020. It is a welcome regulatory change and will significantly strengthen ALM profile of the NBFC sector. BFL's liquidity buffer management framework exceeds these requirements even today -and demonstrates its strong orientation towards liquidity management.

COVID-19 further accentuated ALM challenges of the NBFC sector. The RBI's moratorium measures for customers are likely to put additional stress on many NBFCs. There is an asymmetry. On one hand, NBFCs have to offer such moratoriums to their customers; while on the other, their market borrowings must be repaid on due dates.

To ease liquidity pressure on NBFCs, the RBI has taken multiple actions including a Targeted Long-Term Repo Operation (TLTRO) for the sector of Rs. 50,000 crore and a special financing window through SIDBI, NABARD and National Housing Bank (NHB) of another Rs. 50,000 crore to enable financing NBFCs. It remains to be seen whether the RBI will open a direct window to support the NBFC sector.

The COVID-19 pandemic is also expected to result in deterioration in the asset quality of the financial sector. NBFCs too will face similar pressures. Early indicators of non-delinquent customers opting for moratoriums reflect a considerable level of anxiety from customers. It remains to be seen how this anxiety eases when economic activities resume. A long-drawn lockdown or frequent lockdowns of economic activities may require the RBI to frame forbearance policies for impacted borrowers like a comprehensive one-time restructuring of loans without impacting asset classification. Such a one-time restructuring framework would enable financial sector to continue to lend and also provide customers adequate time to recover from the economic crisis and honour their obligations.

The Company

NLFL enjoyed yet another strong year of performance aided by a prudent liability management, efficient operating costs and effective risk management. The Company has emerged as one of the leading diversified NBFC in the district as well as Gujarat today.

Consolidated performance highlights, FY2020

- Total income increased by 17.51% to Rs. 52,813.67 (Thousands)
- Net interest income rose by 7.37% to Rs. 45,153.52 (Thousands)
- Profit before tax (PBT) increased by 17.42% to Rs.27,674.32 (Thousands)
- PAT grew by 15.5% to Rs. 19893.99 (Thousands).
- During the year, NLFLraised equity capital of Rs.3,29,61,800 pursuant to the Order of Amalgamation dated 25-11-2019 passed by Hon'ble Tribunal, Ahmedabad Bench.

NLFL has a comprehensive liquidity management framework, and maintains an abundant liquidity buffer to manage liquidity risk. This has enabled NLFL to overcome past and current liquidity stresses.

As on 31 March 2020, NLFL's consolidated borrowings stood at Rs 43,768.98 (Thousands).The Company's loan book continued to remain strong as a result of its deeply embedded risk culture and robust risk management practices

Customer service

We always aim to reduce the time to disburse loans with minimal documentation and we have enhanced and introduced varied communication and service channels to keep our customers informed and instantly address their queries and requests.

To improve communication reach and effectiveness, we have also introduced customer communication on WhatsApp. We have also introduced various offerings in the language preferred by its customers. NLFL provides critical documents like loan agreements, fair practice code (FPC) and notices in the language preferred by its customers.

With COVID-19, the RBI initiated debt servicing relief to borrowers -where all commercial banks, co-operative banks, all-India financial institutions and NBFCs were permitted to give moratorium to customers in respect of all term loans instalments outstanding as on 1 March 2020. Accordingly, NLFL has started offering repayment moratorium to its impacted regular customers to assist them in protecting their cash flows in these trying times.

Human resources

Our people are our key assets. In an increasingly competitive market for talent, we focus on attracting and retaining the right talent, and fostering a work culture that is always committed to providing the best opportunities to employees to realise their potential.

As on 31 March 2020, NLFL had 10 full-time employees. No new employee was added in FY2020.

We responded swiftly to the COVID-19 outbreak by adopting various measures to ensure health and safety of our employees. We cancelled all international trips, all physical trainings and conferences, curtailed domestic travels, and took extensive precautions like sanitisation of offices, availability of hand sanitizers and masks and operations in multiple shifts to ensure lesser number of staff - thus enabling social distancing. We have readied our office to further ensure health protocols, such as continuous communication on protection and social distancing, and self-declaration surveys for employees on their health status.

Cautionary Statement

Some statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF,
NALIN LEASE FINANCE LIMITED
Himatnagar
CIN -L65910GJ1990PLC014516

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **NALIN LEASE FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit , total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016;

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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2.3 to the standalone Ind AS financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the company's estimates of impairment of loans to customers and that such

estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	**How our audit addressed the key audit matter**
a) Transition to Ind AS accounting framework (*as described in Note 43 of the Ind AS financial Statements*)	
The company has adopted Ind AS from 1 April 2019 with an effective date of 1 April 2018 for such transition. For periods up to and including the year ended 31 March 2019, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2020, together with the comparative financial information for the previous year ended 31 March 2019 and the transition date Balance Sheet as at 1 April 2018 have been prepared under Ind AS. The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions. In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been areas of key focus in our audit.	Read the Ind AS impact assessment performed by the Management and the resultant changes made to the accounting policies considering the requirements of the new framework. Evaluated the exemptions and exceptions allowed by Ind AS and applied by the Management in applying the first-time adoption principles of Ind AS 101 in respect of fair valuation of assets and liabilities existing as at transition date. Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. Tested the disclosures prescribed under Ind AS.
b) Impairment of financial assets (expected credit losses) (*as described in note 3.4 of the Ind AS financial statements*)	
Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets (designated at amortised cost) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering	We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109.

the guiding principles of Ind AS 109 including: • unbiased, probability weighted outcome under various scenarios; • time value of money; • impact arising from forward looking macro-economic factors and; • availability of reasonable and supportable information without undue costs. Applying these principles involves significant estimation in various aspects, such as: • grouping of borrowers based on homogeneity by using appropriate statistical techniques; • staging of loans and estimation of behavioral life; • determining macro-economic factors impacting credit quality of receivables; • estimation of losses for loan products with no/minimal historical defaults. Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.	We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa. We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation. Tested the ECL model, including assumptions and underlying computation. Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. Audited disclosures included in the Ind AS financial statements in respect of expected credit losses.

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2019-20, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS 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

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 Companies Act, 2013, we give in the "**Annexure - A",** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 it appears from our examination of those books.
(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, Except Ind AS-19 on retirement benefits as provision for gratuity is not based on actuarial valuation but on other rational basis while provision for other benefits such as leave encashment has not been made, the effect of the same cannot be quantified, to that extent profit for the year and balance of Profit & Loss account is overstated.
(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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"**.
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 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 litigations which would impact its financial position in its Standalone Ind AS financial statements;

(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's Registration No. 114777W

Sd/-
Paresh K. Thothawala
Partner
Membership No. - 048435
UDIN: 20048435AAAACQ3942

Place: Himatnagar
Date: 30th July, 2020

Annexure-A to Independent Auditors' Report
Annexure A referred to in paragraph (1) under the heading 'Report on other legal and regulatory requirements' of our report of even date

(1) (a)The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the Management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the Management, the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the Company.

(2) The Company's business does not involve inventories except stationery & Adhesive Stamp and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.

(4) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(5) In our opinion and according to the information and explanations given to us, the Company being a non-banking financial company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(6) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(7) (a)Undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to the Company were outstanding, at the year end, for a period of more than six months from the date they became payable.

(8) In our opinion and according to the information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.

(9) According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of cash credit were applied for the purpose for which those were raised.

(10) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(11) According to the information and explanations given by the Management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(13) According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(14) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(16) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For, Paresh Thothawala & Co.
Chartered Accountants
Firm's Registration No. 114777W

Sd/-
Paresh K. Thothawala
Partner
Membership No. - 048435
UDIN: 20048435AAAACQ3942

Place: Himatnagar
Date: 30th July, 2020

Annexure-B to Independent Auditors' Report

Annexure B referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our report of even date.

Report on Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of Nalin Lease Finance Ltd. (the 'Company') as of 31 March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements

A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Paresh Thothawala & Co.
Chartered Accountants
Firm's Registration No. 114777W
Sd/-

Paresh K. Thothawala
Partner
Membership No. - 048435
UDIN: 20048435AAAACQ3942

Place: Himatnagar
Date: 30th July, 2020

NALIN LEASE FINANCE LIMITED
CIN:L65910GJ1990PLC014516

BALANCE SHEET AS AT 31st MARCH, 2020

(` in thousands)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Assets				
1. Financial Assets				
(a) Cash and Cash Equivalents	4	32,171.50	4,620.67	4,619.48
(b) Bank Balance Other than Cash and Cash Equivalents	5	-	3,446.23	5,451.03
(c) Loans	6	208,618.63	229,504.43	223,284.95
2. Non Financial Assets				
(a) Inventories	7	373.78	179.78	142.48
(b) Current Tax Assets (Net)		5,802.94	1,729.69	1,707.68
(c) Deferred Tax Assets (Net)	8	276.01	247.96	27.71
(d) Right of Use Assets	9	266.98	1,067.91	1,868.84
(e) Property, Plant & Equipments	10	3,180.32	3,735.53	2,798.80
(f) Other Non Financial Assets	11	472.83	93.47	117.05
Total Assets		**251,162.99**	**244,625.66**	**240,018.02**
Liabilities and Equity				
Liabilities				
1. Financial Liabilities				
(a) Trade Payables				
Total outstanding dues to micro enterprises and small enterprises		-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		-	-	-
(b) Debt Securities		-	-	-
(c) Borrowings (Other than debt securities)	12	43,768.98	61,471.65	73,830.23
(d) Other financial Liabilities	13	255.32	237.52	246.85
2. Non-financial Liabilities				
(a) Current Tax Liabilities (net)		7,699.00	2,128.24	1,507.34
(b) Provisions	14	68.80	121.60	91.50
(c) Other Non-financial Liabilities	15	429.22	1,618.97	2,518.73
3. Equity				
(a) Equity Share Capital	16	65,581.80	65,581.80	65,581.80
(b) Other Equity	17	133,359.88	113,465.89	96,241.57
Total Liabilities and Equity		**251,162.99**	**244,625.66**	**240,018.02**
Statement of Significant Accounting Policies	1 to 3			
See accompanying notes forming part of the financial statements	4 to 45			

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

Paresh K. Thothawala
Partner
M.No. 048435

UDIN: 20048435AAAACQ3942
Place: Himantnagar
Date: 30.07.2020

(S.N.Parikh)
Company Secretary

(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: 30.07.2020

NALIN LEASE FINANCE LIMITED
CIN:L65910GJ1990PLC014516
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 ST MARCH 2020

(` in thousands)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from operations			
(i) Interest Income	18	45,153.52	42,054.71
(ii) Sale of services	19	1,195.53	555.67
(iii) Other revenue from operations	20	3,451.94	2,137.61
(I) **Total revenue from operations**		**49,800.99**	**44,747.99**
(II) Other income	21	3,012.68	194.75
(III) **Total Income (I+II)**		**52,813.67**	**44,942.74**
Expenses			
(i) Finance Cost	22	7,516.37	9,388.41
(ii) Impairment on financial instruments	23	4,577.73	792.56
(iii) Employee Benefits Expenses	24	6,500.71	6,228.93
(iv) Depreciation, amortization and impairment	10	1,142.45	693.88
(v) Other expenses	25	5,402.10	4,269.37
(IV) **Total expenses**		**25,139.35**	**21,373.14**
(V) **Profit before tax (III-IV)**		**27,674.32**	**23,569.60**
(VI) **Tax expense:**			
Current tax		7,699.00	6,575.31
Deferred tax	8	(28.05)	(220.25)
Provision for taxes related to earlier periods		109.39	(9.77)
(VII) **Profit for the period (V-VI)**		**19,893.99**	**17,224.32**
(VIII **Other Comprehensive Income**		**-**	-
(IX) **Total Comprehensive Income for the year (VII+VIII)**		**19,893.99**	**17,224.32**
(X) **Earnings per equity share**			
Basic	26	3.03	2.63
Diluted		3.03	2.63
Statement of Significant Accounting Policies	1 to 3		
See accompanying notes forming part of the financial statements	4 to 45		

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

Paresh K. Thothawala
Partner
M.No. 048435

UDIN: 20048435AAAACQ3942
Place: Himantnagar
Date: 30.07.2020

(S.N.Parikh)
Company Secretary

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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: 30.07.2020

STATEMENT OF CHANGE IN EQUITY

EQUITY SHARE CAPITAL (` in thousands)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	65,582	65,582
Changes in equity share capital during the year [refer note no. 16.3]	-	-
Balance at the end of the year	**65,582**	**65,582**

OTHER EQUITY

For the year ended March 31, 2020 (` in thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Reserve fund as per RBI Act	General Reserve	Total Other equity
Balance as at March 31, 2019	17	20,798.90	7,424.24	22,100.77	63,141.98	1,13,465.89
Profit after tax			19,893.99			19,893.99
		20,798.90	27,318.23	22,100.77	63,141.98	1,33,359.88
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934			(3,978.80)	3,978.80		-
General Reserve from Transferor co.					-	-
Transfer to General Reserve			(7,500.00)		7,500.00	-
Balance as at March 31, 2020	17	**20,798.90**	**15,839.43**	**26,079.57**	**70,641.98**	**1,33,359.88**

For the year ended March 31, 2019 (` in thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Reserve fund as per RBI Act	General Reserve	Total Other equity
Balance as at April 1, 2018	17	20,798.90	1,112.04	18,688.66	55,641.98	96,241.57
Profit after tax			17,224.32			17,224.32
		20,798.90	18,336.36	18,688.66	55,641.98	1,13,465.89
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934			(3,412.12)	3,412.12		-
Transfer to General Reserve			(7,500.00)		7,500.00	-
Balance as at March 31, 2019	17	**20,798.90**	**7,424.24**	**22,100.77**	**63,141.98**	**1,13,465.89**

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

Paresh K. Thothawala
Partner
M.No. 048435

UDIN: 20048435AAAACQ3942
Place: Himantnagar
Date: 30.07.2020

(S.N.Parikh)
Company Secretary

(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: 30.07.2020

NALIN LEASE FINANCE LIMITED
CIN:L65910GJ1990PLC014516

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020
(Pursuant to the Listing Agreement with Stock Exchange)

(` in thousands)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	27,674.32	23,569.60
Adjustments for :		
Depreciation and amortisation	1,142.45	693.88
Interest income	(45,153.52)	(42,054.71)
Finance cost	7,516.37	9,388.41
Impairment on financial instruments	3,474.22	(95.67)
Profit on sale of property, plant and equipment	(2,068.33)	-
Operating profit before working capital changes	**(7,414.50)**	**(8,498.49)**
Adjustment for Changes in Working Capital:		
(Increase) / decrease in loans	17,411.58	(6,123.81)
(Increase) / Decrease in inventories	(194.00)	(37.30)
(Increase) / Decrease in right to use assets	800.93	800.93
(Increase) / Decrease in other non financial assets	(379.37)	23.58
Increase / (Decrease) in financial liabilities	17.80	(9.33)
Increase / (Decrease) in provisions	(52.80)	30.10
Increase / (Decrease) in other non financial liabilities	(1,189.75)	(899.76)
Cash generated from operations	**8,999.90**	**(14,714.08)**
Interest income received	45,153.52	42,054.71
Finance cost paid	(7,516.37)	(9,388.41)
Income tax paid (net)	(6,310.88)	(5,966.64)
Net cash generated from operating activities (A)	**40,326.17**	**11,985.58**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / sale of property, plant and equipment	1,481.10	(1,630.61)
Bank Deposits not considered as cash and cash equivalents	3,446.23	2,004.80
Net cash used in investing activities (B)	**4,927.33**	**374.19**
C CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings other than debt securities	(17,702.66)	(12,358.59)
Net cash generated from financing activities (C)	**(17,702.66)**	**(12,358.59)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**27,550.83**	**1.18**
Cash and cash equivalent at the beginning of the year	**4,620.67**	**4,619.48**
Cash and cash equivalent at the end of the year	**32,171.50**	**4,620.67**

The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
Components of cash and cash equivalents are disclosed in note no. 4.

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

Paresh K. Thothawala
Partner
M.No. 048435

UDIN: 20048435AAAACQ3942
Place: Himantnagar
Date: 30.07.2020

(S.N.Parikh)
Company Secretary

(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: 30.07.2020

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2020

Notes to Financial Statements for the Year Ended on March 31, 2020

Note 1 : Corporate Information:

Nalin Lease Finance Limited ('NLFL' or 'the company') was incorporated on October 11,1990 in Himatnagar, Gujarat. The company is Non-Systemically Important Non-Deposit taking non-banking financing company (NBFC) registered with Reserve Bank of India ("RBI") with Registration no. 01.00242. The company provides a wide range of fund based services including gold loans, vehicle loans, business loans etc.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 30 July 2020, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

1.1 : Scheme of arrangement:

The Honourable National company law tribunal("the Tribunal") approved the scheme of amalgamation ("the scheme") of Amee finance limited, Gandhi Shroff Private Limited, Nalin Services Limited, Nalin Consultancy services Limited, with Nalin Lease Finance Limited vide order dated 25.11.2019, appointed date 01.04.2018.

The Scheme was accounted by the Company as per common control method as prescribed by Ind AS 103 - Business Combination, with effect from April 1, 2018. Ind As 103 - Business Combination requires the financial information of prior periods to be restated as if the Business Combination occurred from the beginning from the beginning of the preceding period presented in the financial statements, irrespective of the actual date of combination. Accordingly, the results of the Company include the operations and balances of Nalin Lease finance Limited effect from April 1, 2018 and the assets and liabilities, are recorded at Book Value as at Appointed Date have been recorded at their carrying values in the books of Nalin Lease Finance Limited as per treatment prescribed in Ind AS 103 - "Business Combination".

Note 2 : Basis of preparation and presentation

2.1 : Statement of Compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with other relevant provisions of the Act, and the Master Direction - Non-Banking Financial Companies - Non-Deposit taking company (Reserve Bank) Directions,2016 ("the NBFC Master Directions") issued by RBI In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

For all periods up to and including the year ended 31 March 2019, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the NBFC Master Directions (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2020 are the first the Company has prepared in accordance with Ind AS.

The Company has applied Ind AS 101 'First-time Adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 43.

2.2 : Basis of preparation:

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

2.3 Presentation of financial statements::

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest thousands, except when otherwise indicated.

Critical accounting estimates and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those based on Management's estimates. Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

Business model assessment [Refer note no. 3.4(i)(a)]

Fair value of financial instruments [Refer note no. 3.14, and 28]

Effective interest rate (EIR) [Refer note no. 3.1(i)]

Impairment of financial assets [Refer note no. 3.4(i), and 27]

Provisions and contingent liabilities [Refer note no. 3.10 and 37]

Provision for tax expenses [Refer note no. 3.6]

Residual value, useful life and indicators of impairment and recoverable value of property, plant and equipment [Refer note no. 3.7 and 3.9]

Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.

Note 3 : Summary of significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 : Revenue recognition:

i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 3.4(i)] regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 3.4(i)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

ii) Dividend income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Other revenue from operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the

contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Fees and commission

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Late Fees charges are collected from loan customers for late payment of loan instalment and are recognised on realisation.

Cheque return charges are collected from loan customers for cheque return of loan instalment and are recognised on realisation.

Postage charges are collected from loan customers for postage and courier expenses and recognised on realisation.

(b) Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognised as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 'Financial instruments'.

Other revenues on sale of services are recognised as per Ind AS 115 'Revenue From Contracts with Customers' as articulated above in 'other revenue from operations'.

(c) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

iv) Taxes

Incomes are recognised net of the Goods and Services Tax, wherever applicable.

3.2 : Expenditures:

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR [refer note no. 3.1(i)].

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Taxes

Expenses are recognised net of the Goods and Services Tax except where credit for the input tax is not statutorily permitted.

3.3 : Cash and cash equivalents:

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.4 : Financial instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a) **Financial assets measured at amortised cost**

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio, and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and/or infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). For further details, refer note no. 3.1(i). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

b) Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Derecognition

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial assets

Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial assets.

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

Contractual payments of either principal or interest are past due for more than 180 days;

The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months– post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

The Company recognises loss allowance for ECLs on Loans and advances to customers as per Income recognition, Asset Classification and Provisioning (IRACP) norms notified by RBI.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 27.

Estimation of Expected Credit Loss
The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information
While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis,

the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings.

Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, and other borrowings.

Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR [Refer note no. 3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.5 : Investments in Subsidiaries, Associates and Joint Ventures:

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair vale of shares granted to employees of subsidiary under a group share based payment arrangement.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

3.6 : Taxes:

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.7 : Property, plant and equipment:

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation on Property, Plant and Equipment is calculated using Straight line method (SLM) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Nature of Assets	Useful life in years
Computer Equipment	3
Office Equipment*	3
Buildings	60
Furniture & Fixtures	10
Vehicles	8
Electrical installations	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 property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.8 : Intangible assets and amortisation thereof :

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.9 : Impairment of non-financial assets:

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

3.10 : Provisions and contingent liabilities:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

3.11 : Foreign currency translation:

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss.

3.12 : Retirement and other employee benefits:

(i) Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits: (a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.

The Company has adopted the policy of accounting for retirement & other employee benefits on actual payment basis. As explained by the Company, PF & ESIC is not applicable to the Company.

3.13 : Leases:

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing and directly attributable costs. Subsequently, the lease liability is –

(i) increased by interest on lease liability;
(ii) reduced by lease payments made; and
(iii) reduced by lease payments made; and

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

3.14 : Fair value measurement:

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the

asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 28.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.15 : Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

(i) changes during the period in operating receivables and payables transactions of a non-cash nature
(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
(iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

3.16 : Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.17 : Operating cycle for current and non-current classification:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Note 4: Cash & Cash Equivalent			(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
Cash on hand	935.81	1,115.89	725.87
Balance with banks in current accounts	31,235.69	3,504.77	3,893.62
	32,171.50	**4,620.67**	**4,619.48**

Note 5: Bank balance other than cash and cash equivalents			(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
Earmarked balances with banks (against matured fixed depo	-	3,446.23	5,451.03
	-	**3,446.23**	**5,451.03**

Note 6: Loans			(` in thousands)
	31/03/2020	**31/03/2019**	**01-04-18**
Particulars	**At amortised cost**	**At amortised cost**	**At amortised cost**
A) Secured			
i) Vehicle Loan	81,168.26	78,873.29	70,461.57
ii) Gold Loan	114,109.08	97,666.29	110,434.66
Total (A) Gross	195,277.34	176,539.58	180,896.23
Less: Impairment loss allowance	6,114.49	2,434.15	2,605.79
Total (A) - Net	**189,162.85**	**174,105.44**	**178,290.44**
B) Unsecured			
i) Business Loan	19,504.54	5,082.22	-
ii) Other Loan	-	50,571.66	45,173.43
Total (B) Gross	19,504.54	55,653.88	45,173.43
Less: Impairment loss allowance	48.76	254.88	178.91
Total (B) - Net	**19,455.78**	**55,399.00**	**44,994.51**
Total (A+B) - Net	**208,618.63**	**229,504.43**	**223,284.95**
C) Out of above			
I) Loans in India			
i) Public sectors	-	-	-
ii) Others	214,781.88	232,193.46	226,069.65
II) Loans outside India	-	-	-
Total (C) Gross	**214,781.88**	**232,193.46**	**226,069.65**
Less: Impairment loss allowance	6,163.25	2,689.03	2,784.70
Total (C) - Net	**208,618.63**	**229,504.43**	**223,284.95**
	208,618.63	**229,504.43**	**223,284.95**

Note 7: Inventories			(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
Sp. Adhesive Stamp	351.28	146.28	128.98
Stationery Stock	22.50	33.50	13.50
	373.78	**179.78**	**142.48**

Note 8: Deferred Tax Assets (Net)

Deferred tax assets recorded in Balance Sheet (` in thousands)

Particulars	31/03/2020	31/03/2019	01-04-18
Deferred tax to the following:			
Deferred tax assets			
Disallowance u/s 37 of the Income Tax Act, 1961	64.49	120.52	-
Impairment on financial instruments	222.82	247.49	-
Financial instruments measured at EIR	36.24	80.41	-
Depreciation and amortisation	319.70	157.98	27.71
Gross deferred tax assets	643.24	606.40	27.71
Deferred tax liabilities			
Other temporary differences	367.22	358.44	-
Gross deferred tax liabilities	367.22	358.44	-
Deferred tax assets/(liabilities), net	**276.01**	**247.96**	**27.71**
	276.01	**247.96**	**27.71**

Changes in deferred tax assets recorded in profit or loss (` in thousands)

Particulars	31/03/2020	31/03/2019
Deferred tax relates to the following:		
Disallowance u/s 37 of the Income Tax Act, 1961	56.04	120.52
Impairment on financial instruments	24.67	247.49
Financial instruments measured at EIR	44.18	80.41
Depreciation and amortisation	(161.72)	130.27
Other temporary differences	8.78	(358.44)
	(28.05)	**220.25**

Note 9: Right to use Assets (` in thousands)

Particulars	31/03/2020	31/03/2019	01-04-18
Gross carrying amount (A)			
Opening gross carrying amount	3,470.70	3,470.70	3,470.70
Add: Additions during the year	-	-	-
Less: Deductions during the year	-	-	-
Closing gross carrying amount	**3,470.70**	**3,470.70**	**3,470.70**
Accumulated depreciation (B)			
Opening accumulated depreciation	2,402.79	1,601.86	800.93
Add: Depreciation and impairment	800.93	800.93	800.93
Less: Deductions during the year	-	-	-
Closing accumulated depreciation	**3,203.73**	**2,402.79**	**1,601.86**
Total C = (A-B)	**266.98**	**1,067.91**	**1,868.84**
	266.98	**1,067.91**	**1,868.84**

Note 11: Other Non-financial Assets (` in thousands)

Particulars	31/03/2020	31/03/2019	01-04-18
Security Deposits	18.49	18.49	18.49
Other Receivables	454.34	74.98	98.56
	472.83	**93.47**	**117.05**

Note 12: Borrowings (Other than debt securities) (` in thousands)

Particulars	31/03/2020 At amortised cost	31/03/2019 At amortised cost	01-04-18 At amortised cost
a) Loans repayable on demand			
i) from banks			
Cash credit* (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	43,768.98	59,441.65	73,830.23
b) Loans from related party			
Loan from Directors and Relatives (Unsecured)	-	2,030.00	-
Total (A)	**43,768.98**	**61,471.65**	**73,830.23**
Borrowings in India	43,768.98	61,471.65	73,830.23
Borrowings outside India	-	-	-
Total (B)	**43,768.98**	**61,471.65**	**73,830.23**
	43,768.98	**61,471.65**	**73,830.23**

* Note: Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding and equitable mortgage by deposit of title deeds on some of the Director's immovable properties, as collateral security. The loans are also guaranteed by Mr. Diiipkumar Nalinkant Gandhi, Mr. Harsh Dilipkumar Gandhi and Mrs. Pallaviben Diliupkumar
The Company has not defaulted in repayment of borrowings and interest.

Note 13: Other Financial Liabilities			(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
Other Payables	255.32	237.52	246.85
	255.32	**237.52**	**246.85**

Note 14: Provisions			(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
Other Provisions	68.80	121.60	91.50
	68.80	**121.60**	**91.50**

Note 15: Other Non-financial Liabilities			(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
Lease Liability gross	1,618.97	2,518.73	3,023.10
Less : Current Year adjustment	1,189.75	899.76	504.37
Lease Liability net	429.22	1,618.97	2,518.73
	429.22	**1,618.97**	**2,518.73**

Note 16: Equity Share Capital

16.1 The reconciliation of equity shares outstanding at the beginning and at the end of the (` in thousands)

Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
Authorised Capital			
93,50,000 Equity shares of `10/-each	93,500.00	93,500.00	93,500.00
Issued & Subscribed and Paid up			
65,58,180 Equity shares of `10/-each (Refer Note No.32)	65,581.80	65,581.80	65,581.80
	65,581.80	**65,581.80**	**65,581.80**

16.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors. The final dividend proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the 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.

16.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

(` in thousands)

Particulars	**In Numbers**	**Amount**
As at 01 April, 2018	6,558,180	65,581.80
Share issued during the year	-	-
As at 31 March, 2019	6,558,180	65,581.80
Share issued during the year	-	-
As at 31 March, 2020	6,558,180	65,581.80

16.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
	No. of Shares held		
Dilipkumar Nalinkant Gandhi	2,814,470	2,814,470	2,814,470
Pallaviben Dilipkumar Gandhi	562,057	562,057	562,057
Rupalben Dilipkumar Gandhi	523,560	523,560	523,560
Urviben Dilipkumar Gandhi	353,953	353,953	353,953
	% holding in the class		
Dilipkumar Nalinkant Gandhi	42.92%	42.92%	42.92%
Pallaviben Dilipkumar Gandhi	8.57%	8.57%	8.57%
Rupalben Dilipkumar Gandhi	7.98%	7.98%	7.98%
Urviben Dilipkumar Gandhi	5.40%	5.40%	5.40%

Note 17: Other Equity			(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**	**01-04-18**
(A) SECURITIES PREMIUM (Refer Note No. 32)	20,798.90	20,798.90	20,798.90
TOTAL (A)	**20,798.90**	**20,798.90**	**20,798.90**
(B) GENERAL RESERVE			
Opening Balance	63,141.98	55,641.98	49,470.88
Add: Profit transferred from Profit & Loss for the year	7,500.00	7,500.00	7,500.00
Add: General Reserve from Transferor Companies	-	-	134.58
Less: Statutory Reserve from Transferor Companies transfer to Statutory Reserve	-	-	(1,463.47)
TOTAL (B)	**70,641.98**	**63,141.98**	**55,641.98**
(C) STATUTORY RESERVE (U/S 45 IC of RBI ACT)			
Opening Balance	22,100.77	18,688.66	15,199.30
Add: Profit transferred from Profit & Loss for the year	3,978.80	3,412.12	2,025.89
Add: Statutory Reserve from Transferor Companies	-	-	1,463.47
TOTAL (C)	**26,079.57**	**22,100.77**	**18,688.66**
(D) RETAINED EARNINGS			
Opening Balance	7,424.24	1,112.04	1,158.37
Add: Profit for the year	19,893.99	17,224.32	10,129.45
Less: Transfer to General Reserve	7,500.00	7,500.00	7,500.00
Less: Transfer to Compulsory Reserve	3,978.80	3,412.12	2,025.89
	15,839.43	**7,424.24**	**1,761.93**
Less : Effect on other equity			
Impact on Net income (opening Balance)(as per Indas116)	**-**	-	353.33
Current year adjustment		-	296.56
	-	**-**	**649.89**
TOTAL (D)	**15,839.43**	**7,424.24**	**1,112.04**
TOTAL (A+B+C+D)	**133,359.88**	**113,465.89**	**96,241.57**

17.1 Nature and purpose of reserve

Securities Premium

This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Statutory reserve (u/s 45 IC of RBI Act)

Statutory Reserve represents the Reserve Fund created by the company and its subsidiaries under the relevant applicable statutes.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Note 10 : Property, Plant & Equipments

For the financial year 2019-20

(` in thousands)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation charge for the year	Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Property, Plant & Equipments										
Air Conditioner	798.55	-	-	798.55	391.15	75.86	-	467.01	331.53	407.39
Furniture & Fixtures	2,055.20	-	-	2,055.20	1,080.66	180.38	-	1,261.04	794.17	974.55
Office Building	381.50	-	381.50	-	144.92	1.51	146.43	-	-	236.59
Office Equipment	2,537.28	289.44	-	2,826.71	1,183.08	626.48	-	1,809.55	1,017.16	1,354.20
Computers	1,546.88	547.66	352.80	1,741.75	1,379.76	60.01	338.00	1,101.78	639.98	167.12
Vehicles	1,669.11	-	-	1,669.11	1,073.42	198.21	-	1,271.63	397.48	595.69
Grand Total	**8,988.51**	**837.10**	**734.30**	**9,091.32**	**5,252.98**	**1,142.45**	**484.43**	**5,911.01**	**3,180.32**	**3,735.53**

For the financial year 2018-19

(` in thousands)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	Depreciation charge for the year	Adjustments	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 01 April 2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Property, Plant & Equipments										
Air Conditioner	798.55	-	-	798.55	318.18	72.97	-	391.15	407.39	480.36
Furniture & Fixtures	2,055.20	-	-	2,055.20	956.21	124.45	-	1,080.66	974.55	1,098.99
Office Building	381.50	-	-	381.50	138.87	6.05	-	144.92	236.59	242.63
Office Equipment	1,038.13	1,499.15	-	2,537.28	975.19	207.89	-	1,183.08	1,354.20	62.94
Computers	1,415.42	131.46	-	1,546.88	1,295.44	84.32	-	1,379.76	167.12	119.98
Vehicles	1,669.11	-	-	1,669.11	875.21	198.21	-	1,073.42	595.69	793.89
Grand Total	**7,357.91**	**1,630.61**	**-**	**8,988.51**	**4,559.11**	**693.88**	**-**	**5,252.98**	**3,735.53**	**2,798.80**

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2020

Note 18 : Revenue from Operations (` in thousands)

Particulars	31/03/2020	31/03/2019
Finance Activity:		
Interest Income		
Interest Income on Hire Purchase	20,542.68	15,952.49
Interest Income on Gold Loan	20,866.41	19,468.67
Interest received on Business & Other Loans	3,744.43	6,633.55
	45,153.52	**42,054.71**

Note - 19 Sales of services (` in thousands)

Particulars	31/03/2020	31/03/2019
Insurance Business related Income	119.64	212.19
Consultancy Fees Income	588.64	125.00
Testing Fees Income	487.25	218.48
	1,195.53	**555.67**

Note - 20 Other revenue from operations (` in thousands)

Particulars	31/03/2020	31/03/2019
Miscellaneous Charges and receipts	728.90	380.80
Late Fees Charges	2,565.12	1,555.85
Bad Debt recovered	157.93	200.96
	3,451.94	**2,137.61**

Note - 21 Other Income (` in thousands)

Particulars	31/03/2020	31/03/2019
Interest income on Fixed Deposits	914.49	194.55
Interest Income on IT Refund	4.86	-
Profit on Sale of property, plant and equipment	2,068.33	-
Other Refund Income	25.00	0.20
	3,012.68	**194.75**

Note 22: Finance Cost (` in thousands)

Particulars	31/03/2020	31/03/2019
On financial liabilities measured at amortised cost		
Interest on Unsecured Loan	462.77	235.57
Bank Interest & Charges	6,266.09	8,594.00
Loan Processing Charges	657.26	298.60
Interest cost - (Ind AS)	130.25	260.24
	7,516.37	**9,388.41**

Note 23 : Impairment on Financial Instruments (` in thousands)

Particulars	31/03/2020	31/03/2019
On financial instruments measured at amortised cost:		
Bad Debts & Written off	302.58	87.30
Loan assets	3,474.22	(95.67)
Other assets	800.93	800.93
	4,577.73	**792.56**

Note 24 : Employee Benefit Expense		(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**
Salary & Conveyance	1,917.50	2,046.50
Staff Welfare Expense	143.21	102.43
Director Remuneration	4,440.00	4,080.00
	6,500.71	**6,228.93**

Note 25 : Other Expenses		(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**
Advertisement & Marketing Expense	284.36	269.08
Audit Fees	150.00	221.90
Amalgamation Expense	216.80	-
CIBIL Charges	334.18	106.69
Computer & Software Expense	76.14	26.70
Demate Charges & Stock Exchange Listing Fee	487.98	415.14
Donation Expense	15.00	-
Electricity Expense	371.47	340.58
GST Expense	201.42	-
Insurance Expense	375.79	373.71
Kasar & Round off	4.25	-
Legal & Professional Fees	537.50	666.88
Membership & Subscription Expense	12.79	40.81
Office & General Expense	232.99	61.99
Rent Expense	349.20	448.80
Repairs & Annual Maintenance Expense	110.64	118.49
Sp Adhesive Stamp Expense	155.00	191.90
Stationery, Printing & Postage Expense	904.75	614.63
Telephone Expense	474.17	161.72
Vehicle & Travelling Expense	107.67	210.36
	5,402.10	**4,269.37**

Payment to Auditor		(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**
Statutory Audit	70.00	105.55
Tax Audit	40.00	69.15
Limited Review	40.00	47.20
	150.00	**221.90**

Note 26 : Earning per Share		(` in thousands)
Particulars	**31/03/2020**	**31/03/2019**
i: Net Profit for the year	19,893.99	17,224
ii: Basic No of Equity Share	6,558,180	6,558,180
iii: Basic & Diluted Earnings per Share	3.03	2.63
iv: Face Value per Equity Share	10	10

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2020

Note 27 : Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures": Financial risk management

The Company's principal financial liabilities comprise borrowings and other financial liabilities . The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The major risks are summarised below:

1- Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company's major income generating activity is gold loan, vehicle loan, business loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers that are an asset position. The Company considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

Policies and procedure for credit risk for different products

The Company addresses credit risk by following different processes for different product:

Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to Manager of the company. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Vehicle Loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

i) Standardize the process of identifying new risks and designing appropriate controls for these risks
ii) Minimize losses due to defaults or untimely payments by borrowers
iii) Maintain an appropriate credit administration and loan review system
iv) Design appropriate credit risk mitigation techniques

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

(` in thousands)

Particulars	Gross Carrying Amount		
	31/03/2020	31/03/2019	01-04-18
Vehicle Loan	81,168.26	78,873.29	70,461.57
Gold Loan	114,109.08	97,666.29	110,434.66
Business Loan	19,504.54	5,082.22	-
Other loan	-	50,571.66	45,173.43
	214,781.88	**232,193.46**	**226,069.65**

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into Company's based on days past due. Each Company is then assessed for

impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments. The Company recognises loss allowance for ECLs on Loans and advances to customers as per Income recognition, Asset Classification and Provisioning (IRACP) norms notified by RBI.

Staging:
As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 180 days past due on its contractual payments.

Stage	Assets	% of Provision	Ageing
Stage-1	Standard	0.25%	0-180 Days
Stage-2			
Stage-3	Sub-Standard	10.00%	180+ days
	Doubtful	20.00%	
	Loss	100.00%	

Movement of ECL

(` in thousands)

Particulars	31/03/2020	31/03/2019	01-04-18
Opening Provision of ECL	2,689.03	2,784.70	2,784.70
Addition during the year	3,474.22	-	-
Utilization / Reversal during the year	-	95.67	-
Closing provision for ECL	**6,163.25**	**2,689.03**	**2,784.70**

ECL sensitivity to future economic conditions

(` in thousands)

Particulars	31/03/2020	31/03/2019	01-04-18
Gross carrying amount of loans	214,781.88	232,193.46	226,069.65
Reported ECL	6,163.25	2,689.03	2,784.70
Reported ECL coverage	2.87%	1.16%	1.23%

2- Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flow of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through unutilised cash credit facility and cash and cash equivalents. The total cash credit limit available to the Company is Rs. 7.50 crore. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

3- Market rate risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. Market risk includes interest rate risk and foreign currency risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

b) Foreign currencyrisk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

4- Price risk

For Gold Loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

5- Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

Note 28 : Other disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures":

a) Category-wise classification for applicable financial assets and financial liabilities (` in thousands)

Particulars	Amortised Cost	Fair Value through OCI	Fair Value through P&L
As at March 31, 2020			
Financial Assets			
Cash and Cash Equivalents	32,171.50	-	-
Bank balance other than cash and cash equivalents	-	-	-
Loans	208,618.63	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	43,768.98	-	-
Other financial Liabilities	255.32	-	-
As at March 31, 2019			
Financial Assets			
Cash and Cash Equivalents	4,620.67	-	-
Bank balance other than cash and cash equivalents	3,446.23	-	-
Loans	229,504.43	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	61,471.65	-	-
Other financial Liabilities	237.52	-	-
As at April 01, 2018			
Financial Assets			
Cash and Cash Equivalents	4,619.48	-	-
Bank balance other than cash and cash equivalents	5,451.03	-	-
Loans	223,284.95	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	73,830.23	-	-
Other financial Liabilities	246.85	-	-

b) Fair value of financial assets and financial liabilities measured at amortised cost: (` in thousands)

Particulars	31/03/2020		31/03/2019		01-04-18	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets						
Cash and Cash Equivalents	32,171.50	32,171.50	4,620.67	4,620.67	4,619.48	4,619.48
Bank balance other than cash and cash equivalents	-	-	3,446.23	3,446.23	5,451.03	5,451.03
Loans*	208,618.63	208,618.63	229,504.43	229,504.43	223,284.95	223,284.95
	240,790.13	**240,790.13**	**237,571.33**	**237,571.33**	**233,355.46**	**233,355.46**
Financial Liabilities						
Borrowings (Other than debt securities)	43,768.98	43,768.98	61,471.65	61,471.65	73,830.23	73,830.23
Other financial Liabilities	255.32	255.32	237.52	237.52	246.85	246.85
	44,024.30	**44,024.30**	**61,709.17**	**61,709.17**	**74,077.08**	**74,077.08**

Note: Carrying amounts of cash and cash equivalents, bank balance other than cash and cash equivalents, borrowings and other financial liabilities as at March 31, 2020, March 31, 2019 and April 01, 2018 approximate the fair value because of their short term nature. The carrying amounts of loans given and borrowings taken for short term are considered to be close to the fair value.

* In the absence of unobservable market for these loan assets, the fair value have been determined from the perspective of the Company's asset considering the changes in performance and risk indicators (including delinquencies and interest rate)

c) Fair value hierarchy of financial assets and financial liabilities measured at amortised cost: (` in thousands)

Particulars	Fair Value			
	Level 1	Level 2	Level 3	Total
As at March 31, 2020				
Financial Assets	-	-	-	
Loans	-	-	208,618.63	208,618.63
	-	-	**208,618.63**	**208,618.63**
Financial Liabilities				
Borrowings (Other than debt securities)	-	-	43,768.98	43,768.98
Other financial Liabilities	-	-	255.32	255.32
	-	-	**44,024.30**	**44,024.30**
As at March 31, 2019				
Financial Assets	-	-	-	
Loans	-	-	229,504.43	229,504.43
	-	-	**229,504.43**	**229,504.43**
Financial Liabilities				
Borrowings (Other than debt securities)	-	-	61,471.65	61,471.65
Other financial Liabilities	-	-	237.52	237.52
	-	-	**61,709.17**	**61,709.17**
As at April 01,2018				
Financial Assets				
Loans	-	-	223,284.95	223,284.95
	-	-	**223,284.95**	**223,284.95**
Financial Liabilities				
Borrowings (Other than debt securities)	-	-	73,830.23	73,830.23
Other financial Liabilities	-	-	246.85	246.85
	-	-	**74,077.08**	**74,077.08**

The Company has not disclosed the fair values for cash and cash equivalents and Bank balances other than cash and cash equivalents as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;
Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and
Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

d) Maturity profile of assets and liabilities:

as at March 31, 2020 (` in thousands)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	32,171.50	-	32,171.50
Bank balance other than cash and cash equivalents	-	-	-
Loans	162,327.97	46,290.66	208,618.63
Non Financial Assets			
Inventories	373.78	-	373.78
Current Tax Assets (Net)	5,802.94	-	5,802.94
Deferred Tax Assets (Net)	-	276.01	276.01
Right of use assets	-	266.98	266.98
Property, Plant & Equipments	-	3,180.32	3,180.32
Other Non Financial Assets	472.83	-	472.83
Total	**201,149.02**	**50,013.97**	**251,162.99**
Financial Liabilities			
Borrowings (Other than debt securities)	43,768.98	-	43,768.98
Other financial Liabilities	255.32	-	255.32
Non Financial Liabilities			
Current Tax Liabilities (net)	7,699.00	-	7,699.00
Provisions	68.80	-	68.80
Other Non-financial Liabilities	429.22	-	429.22
Total	**52,221.31**	**-**	**52,221.31**

as at March 31, 2019 (` in thousands)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	4,620.67	-	4,620.67
Bank balance other than cash and cash equivalents	3,446.23	-	3,446.23
Loans	187,732.16	41,772.27	229,504.43
Non Financial Assets			
Inventories	179.78	-	179.78
Current Tax Assets (Net)	1,729.69	-	1,729.69
Deferred Tax Assets (Net)	-	247.96	247.96
Right of use assets	-	1,067.91	1,067.91
Property, Plant & Equipments	-	3,735.53	3,735.53
Other Non Financial Assets	93.47	-	93.47
Total	**197,801.99**	**46,823.67**	**244,625.66**
Financial Liabilities			
Borrowings (Other than debt securities)	61,471.65	-	61,471.65
Other financial Liabilities	237.52	-	237.52
Non Financial Liabilities			
Current Tax Liabilities (net)	2,128.24		2,128.24
Provisions	121.60	-	121.60
Other Non-financial Liabilities	1,189.75	429.22	1,618.97
Total	**65,148.75**	**429.22**	**65,577.97**

as at April 01, 2018 (` in thousands)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	4,619.48	-	4,619.48
Bank balance other than cash and cash equivalents	5,451.03	-	5,451.03
Loans	183,077.43	40,207.52	223,284.95
Non Financial Assets			
Inventories	142.48	-	142.48
Current Tax Assets (Net)	1,707.68	-	1,707.68
Deferred Tax Assets (Net)	-	27.71	27.71
Right of use assets	-	1,868.84	1,868.84
Property, Plant & Equipments	-	2,798.80	2,798.80
Other Non Financial Assets	117.05	-	117.05
Total	**195,115.15**	**44,902.87**	**240,018.02**
Financial Liabilities			
Borrowings (Other than debt securities)	73,830.23	-	73,830.23
Other financial Liabilities	246.85	-	246.85
Non Financial Liabilities			
Current Tax Liabilities (net)	1,507.34		1,507.34
Provisions	91.50	-	91.50
Other Non-financial Liabilities	1,328.98	1,189.75	2,518.73
Total	**77,004.90**	**1,189.75**	**78,194.65**

Note 29 : Loss Allowances (Provisions) as required under Ind AS 109: (` in thousands)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5) = (3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	197,783.18	4,463.38	193,319.80	4,463.38	-
Non-Performing Assets						
Sub Standard	Stage 3	16,998.70	1,699.87	15,298.83	1,699.87	-
Loss Assets	Stage 3	302.58	302.58	-	302.58	-
Total	**Stage 1**	**197,783.18**	**4,463.38**	**193,319.80**	**4,463.38**	**-**
	Stage 3	**17,301.28**	**2,002.45**	**15,298.83**	**2,002.45**	**-**
	Total	**215,084.46**	**6,465.83**	**208,618.63**	**6,465.83**	**-**

Note 30 : Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012:

(` in thousands)

Particulars	31/03/2020	31/03/2019	01-04-18
Gold Loans granted against collateral of gold jewellery (principal portion)	106,212.77	94,602.68	107,157.55
Total assets of the Company	251,162.99	244,625.66	240,018.02
Percentage of Gold Loans to Total Assets	42.29%	38.67%	44.65%

Note 31 : Capital Management:

The objective of the Company's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of its subsidiaries. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The debt equity ratio is 0.26 as at March 31, 2020 (as at March 31, 2019 is 0.37 and as at April 01, 2018 is 0.48)

Note 32 : Disclosure pursuant to Ind AS 103 "Business Combination":

In pursuant to the scheme of Amalgamation approved on 25/11/2019 appointed date 01/04/2018 of Amee Finance Limited, Gandhi Shroff Service Private Limited, Nalin Services Ltd., Nalin Consultancy Services Limited with Nalin Lease Finance Limited, and based on the Swap Ratio agreed upon between the companies. The company has allotted the following shares to the shareholders to the erstwhile Amee Finance Limited and erstwhile Gandhi Shroff Service Private Limited , erstwhile Nalin Services Ltd., erstwhile Nalin Consultancy Services Limited on April 1, 2018 as following - Rs 53,760,696/- by issue of 3,296,180 equity shares of Rs 10 each at a premium of Rs 20,798,896/-. (for Amee Finance ltd Rs 23,299,993/- by issue of 1,428,571 equity shares of Rs 10 each at a premium of Rs 9,014,283/-, Gandhi Shroff Services Pvt. ltd Rs 23,649,500/- by issue of 1,450,000 equity shares of Rs 10 each at a premium of Rs 9,149,500/-, Nalin Consultancy Services ltd Rs 3,670,272/- by issue of 225,032 equity shares of Rs 10 each at a premium of Rs 1,419,952/-, and Nalin Services ltd Rs 3,140,931/- by issue of 192,577 equity shares of Rs 10 each at a premium of Rs 1,215,161/-) Accordingly the above transaction has been accounted as a Business Combination under common control using pooling of Interest method under Ind As 103 - Business Combination.

Note 33 : Moratorium in accordance with the Reserve Bank of India (RBI)

guidelines:
The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the company has proposed to offer a moratorium of three months on the payment of instalments falling due between March 1, 2020 and May 31, 2020 to eligible borrowers. For all such accounts classified as standard and overdue as on February 29, 2020, where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the policy).

Note 34 : Estimation uncertainty relating to COVID-19 global health pandemic:
In assessing the recoverability of loans, receivables, intangible assets (including goodwill) and investments, the company and industry reports up to the date of approval of these consolidated financial statements. The Company has considered internal and external sources of information, including credit reports, economic forecasts performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions. The Company has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets.

Note 35 : Segment Reporting:
The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

Note 36 : Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

The disclosure as required by section 22 of MSMED Act has been given below:

Particulars	31/03/2020	31/03/2019	01-04-18
Principal amount payable to suppliers as at year-end	-	-	-
Interest due thereon as at year end	-	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-	-
Amount of delayed payment actually made to suppliers during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the	-	-	-

Note 37 : Contingent liabilities and commitments:

Particulars	31/03/2020	31/03/2019	01-04-18
Contingent Liabilities	-	-	-

Note 38 : Expenditure in foreign currency & unhedged exposure:

Particulars	31/03/2020	31/03/2019	01-04-18
Foreign Currency Expenditure	-	-	-
Unhedged Foreign Currency Exposure	-	-	-

Note 39 : Contribution to political parties during the year 2019-20 is Rs. NIL

Note 40 : There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020

Note 41 : Related Party Disclosure:

Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

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, 2020 (` in thousands)

Nature of Transaction with Related Parties (Excluding Reimbursement)	2019-20		2018-19	
	Transaction Value	Outstanding amount carried in the Balance Sheet	Transaction Value	Outstanding amount carried in the Balance Sheet
Mr. Dilipkumar Nalinkant Gandhi				
Director remuneration	1,760.00		1,640.00	
Rent	1,320.00		1,160.00	
Interest	54.56		-	
Loan taken	4,000.00	-		
Loan repaid	4,080.86			
Mrs. Pallaviben Dilipkumar Gandhi				
Director remuneration	1,400.00		1,280.00	
Mr. Harsh Dilipkumar Gandhi				
Director remuneration	1,280.00		1,160.00	
Rent	270.00		240.00	
Interest	408.21		235.57	
Loan taken	17,631.00	-	15,930.00	2,030.00
Loan repaid	20,042.91		14,042.01	

Note 42 : Events after the reporting period:

There have been no events after the reporting date that require disclosure in the financial statements.

Note 43 : First-time adoption of Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared its Ind AS compliant financial statements for year ended on 31 March 2020, the comparative period ended on 31 March 2019 and an opening Ind AS Balance Sheet as at 1 April 2018 (the date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019.

For periods ended up to the year ended 31 March 2019, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

(A) Mandatory exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

(i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

(ii) Derecognition of financial assets and financial liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iv) Impairment of financial assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

(B) Optional exemptions availed

(i) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be material.

(C) Reconciliations between Ind AS and previous GAAP are given below

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following table represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition April 01, 2018 and as at March 31, 2019

(` in thousands)

Particulars	As at March 31, 2019			As at April 01, 2018		
	Previous GAPP	Adjustments	Ind AS	Previous GAPP	Adjustments	Ind AS
Assets						
1. Financial Assets						
(a) Cash and Cash Equivalents	4,620.67	-	4,620.67	4,619.48	-	4,619.48
(b) Bank Balance Other than Cash and Cash Equivalents	3,446.23	-	3,446.23	5,451.03	-	5,451.03
(c) Loans	229,504.43	-	229,504.43	223,284.95	-	223,284.95
2. Non Financial Assets						
(a) Inventories	179.78	-	179.78	142.48	-	142.48
(b) Current Tax Assets (Net)	1,729.69	-	1,729.69	1,707.68	-	1,707.68
(c) Deferred Tax Assets (Net)	278.50	(30.54)	247.96	27.71	-	27.71
(d) Right of Use Assets	-	1,067.91	1,067.91		1,868.84	1,868.84
(e) Property, Plant & Equipments	3,735.53	-	3,735.53	2,798.80	-	2,798.80
(f) Other Non Financial Assets	93.47	-	93.47	117.05	-	117.05
Total Assets	**243,588.29**	**1,037.37**	**244,625.66**	**238,149.18**	**1,868.84**	**240,018.02**
Liabilities and Equity						
Liabilities						
1. Financial Liabilities						
(a) Trade Payables	-	-	-	-	-	-
(b) Debt Securities	-	-	-	-	-	-
(c) Borrowings (Other than debt securitie	61,471.65	-	61,471.65	73,830.23		73,830.23
(d) Other financial Liabilities	237.52	-	237.42	246.85		246.85
2. Non-financial Liabilities						
(a) Current Tax Liabilities (net)	2,128.24	-	2,128.24	1,507.34	-	1,507.34
(b) Provisions	121.60	-	121.60	91.50	-	91.50
(d) Other Non-financial Liabilities	-	1,618.97	1,618.67	-	2,518.73	2,518.73
3. Equity						
(a) Equity Share Capital	65,581.80	-	65,581.80	65,581.80	-	65,581.80
(b) Other Equity	114,047.49	(581.60)	113,465.89	96,891.46	(649.89)	96,241.57
Total Liabilities and Equity	**243,588.29**	**1,037.37**	**244,625.26**	**238,149.18**	**1,868.84**	**240,018.02**

Reconciliation of equity as at April 01, 2018 and as at March 31, 2019 summarised in below table

(` in thousands)

Particular	Note No.	March 31,2019	April 01,2018
Equity as per Previous GAAP		179,629.29	162,473.26
Adjustments:			
Amortisation of finance cost as per EIR method	1	(595.87)	(335.63)
On recognition of ROU asset and Corresponding lease liability		(353.33)	(353.33)
Depreciation and impairment	2	(1,601.86)	(800.93)
Reversal of Lease Rental Expenses		2,000.00	840.00
Deferred tax	3	(30.54)	-
Total Adjustments		(581.60)	(649.89)
Equity as per IND AS		179,047.69	161,823.37

Reconciliation of total comprehensive income for the year ended March 31, 2019

(` in thousands)

Particular	Previous GAPP	Adjustments	Ind AS
Revenue from operations			
(i) Interest Income	42,054.71	-	42,054.71
(ii) Sale of services	555.67	-	555.67
(iii) Other revenue from operations	2,137.61	-	2,137.61
(I) Total revenue from operations	44,747.99	-	44,747.99
(II) Other income	194.75	-	194.75
(III) Total Income (I+II)	44,942.74	-	44,942.74
Expenses			
(i) Finance Cost	9,128.17	260.24	9,388.41
(ii) Impairment on financial instruments	(8.37)	800.93	792.56
(iii) Employee Benefits Expenses	6,228.93		6,228.93
(iv) Depreciation, amortization and impairment	693.88		693.88
(v) Other expenses	5,429.37	(1,160.00)	4,269.37
(IV) Total expenses	21,471.97	(98.83)	21,373.14
(V) Profit before tax (III-IV)	23,470.77	98.83	23,569.60
(VI) Tax expense:			
Current tax	6,575.31	-	6,575.31
Deferred tax	(250.79)	30.54	(220.25)
Provision for taxes related to earlier periods	(9.77)	-	(9.77)
(VII) Profit for the period (V-VI)	17,156.03	68.29	17,224.32
(VIII) Other Comprehensive Income	-	-	-
(IX) Total Comprehensive Income for the year (VII+VIII)	17,156.03	68.29	17,224.32

Reconciliation of total comprehensive income for the year ended March 31, 2019 summarised in below table

(` in thousands)

Particular	Note No.	March 31,2019
Profit after Tax as per Indian GAAP		17,156.03
Adjustments:		
Amortisation of finance cost as per EIR method	1	(260.24)
Depreciation and impairment	2	(800.93)
Reversal of Lease Rental Expenses		1,160.00
Deferred tax	3	(30.54)
Total Adjustments		68.29
Net Profit before OCI as per Ind AS		17,224.32
Other comprehensive income (net of tax)		-
Total comprehensive income under Ind AS		17,224.32

Notes to the reconciliations

1- EIR adjustment of transaction costs/incomes integral to the sourcing of loans/borrowings

Under previous GAAP, all the transaction costs/incomes integral to sourcing of loans/borrowings were recognised upfront on an accrual basis. Under Ind AS, these transaction costs/incomes related to sourcing of loans/borrowings are amortised using the effective interest rate (EIR) and the unamortised portion is adjusted in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.

2- Depreciation and amortization

Under previous GAAP, Investment Property is accounted as per Long Term Investment and depreciation on the same is not provided. However, Ind AS - 40 "Investment Property" requires depreciation to be provided on Investment Property. The difference resulting from the said treatment has been adjusted against retained earnings as at the date of transition.

3- Deferred tax

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transitional differences adjustments which were not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity

4-Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31 March 2019

There are no material adjustments on transition to Ind AS in the Statement of Cash Flows for the year ended 31 March 2019.

Note: 44 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: 45 Figures of previous year have been reworked/regrouped/reclassified wherever necessary.

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

Paresh K. Thothawala
Partner
M.No. 048435

UDIN: 20048435AAAACQ3942

Place: Himantnagar
Date: 30.07.2020

(S.N.Parikh)
Company Secretary

(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: 30.07.2020

NALIN LEASE FINANCE LTD.
CIN: L65910GJ1990PLC014516
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

ANNEXURE TO THE NOTICE FOR THE 29TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 30TH DAY OF SEPTEMBER, 2020

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 Wednesday, September 30, 2020 at 01.00 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 Link Intime India Private Limited (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
200239		

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

COMMENCEMENT OF REMOTE E-VOTING	END OF REMOTE E-VOTING
27th September, 2020 (9.00 a.m. onwards)	29th September, 2020 (5.00 p.m. onwards)

E-voting shall not be allowed beyond 5:00 p.m. of 29th September, 2020. 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, 2020 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, 2020**

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

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