



NALIN[®] LEASE FINANCE LIMITED

CIN : L65910GJ1990PLC014516

Date: 23rd August, 2023

To,
BSE Ltd.
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai - 400001

Company Code: 531212

Subject: Annual Report for the Financial Year 2022-23 including Notice convening the 32nd Annual General Meeting (AGM)

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2022-23 along with the Notice convening the 32nd Annual General Meeting of the Members of the Company, being sent to the Members through electronic mode, is attached.

The Annual Report including Notice is also uploaded on the Company's website and can be accessed at -<https://www.nalinfin.co.in/upload/32ND%20ANNUAL%20REPORT.pdf>

Please take the same on your record.

Thanking you,

Yours faithfully,
For Nalin Lease Finance Limited

Nikul Patel
Chief Financial Officer



Enclosure: As above

32ND

ANNUAL REPORT

2022-23



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.

Secretarial Auditor

Amrish N. Gandhi

32ND ANNUAL GENERAL MEETING

Day : Saturday

Date : 16th September, 2023

Time : 3:00 P.M

Venue : through Video
Conference / Other Audio Visual
Means.

Registrar & Share Transfer Agent

LINK INTIME INDIA PRIVATE LIMITED,
5th Floor, 506 to 508, Amarnath
Business Centre – 1 (ABC-1), Beside
Gala Business Centre, Nr. St. Xavier's
College Corner, Off C G Road,
Ellisbridge, Ahmedabad - 380006,
E-mail:-

ahmedabad@linkintime.co.in

Tel. No. 079 - 2646 5179

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: info@nalinfm.co.in

www.nalinfm.co.in

CONTENT AND INDEX OF PAGES

SR. NO.	PARTICULARS	PAGE NO
1	NOTICE OF ANNUAL GENERAL MEETING	1
2	BOARD'S REPORT	12
3	"ANNEXURE-A" – FORM AOC-2	18
4	"ANNEXURE-B"MANAGEMENT DISCUSSION AND ANALYSIS	19
5	"ANNEXURE-C" – CORPORATE GOVERNANCE REPORT	23
6	"ANNEXURE-D" – PARTICULARS OF EMPLOYEES	39
7	"ANNEXURE-E" – FORM MR-3 (Secretarial Audit Report)	41
8	AUDITOR'S REPORT	44
9	BALANCE SHEET	55
10	PROFIT AND LOSS ACCOUNT	56
11	CASH FLOW STATEMENT	58
12	NOTES TO ACCOUNTS	59
13	SCHEDULE TO THE FINANCIAL STATEMENTS	70



NALIN LEASE FINANCE LIMITED
(CIN: L65910GJ1990PLC014516)

**Registered Office: Gandhi Nursing Home Bldg
Dr.Nalinkant Gandhi Road Himatnagar- 383001**

E-mail: info@nalinfm.co.in

Website: www.nalinfm.co.in

Phone: 02772-241264, 02772-242264

NOTICE OF THE 32ND ANNUAL GENERAL MEETING

NOTICE is hereby given that the **32nd** Annual General Meeting of Members of **Nalin Lease Finance Limited** will be held on **Saturday, the 16th September 2023 at 3:00 p.m. IST** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the company for the Financial Year ended **31st March, 2023** and the Reports of the Board of Directors ("the Board") 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.

Registered Office:
Ground Floor, Gandhi Nursing Home Building,
Dr. Gandhi Road, Sabarkantha,
Himatnagar, Gujarat- 383001

By Order of the Board of Directors,

Place:Himatnagar
Date: 14-08-2023

Nikul Kumar Patel
Chief Financial Officer

NOTES:

- A.** The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020; April 13, 2020; January 13, 2021; December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM.
- B.** Generally, 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 through VC/OAVM pursuant to the MCA Circulars, 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 hereto.
- C.** Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- D.** Since the AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed hereto. 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; Gujarat.
- E.** As required by Regulation 36 of the SEBI (LODR) Regulations, 2015 (Listing Regulations) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant



details of Director retiring by rotation at the ensuing AGM are given in the Annexure to the Notice of the AGM.

F. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE: In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories Participants. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.nalinfin.co.in, website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com.

G. For receiving all communication (including Annual Report) from the Company electronically:

a) Members holding shares in physical mode and who have not registered/updated their e-mail address with the Company are requested to register/update the same by visiting the website of Link In time India Private Limited at https://www.linkintime.co.in/EmailReg/Email_Register.html with details of folio number and attaching/ uploading a self-attested documents required therein. The Company urges all the members to use this link effectively since the Email Ids and Mobile Numbers could help the Company for sending paperless communication in future.

b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

H. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LINK INTIME at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution/authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

I. Procedure for Inspection of Documents:

a) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to info@nalinfin.co.in.

b) Members seeking any information with regard to the accounts or any matter to be place at the AGM are requested to write to the Company on or before **Friday, 01st September, 2023** through email on info@nalinfin.co.in. The same will be replied by the Company suitably.

J. OTHER INFORMATION

i. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the Link Intime India Private Limited (LINK INTIME). Shareholders who have cast their votes by remote e-voting prior to the AGM may, participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by shareholders holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.

ii. The e-voting period begins on **Wednesday, 13th September, 2023** at **9:00 a.m.** and ends on **Friday, 15th September, 2023** at **5:00 p.m.** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Saturday, 9th September, 2023** may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited ("LIPL") for voting thereafter.



- iii. The voting rights of shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date.
- iv. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.
- v. Any person who acquires shares of the Company and becomes a shareholder of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at instameet@linkintime.co.in. However, if he/she is already registered with LI IPL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.
- vi. Shri Amrish N. Gandhi, Practicing Company Secretary (Membership No. FCS: 8193; CP No. 5656) has been appointed as the Scrutinizer to scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner.
- vii. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be communicated to the stock exchange, LINK INTIME and will also be displayed on the Company's website.
- viii. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / LI IPL have stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
- ix. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) and bank account details to the Company/ LI IPL, if not registered with the Company/LI IPL, as mandated by SEBI by writing to the Company at info@nalinfm.co.in or to LI IPL at ahmedabad@linkintime.co.in along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
- x. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent i.e. LI IPL. In respect of shares held in electric/Demat form, the nomination form may be filed with the respective Depository Participant.
- xi. Non-Resident Indian members are requested to inform LI IPL / respective DPs, immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Members are requested to send all their documents and communications pertaining to shares to the Registrar & Transfer (R&T) Agent of the Company: Link Intime India Pvt. Ltd ("LI IPL") at their address at 5th Floor, 506 TO 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006, Tel. No. 079 - 2646 5179, for both physical and Demat segments of Equity Shares.

Please quote on all such correspondence – "Unit –Nalin Lease Finance Limited." For Shareholders queries – Tel. No. 079-26465179, Email ID ahmedabad@linkintime.co.in, Website www.linkintime.co.in.

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

- Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on "Login".



▶ Select the “**Company**” and “**Event Date**” and register with your following details: -

A. 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).

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 with the company.
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 panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist 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 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.in or contact on: - Tel: 022-49186175.

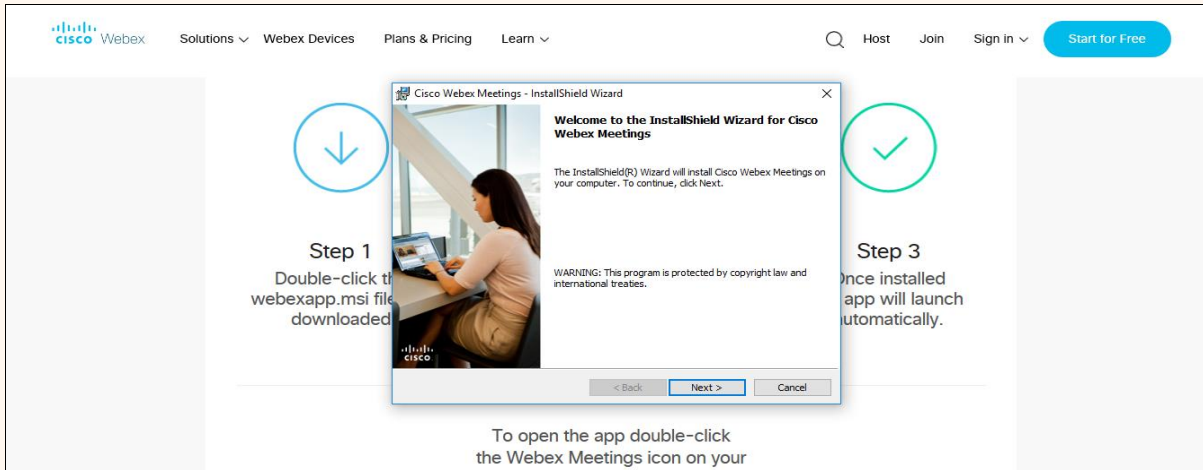
Annexure

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

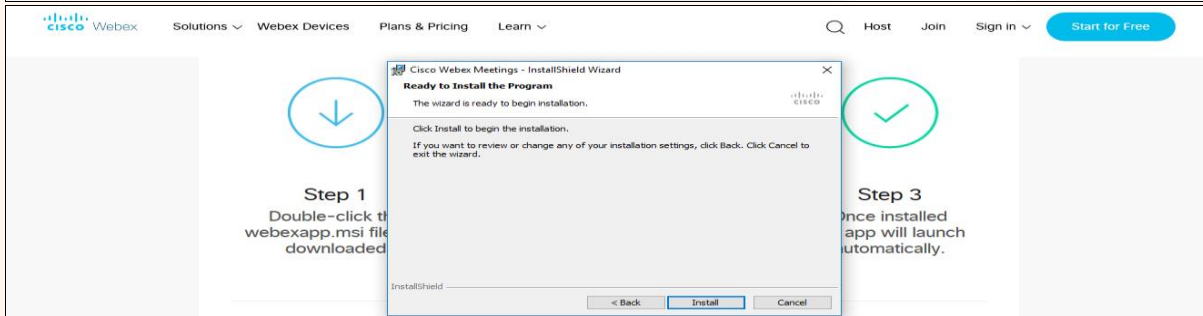
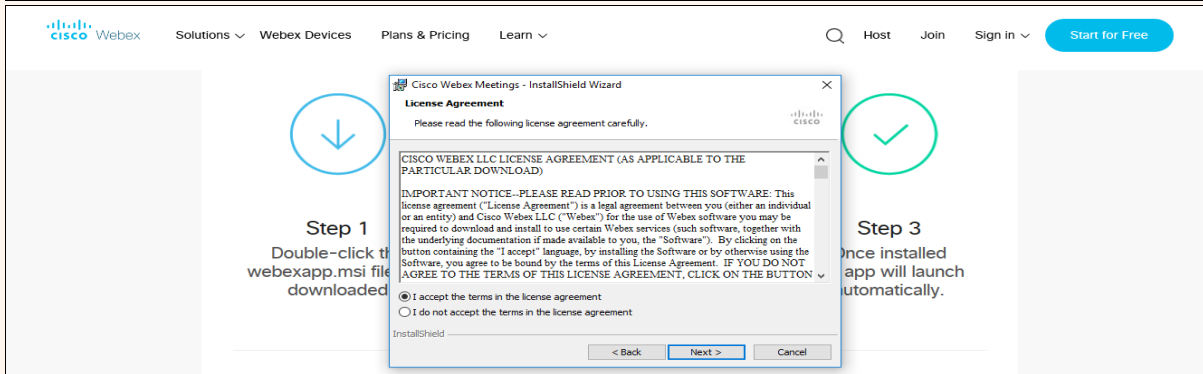
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the WebEx application in advance by following the instructions as under:

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

The screenshot displays the Webex website's download page. The top navigation bar includes the Cisco Webex logo, menu items for Solutions, Webex Devices, Plans & Pricing, and Learn, along with search, Host, Join, Sign in, and Start for Free buttons. The main content area is split into two columns: 'Webex Meetings' and 'Webex Teams'. The 'Webex Meetings' section highlights features like HD video, flexible audio options, and easy screen sharing, with a 'Download for Windows' button. A black arrow points to this button. Below the main content, there are three steps for installation: Step 1 (Double-click the webexapp.msi file), Step 2 (Follow the setup wizard), and Step 3 (App launches automatically). A final instruction says to double-click the Webex Meetings icon on the desktop. At the bottom, a Windows file explorer dialog box is open, showing the file 'webexapp.msi (88.1 MB)' and a 'Run' button highlighted with a black arrow.



To open the app double-click the Webex Meetings icon on your



Or

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



L. Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in Demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their Demat accounts.

Login method for Individual shareholders holding securities in Demat mode is given below:

1. Individual Shareholders holding securities in Demat mode with NSDL

- Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nSDL.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
- If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nSDL.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp>
- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e.your sixteen-digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

2. Individual Shareholders holding securities in demat mode with CDSL

- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.



2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME, for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the Evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in Demat mode) login through their depository participants

You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in Demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in Demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID:

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

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

B. 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 holding shares in **physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

Shareholders holding shares in **NSDL form, shall provide ‘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).
3. Click on ‘Login’ under **‘SHARE HOLDER’** tab.
 4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **‘Submit’**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **‘View’** icon.
2. E-voting page will appear.
3. 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).
4. 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.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **‘Custodian / Mutual Fund / Corporate Body’**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **‘Custodian / Mutual Fund / Corporate Body’** login for the Scrutinizer to verify the same.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in Demat mode:

Individual Shareholders holding securities in Demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

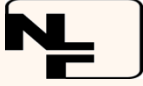
Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime:<https://instavote.linkintime.co.in>

- Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders are having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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.*



[User ID for Shareholders holding shares in Physical Form \(i.e. Share Certificate\): Your User ID is Event No +Folio Number registered with the Company](#)

Individual Shareholders holding securities in Demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants' website.

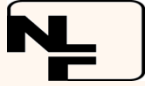
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Registered Office:
Ground Floor, Gandhi Nursing Home Building,
Dr. Gandhi Road, Sabarkantha,
Himatnagar, Gujarat- 383001**

By Order of the Board of Directors,

**Place:Himatnagar
Date: 14-08-2023**

**Nikulkumar Patel
Chief Financial Officer**



Details of Director retiring by rotation at the forthcoming Annual General Meeting

Item No. 2

Name Of Director	Shri Dilipkumar N. Gandhi
Director Identification Number	00339595
Date of Birth	08-11-1954
Initial Date of Appointment	01-08-2005
Nationality	Indian
Qualifications	B.Sc.
Experience (including expertise in specific functional area)/Brief Resume	He has more than 45 Years of experience in the field of Finance & Leasing Activities
Terms and Conditions of Appointment / Re-appointment	As per the resolution set out in this notice
Details of remuneration sought to be paid	As per the Nomination and Remuneration Policy of the Company.
Details of remuneration last drawn	For remuneration details, please refer to the Board's Report
Number of equity shares held in the Company	28,40,970
No. of Board Meetings attended	08 out of 08
List of Directorships held in other Companies	None
Chairman/Membership of the Audit Committee and Stakeholders' Relationship Committee in other Listed Companies in which he is Director	None
Relationship with other Directors / Key Managerial Personnel	Father of Mr. Harsh Gandhi, Wholetime Director and Husband of Mrs. Pallaviben D. Gandhi , Whole-time Director

Registered Office:
Ground Floor, Gandhi Nursing Home Building,
Dr. Nalinkant Gandhi Road, Sabarkantha,
Himatnagar, Gujarat- 383001

Place:Himatnagar
Date: 14-08-2023

By Order of the Board of Directors,

Nikul Kumar Patel
Chief Financial Officer



BOARD'S REPORT

To,

The Members of Nalin Lease Finance Limited,

The Directors take pleasure in presenting the **32nd** Annual Report together with the Audited Financial Statements for the Financial Year ended on **31st March, 2023**.

1. HIGHLIGHTS OF PERFORMANCE

Total Revenue for the year increased to Rs. 5,94,64,677/- as compared to Rs.5,67,76,649/- in the previous year. Profit before Tax for the year was Rs. 3,99,71,863/- as compared to Rs.3,50,73,390/- in the previous year. Profit after Tax for the year was Rs. 2,99,25,592/- as compared to Rs.2,60,04,837/- in the previous year.

2. FINANCIAL RESULTS

Particulars	(Rupees in Thousands)	
	31st March, 2023	31st March, 2022
Revenue from Operations	57,795.33	55,958.51
Other income	1,669.35	818.14
Total income from Operations	59,464.68	56,776.65
Profit before Tax	39,971.86	35,073.39
Tax Expense	10,046.27	9,068.55
Profit for the Year	29,925.59	26,004.84
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	29,925.59	26,004.84
Equity Reserves	211254.33	181328.74

3. DIVIDEND

With the view to conserve the resources of company; the directors are not recommending any dividend for the Financial Year 2022-23.

4. TRANSFER TO RESERVES

The Board of the Company has decided /proposed to Carry following amount to its Reserves as under:-

- To Compulsory Reserve as per RBI Act (Rupees in Thousands): 5985.12/-
- To General Reserve (Rupees in Thousands): 7500/-
- To Dividend: NIL

5. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company has no subsidiary, Joint Venture or Associate Company.

6. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2023 was Rs. 6,55,81,800/-. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

7. FINANCE

The Company continues to focus on judicious management of its working capital. Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring. The whole of the properties of the Company have been suitably insured.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the financial statements provided in this Annual Report.

9. FIXED DEPOSITS

The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid / unclaimed deposits as on 31st March, 2023.



10. DIRECTORS

Director Retiring by Rotation

Shri Dilipkumar N. Gandhi retires by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.

The Board recommends his appointment for your approval.

Independent Directors

The Independent Directors met on 21st February, 2023 without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors and Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Statutory Declarations/Disclosures by Directors

All Independent Directors of the Company have given declarations to the Company under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Director of your Company is disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Based on the frame work of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31st March, 2023. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, based on the above and the representations received from the Operating Management, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures there from;
- (ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations 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, 2023 and of the profit of the Company for the year ended on that date;
- (iii) They have 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 other irregularities;
- (iv) They have prepared the annual accounts on a going concern basis;
- (v) They have laid internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended on 31st March, 2023; and
- (vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended on 31st March, 2023.

12. KEY MANAGERIAL PERSONNEL (KMP)

As on 31st March, 2023, Shri Dilipkumar N. Gandhi, Managing Director; Shri Harsh D. Gandhi, Wholetime Director; Mrs. Pallavi D. Gandhi, Wholetime Director; Shri Nikulkumar K. Patel, Chief Financial Officer and Mrs. Swati A. Shah, Company Secretary are designated as KMP of the Company.

13. COMMITTEES OF THE BOARD

The Board of Directors have the following Committees:

- a. Audit Committee



- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

14. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and notifications/circulars of SEBI, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

15. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration.

The weblink of the policy is-

<https://nalinfin.co.in/upload/nomination-and-remuneration-policy%2028.06.2021.pdf>

16. NUMBER OF MEETINGS OF THE BOARD

During the year under review, the Board met **08 (Eight)** times. The meeting details are provided in the Corporate Governance Report that forms part of this Annual Report. The maximum intervals between any two meetings are as prescribed under the Companies Act, 2013.

17. RELATED PARTY TRANSACTIONS

- ❖ All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of the Company's business.
- ❖ All Related Party Transactions are placed before the Audit Committee and the Board for approval.
- ❖ Prior approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and in the ordinary course of the Company's business. Transactions with related parties are disclosed in the notes to accounts to the financial statements.
- ❖ The Form No. AOC-2 envisages disclosure of material contracts or arrangement or transaction at arm's length basis is annexed with as **Annexure 'A'**.
- ❖ The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.
- ❖ The weblink of the policy is –
<https://nalinfin.co.in/upload/Policy%20on%20dealing%20with%20related%20party%20transactions.pdf>

18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The company does not fall under the criteria of net worth, turnover or profit for applicability of Corporate Social Responsibility (CSR) provisions as per Section 135 of the Companies Act, 2013; hence the same are not applicable to the company for the period under review.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

20. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed review of the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis appearing as **Annexure 'B'** to this Report.



21. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation systems, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/S Ajay Kumar J Shah & Co., Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors and the Statutory Auditors are periodically apprised of the internal audit findings and corrective actions are taken by the Management. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the Management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

22. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established Vigil Mechanism system and framed Whistle Blower Policy. Whistle Blower Policy is disclosed on the website of the Company at following web-link-

https://nalinfin.co.in/upload/WHISTLE%20BLOWER%20POLICY_06062017.pdf

23. CORPORATE GOVERNANCE

Your Company has always striven to incorporate appropriate standards for good Corporate Governance. It has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 are complied with.

A detailed report on Corporate Governance is appearing as **Annexure 'C'** to this Report along with the Practicing Company Secretary's Certificate on its compliance by the Company.

24. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company are set out in the **Annexure 'D'** to the Board's Report.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, in terms of the Section 134(3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is given below:

(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 of 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



26. STATUTORY AUDITORS

M/S PARESH THOTHAWALA & CO., Chartered Accountants, Ahmedabad were appointed as the Statutory Auditors of the Company for a period of 5 (five) consecutive years at the 31st Annual General Meeting of the Company.

There is no audit qualification, reservation or adverse remark in the Auditors' Report for the year under review.

27. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, we would like to inform our esteemed Members that the Company's activities are not subject to cost audit requirements. Therefore, there is no need for the appointment of remuneration for cost audit services at the forthcoming Annual General Meeting.

28. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S Amrish Gandhi & Associates, a firm of Company Secretary in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2022-23. The Report on the Secretarial Audit carried out by the Secretarial Auditor during the Financial Year 2022-23 is annexed herewith as **Annexure 'E'**. There is no secretarial audit qualification for the year under review.

29. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, the Annual Return as on 31st March, 2023 is available on the Company's website-

<https://www.nalinfm.co.in/upload/Extract%20of%20Annual%20Return%202022-23.pdf>

30. INSURANCE

The Company takes a very pragmatic approach towards insurance. Adequate insurance cover has been taken for all movable and immovable assets for various types of risks.

31. REPORTING OF FRAUDS

No fraud has been reported by the Auditors to the Audit Committee or the Board.

32. RISK MANAGEMENT

The Company operates in a competitive environment and is generally exposed to various risks at different times such as Credit Risk, Liquidity Risk, Market Rate Risk, Price Risk, Prepayment risk etc. The Company has a system based approach to business risk management backed by strong internal control systems. A range of responsibilities from strategy to the operations is specified. A strong independent internal audit function at the corporate level carries out risk focused audits across all businesses enabling identification of areas where risk managements processes may need to be improved.

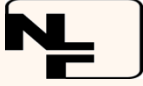
The Board reviews internal audit findings and provides strategic guidance on internal control, monitors internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The combination of policies and procedures adequately addresses the various risks associated with your company's businesses.

33. DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainee) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed-off during the year 2022-23:

No. of complaints received:	Nil
No. of complaints disposed off:	N.A.
No. of complaints pending:	Nil



The policy on Sexual Harassment at workplace is placed on the Company's website at - <https://www.nalinfin.co.in/upload/POLICY%20ON%20SEXUAL%20HARASSMENT%20AGAINST%20EMPL%20OYEES.pdf>

34. INDUSTRIAL RELATIONS /PERSONNEL

Your Company is committed to upholding its excellent reputation in the field of Industrial relations. Through continuous efforts the Company invests and improvises development programmes for its employees.

35. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year and date of this report.

36. APPLICATION MADE OR PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the financial period under review, no application was made under the Insolvency and Bankruptcy Code, 2016 ("IBC 2016") by the Company. No proceedings are pending under IBC 2016 against the Company.

37. PARTICULARS OF VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

During the financial period under review, there were no instances of any one-time settlement against loans taken from Banks or Financial Institutions.

38. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business during the year under review.

39. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

40. ACKNOWLEDGEMENT

Your Directors are highly grateful for the unstinted guidance, support and assistance received from the Government, Bankers and Financial Institutions. Your Directors are thankful to all valuable Stakeholders of the Company viz. shareholders, customers, vendors, collaborators, business associates and other agencies for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Harsh Dilipkumar Gandhi
Wholetime Director
DIN: 03120638

Dilipkumar Nalinkant Gandhi
Managing Director
DIN: 00339595

Place: Himatnagar

Date: 14-08-2023



ANNEXURE 'A' TO BOARD'S REPORT - ITEM NO. 17

Form for disclosure of particulars of contracts / arrangements entered into by the Company with Form No. AOC-2: Material Related Party Transaction

[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].

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

Details of material contracts or arrangement or transactions not at arm's length basis during the year ended on 31st March, 2023:

Not Applicable.

Details of material contracts or arrangement or transactions at arm's length basis during the year ended on 31st March, 2023:

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, the particulars of contracts/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 third proviso thereto are required to be disclosed in Form AOC-2. The Form AOC - 2 envisages disclosure of material contracts or arrangements or transactions at arm's length basis. The details herein are as per the policy on dealing with related party transactions adopted by the Company.

Name of related party & Nature of Contract	Nature of relationship	Duration of contract	Salient terms	(Rs. in Thousands)
Mr. Dilipkumar Nalinkant Gandhi Rent	Related party of the Company u/s 2(76) read with Section 188 of the Companies Act, 2013	1 year w.e.f. 1 st April, 2022 to 31 st March, 2023.	Material terms and conditions are based on the agreement/contract which inter-alia includes the commercial terms which are Market linked.	2,619.98

Note:

1. Amount paid as advances, if any: Nil
2. The rent agreement to be entered with Mr. Dilipkumar N. Gandhi by the Company was approved by Board of Directors on 27th May, 2022.

For and on behalf of the Board of Directors

Harsh Dilipkumar Gandhi
Wholetime Director
DIN: 03120638

Dilipkumar Nalinkant Gandhi
Managing Director
DIN: 00339595

Place: Himatnagar
Date: 14-08-2023



Management's Discussion and Analysis

ANNEXURE - 'B' TO BOARD'S REPORT - ITEM NO. 20

INDUSTRY STRUCTURE AND DEVELOPMENT

Non-Banking Financial Company (NBFC)

During economic crises, financial institutions play a crucial role in promoting stability and implementing regulatory measures to support households and businesses. Ongoing geopolitical conflicts have slowed countries' post-pandemic recoveries and hastened the normalization of monetary and fiscal policies after years of unprecedented stimulus measures. In such situations, NBFCs have emerged as principal institutions providing credit financing to the unorganized and underserved sectors, playing a significant role in the Indian financial system.

NBFCs have revolutionized the lending system in India by providing financial inclusion for those who lack easy access to credit. Leveraging digitalization and technology, NBFCs offer a quick and convenient customer financing experience, especially for low-income and untapped segments of the creditworthy population. They offer a range of services, including MSME financing, home finance, EV finance, microfinance, gold loans, and other retail segments. The NBFC segment has also strengthened its business proposition by integrating fintech and developing newer products of the technological age. These companies have unlocked industrial opportunities by leveraging a hybrid model of physical and digital delivery. The Government is also focusing on developing NBFCs with high emphasis on driving quality corporate governance across these entities.

NBFCs take an individualized approach to reach out to borrowers, utilizing segment-definitive standards, leveraging different data sources, and making credit decisions using scorecards. Following sluggish years amid liquidity stress, NBFCs have bounced back strongly with higher capital levels, reasonable stability in delinquency accounts, better asset quality and larger balance sheets. Stronger risk assessment frameworks, Government support such as debt moratorium and liquidity enhancement measures, and broader economic revival have helped them tide through these challenges and pursue innovative strategies to meet evolving opportunities.

The MSME sector will play a pivotal role in the growth of NBFCs in the country. Despite being one of the major contributors in the country's economy, the MSME sector is facing credit gap from the financial institutions. The total addressable market for MSME financing is Rs. 46.4 Trillion with a CAGR of 13% in the MSME credit. Only 15% of total addressable market is served by the formal institutions. NBFCs, under this scenario, can utilize the opportunity and help in the growth of the sector with better financing through customized products and digital solutions.

The rationalization and consolidation of the MSME industry in India is a much-needed process that is expected to bring a host of benefits to the sector. The RBI's efforts to strengthen the digital ecosystem in India are a critical part of this transition. The Account Aggregator network, for instance, is expected to unlock significant value by providing a secure and efficient platform for sharing financial data. This will make it easier for MSMEs to access credit, and for lenders to assess creditworthiness. Similarly, the OCEN network is expected to revolutionize the way credit flows in the economy by providing a seamless platform for all stakeholders. Overall, the convergence of digital technologies and the consolidation of the MSME industry in India are expected to create a powerful combination that could unlock significant economic potential.

The RBI has implemented the co-lending mechanism to facilitate the provision of low-cost funds from banks to NBFCs operating in underserved areas and catering to the needs of micro, small, and medium enterprises (MSMEs), economically weaker sections (EWS), low-income groups (LIG), and middle-income groups (MIG). This mechanism aims to address the reluctance of banks to lend in these segments due to the associated higher operating costs and credit risks.

According to the Reserve Bank of India (RBI) data, as of December 2022, outstanding bank credit to NBFCs has significantly increased from Rs. 3.68 Trillion in 2017 to Rs. 13.20 Trillion, non-bank lenders surpassed banks in the micro lending category, with NBFC-microfinance institutions (NBFC-MFIs) accounting for 35.1% of outstanding loans compared to 34.8% for banks.

The steady momentum of NBFCs is heavily backed by robust demand for personal loans which they need for their growth and working capital. According to ICRA Analysis, NBFCs are expected to witness 8-10% growth in assets under management in FY 2022-23 compared to 5-7% growth in FY 2021-22. NBFCs are expected to



play a crucial role in financing India's transition from the world's fifth-largest to the third-largest economy by the end of this decade.

Gold loan

Gold has always held a significant cultural and economic value in India, with Indians accounting for the majority of gold consumption globally. Indian households own a vast amount of gold –27,000 tons – accounting for 14% of the global gold market. Gold has become a popular instrument for borrowers to manage their working capital needs, with only 20% of the total gold account being pledged till now. The market is yet to evolve to its full potential and it witnessed an 8% CAGR growth over the last decade.

Indians typically do not sell but pledge their gold jewellery to lenders to obtain a short-term loan. Gold continues to remain one of the most secure and flexible mediums to meet short-term cash emergencies. The popularity of gold loans is high in Indian rural areas, with unorganized players holding 65% of the total pledged chunk in the country.

However, organized players such as banks and NBFCs are constantly expediting their processes to penetrate this sector, driven by the lower interest rate charged by organized players, quick disbursement, and the perceived safety of the instrument.

India has a total gold loan market of Rs. 12.3 Trillion out of which 35% share is of organized players (*Source: Role of NBFCs and HFCs in driving sustainable GDP growth, KPMG, November 2022*).

The market is anticipated to grow by 12-14% in FY 2022-23. While banks have a larger share in the organized gold loan sector due to lower interest rates and larger ticket sizes, NBFCs play differently in this context with a greater focus on customer convenience, quick disbursement, and flexibility. In FY 2020-21, NBFCs retained a 23% stake in the Indian gold finance sector, with the total NBFC gold loan AUM increasing by an astounding 44%, surpassing Rs. 4.7 Trillion. This demand was fuelled by a 30% YoY uptick in gold prices in FY 2020-21.

The gold industry contributes 1.3% to Indian GDP. Further, the gold loan NBFCs are expected to maintain their outstanding performance due to increasing digitization, a wider physical branch network, minimum documentation, faster turnaround time, and increased demand following the COVID-19 pandemic. (*Source: Gold Financing Sector Outlook, Sep'21*)

<https://www.newindianexpress.com/business/2022/sep/29/financingremains-crucial-challenge-for-gold-jewellery-industry-report-2503110.html>

(*Source: Systematix Gold Finance Sector Report Nov. 22, BCG Analysis, CRISIL NBFC Report 2021*)

Outlook

Gold is a popular asset class that offers security to borrowers in times of financial need. This has contributed to the steady demand for gold as a source of financing. Additionally, the gold loan sector is transforming, shifting from unorganized to organized and from organized to digital means. This shift is expected to support the increased demand for gold financing in the future. Specialized gold loan NBFCs are expected to play a major role in driving AUM growth due to their focused approach and new technology initiatives that enable customers to transact online with ease.

(*Source: Gold.org, IBEF, CRISIL NBFC Report 2021, BCG analysis*)

COMPANY OVERVIEW

Nalin Lease Finance Limited ('our Company' or 'NLFL 'We'), is a prominent and well-respected financial services institution in Gujarat. Founded in 1990 and registered as Non-Banking Finance Company (NBFC) regulated by the Reserve Bank of India (RBI), we consistently innovated and reinvented ourselves to meet the evolving needs of the financial services industry. Our Company offers a diverse range of financial services, including Gold Loan, Vehicle Loan and Other Business loans.

We serve over 2,500 customers across Sabarkantha Jurisdiction of Gujarat. The Company's operations are built on the foundation of a highly experienced management team, efficient liability management and Honesty and transparency are core values of our Company, as we aim to keep our loan products simple, ensure transparency and demonstrate unwavering commitment to our customers. Our management team is committed to fostering a growth culture, entrepreneurship, and innovation.



Two-Wheeler Loans

NLFL offers two-wheeler loans to farmers, self-employed, businessmen, professionals, and salaried customers. The ticket size of these loans ranges from Rs. 50,000/- to Rs. 70,000/-.

CREDIT AND RISK MANAGEMENT

NLFL acknowledges that risk management is a crucial aspect of its operations. The Company recognises that risks can originate from both internal and external sources, and has instituted various measures to identify, evaluate, and mitigate these risks.

NLFL defines its risk appetite, functional policies, and key risk indicators to explicitly determine the level and nature of risk that it is willing to take. The Company's risk management structure proactively identifies and addresses risks through risk assessment, a risk catalogue, a risk appetite framework, risk planning, risk culture, internal controls, and good governance.

To mitigate credit risk, NLFL has developed customised credit analysis procedures for each product based on customer nature, loan purpose, and loan amount. Additionally, NLFL maintains sufficient spreads, offers relatively short tenure loans, and resets lending rates periodically to mitigate the risk of interest rate volatility.

OPPORTUNITIES & THREATS

NLFL constantly monitors the external environments and internal situation so that it is aware of the opportunities and threats that emerge. This enables the Company to tap into the positive prospects that come its way while overcoming or bypassing the challenge of threats.

Opportunities

- Diverse loan book and pan-India presence to accelerate growth
- Unique Business Model helps to minimise risk and operating cost
- Adequate capitalisation to support medium-term growth plans
- Operates in underpenetrated business segment with huge growth potential
- Successful track record of catering to the MSME sector
- Initiatives by the Government to further boost MSME sector

Threats

- Unpredictable policy changes by the Government
- Increasing competition from local and global players
- Higher exposure to semi-formal and informal sector customers

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NLFL has adequate internal controls and standardised operating processes that are envisaged to protect assets and business efficiency. The Company has established strong and well-entrenched internal control procedures commensurate with its size and operations and relevant to its broad domain of the lending business.

Human Resources

Human Resources (HR) play a crucial role in developing, reinforcing, and enhancing the culture of an organization. A strong management team at our Company has helped in building a transparent, meritorious, and performance-driven culture in the organization. The Company prioritises providing a supportive work environment that fosters employee satisfaction and motivation to achieve both personal and professional goals.

The Company attaches utmost priority to human resource development with focus on regular upgradations of the knowledge and skills of all employees and equipping them with the necessary expertise to meet the challenges of change and growth successfully.

The company continuously monitors its manpower requirement to ensure that it has adequate human skills commensurate with its needs. Industrial relations of the Company continue to be cordial.

As on March 31, 2023, the employee strength of the Company stood at 18.



KEY FINANCIAL RATIOS

The Key Analytical Ratios along with detailed explanations are as follows:

Ratio	Current year	Previous year
Debt Equity Ratio	0.10	0.06
Capital to risk-weighted assets ratio (CRAR) (times)	1.24	1.34
Tier I CRAR (times)	1.24	1.34
Tier II CRAR*	NA	NA
Liquidity Coverage Ratio (%) **	334.35%	272.03%

Tier-II CRAR ratio is not applicable to the company because the company does not have supplementary capital. Variance in Liquidity Coverage Ratio (%) ** is more than 25% due to reason that in the current year company has obtained additional overdraft facility from financial institution.*

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE AND OUTLOOK

Sales & Other income for the year ended 31st March, 2023 were Rs. 5,94,64,677/- as compared to Rs. 5,67,76,649/- on 31st March, 2022. The net profit stood at Rs. 2,99,25,592/- (previous year Rs. 2,60,04,837/-).

Most sectors of the economy are experiencing growth and expansion, which necessitates financing. NBFCs are projected to register steady growth due to robust credit demand throughout the country. These NBFCs are leveraging successful co-lending partnerships, customer service expertise, and digital capabilities to meet the demand for financing. Moreover, the NBFCs' Assets Under Management (AUM) growth and collection efficiency have already surpassed pre-pandemic levels, while asset quality is expected to register further improvement in the next fiscal year.

NLFL is well-positioned to take advantage of upcoming opportunities and overcome challenges by leveraging our digital infrastructure, healthy balance sheet, and growth-oriented mindset.

The Company intends to prioritise asset quality and profitability to enhance shareholder value. The Company also prioritises operational excellence and is committed to learning and improving efficiency in all areas of operation.

DISCLOSURE OF ACCOUNTING TREATMENT

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).

This practice in management's view ensures true and fair financial position of the Company.

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'.

CAUTIONARY STATEMENT

Statements in this report on describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could, however, differ materially from those expressed or implied.

The Company assumes no responsibility in respect of forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

For and on behalf of the Board of Directors

Harsh Dilipkumar Gandhi
Wholetime Director
DIN: 03120638
Place: Himatnagar
Date: 14-08-2023

Dilipkumar Nalinkant Gandhi
Managing Director
DIN: 00339595



Corporate Governance Report ANNEXURE 'C' TO THE BOARD'S REPORT - ITEM NO.23

A. MANDATORY REQUIREMENTS

Company's philosophy

Pursuant to the practice of Good Corporate Governance, your Company is committed to meet the aspirations of all our stakeholders and believes in adopting the best corporate practices for ethical conduct of business.

Your Company continues to maintain its industry leadership, by pursuing excellence in everything it does, including standards of business conduct. The Company's philosophy on Corporate Governance emanates from the principles of ethical governance and is aimed at conducting of business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders. This objective is achieved by adopting corporate practices based on principles of transparency, accountability, fairness and integrity to create long-term sustainable value for all its stakeholders.

The Company is committed to good Corporate Governance. The mandatory requirements of SEBI (LODR) Regulations, 2015 have been fully implemented by your Company. The Company firmly believes in the rights of its stakeholders for information regarding the Company's business and financial performance.

Board of Directors (the Board)

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board is totally committed to the best practices for effective Corporate Governance.

The Board, along with its Committees, provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board composition is in accordance with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Composition of the Board as on 31st March, 2023

Category	No. of Directors
Independent Directors (Non-Executive)	03
Executive Directors	03
Total	06

The brief profile of the Company's Board of Directors is as under:

Shri Narendrakumar D. Shah, Chairman-Independent Director (DIN: 00314044)

Shri Narendrakumar D. Shah was appointed as Director from 13th December, 1994. He is B.Com. He has been associated with the Packaging Industry. He is a member of the Audit, Nomination and Remuneration, Stakeholders' Relationship Committees. He is an Independent (Non-Executive) Director.

Shri Dilipkumar N. Gandhi, Executive Director (DIN: 00339595)

Shri Dilipkumar N. Gandhi is one of the promoters of the Company and was re-appointed as Executive Director of the Company with effect from 01st August, 2020. He is B.Sc. and the Managing Director of Nalin Lease Finance Limited. He has more than 30 years of experience in top management. He is father of Shri Harsh D. Gandhi, Wholetime Director.

Shri Navinchandra C. Soni, Independent (Non-Executive) Director (DIN: 03123355)

Shri Navinchandra C. Soni was appointed as Director with effect from 09th July, 2010. He is B.A., B.Ed. He is the Chairman of the Audit, Stakeholders' Relationship and Nomination & Remuneration Committees of the Board.

Smt. Pallaviben D. Gandhi, Executive Director (DIN: 00339639)

Smt. Pallaviben D. Gandhi was appointed as Wholetime (Woman) Director with effect from 15th October, 1992. She is B.A. by qualifications.



Shri Samirkumar K. Shah, Independent Director (DIN: 07215030)

Shri Samirkumar K. Shah was appointed as an Independent Director with effect from 15th April, 2015. He has more than 30 Years of experience in the field of Education and Civil Engineering. He is the Member of the Nomination & Remuneration Committee of the Board.

Shri Harsh D. Gandhi, Executive Director (DIN: 03120638)

Shri Harsh D. Gandhi was appointed as Executive Director and KMP w.e.f. 09th July, 2010 and holds B.Com and M.B.A. degree and having 13 years of experience in the management of the Company as Whole-time Director.

Sr. No.	Name of Directors	Category of Directorship	No. of other Directorships in other companies	No of Committee positions held in other public companies		Directorship in other listed entities	
				Member	Chairman	Name of the Listed entities	Category of Directorship
1.	Shri Narendrakumar Dalsukhdas Shah	Chairman & Non-Executive Director (Independent)	01	-	-	-	-
2.	Shri Dilipkumar Nalinkant Gandhi	Managing (Executive) Director	-	-	-	-	-
3.	Smt. Pallaviben Dilipkumar Gandhi	Wholetime (Executive) Director	-	-	-	-	-
4.	Shri Harsh Dilipkumar Gandhi	Wholetime (Executive) Director	-	-	-	-	-
5.	Shri Navinchandra Chandulal Soni	Non-Executive Director (Independent)	-	-	-	-	-
6.	Shri Samirkumar Kantilal Shah	Non-Executive Director (Independent)	-	-	-	-	-

Notes:

As on March 31, 2023, the Non-Executive Directors hold equity shares of the Company are as follows:

Shri Narendrakumar Dalsukhdas Shah	2,550
Shri Navinchandra Chandulal Soni	Nil
Shri Samirkumar Kantilal Shah	Nil

BOARD MEETINGS AND PROCEDURES

(A) Scheduling and Selection of Agenda items for Board Meetings

i. The meetings are being convened by giving appropriate advance notice after obtaining the approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members for facilitating meaningful, informed and focused decisions. To address specific urgent needs, meetings are also being called at shorter notice. The Board is also authorized to pass resolution by circulation for all such matters, which are of utmost urgent nature.

ii. Where it is not practicable to attach any document or an agenda is of price sensitive in nature, the same is placed on the table with the approval of Chairman of the Board. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted. Sensitive subject matters are discussed at the meeting without written materials being circulated.

iii. The agenda papers are prepared by the Company Secretary and submitted to the Chairman for his approval. Duly approved agenda papers are circulated amongst the Board Members by the Company Secretary.



iv. As per convenience of the Members of the Board and Committees, the Meetings are usually held at the Company's registered office at Himatnagar, Dist. Sabarkantha, Gujarat. Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facilities are used as and when required to facilitate directors at other locations to participate in the meetings.

v. The Members of the Board have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior Management Officials are called to provide inputs to the items discussed by the Board as and when required.

(B) Recording minutes of proceedings at the Board / Committee Meetings

Minutes of the proceedings of each Board/ Committee Meeting are recorded and the same are approved in the next Board/ Committee Meeting. The minutes of the proceedings of the meetings are entered in the minutes book and the same are signed by the Chairman as prescribed in the Companies Act, 2013 and the Rules made thereunder and as per the Secretarial Standards issued by the Institute of Company Secretaries of India.

(C) Compliance

The Compliance Officer while preparing the agenda notes is responsible for and is required to ensure adherence to all the applicable provisions of law, rules, guidelines etc. The Company Secretary has to ensure compliance to all the applicable provisions of the Companies Act, 2013, SEBI Guidelines, Listing Regulations and other statutory requirements pertaining to the capital market. The Board of Directors reviews quarterly Compliance Report confirming adherence to all applicable laws, rules, regulations and guidelines.

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 2022-23, **Eight (08) Board Meetings** were held i.e. on 27th May, 2022; 25th June, 2022; 29th July, 2022; 10th August, 2022, 14th November, 2022; 13th December, 2022; 30th December, 2022 and 30th January, 2023. The maximum gap between two consecutive meetings was as stipulated under Section 173(3) of the Companies Act, 2013 and Regulation 17(2) of the SEBI (LODR) Regulation, 2015. The necessary quorum was present in all the meetings.

The details of Attendance of Directors at the Board Meetings and last Annual General Meeting are as under:-

Sr. No.	Name of Directors	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at Last AGM
1	Shri Narendrakumar Dalsukhdas Shah	8	8	Yes
2	Shri Dilipkumar Nalinkant Gandhi	8	8	Yes
3	Smt. Pallaviben Dilipkumar Gandhi	8	8	Yes
4	Shri Harsh Dilipkumar Gandhi	8	8	Yes
5	Shri Navinchandra Chandulal Soni	8	8	Yes
6	Shri Samirkumar Kantilal Shah	8	8	Yes

Disclosure regarding Directors retiring by rotation and being re-appointed:

Shri Dilipkumar N. Gandhi, Managing Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume and the profile of Shri Dilipkumar N. Gandhi, Managing Director retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting of the Company are given in the Notice of the Annual General Meeting, annexed to this Annual Report.



DECLARATION FROM THE INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015.

COMMITTEES OF THE BOARD

The Board has constituted three Committees, namely Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

AUDIT COMMITTEE

The Audit Committee is governed by and is in line with the regulatory requirements mandated by Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The terms of reference of the Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and the Auditors Report thereon before submission to the board for approval, with particular reference to:
 - a. Matters, required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditors' independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;



13. Reviewing the adequacy of internal audit function, including reporting structure coverage and frequency of internal audit;
14. Discussion with the internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, the following information of the Company will be reviewed by the Audit Committee:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. Appointment, removal and terms of remuneration of the Internal Auditors.

The composition of the Audit Committee is as under:-

Sr. No.	Name of the Members	Category	Designation
1.	Shri Navinchandra Soni	Chairman	Independent (Non-Executive Director)
2.	Shri Narendrakumar Shah	Member	Independent (Non-Executive Director)
3.	Shri Dilipkumar Gandhi	Member	Managing (Executive) Director

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	27 th May, 2022	10 th August, 2022	14 th November, 2022	30 th January, 2023
Shri Navinchandra Soni	Yes	Yes	Yes	Yes
Shri Narendrakumar Shah	Yes	Yes	Yes	Yes
Shri Dilipkumar Gandhi	Yes	Yes	Yes	Yes

The meetings of the Audit Committee are usually attended by the Whole-time Director, the Executive Director and the Chief Financial Officer of the Company. The representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings.

NOMINATION AND REMUNERATION COMMITTEE

In compliance with the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015; the Board of Directors has constituted the "Nomination and Remuneration Committee" in its meeting. The Company has formulated the Nomination and Remuneration Policy, which was approved by the Nomination and Remuneration Committee followed by the approval of the Board of Directors.

Nomination and Remuneration Committee has been constituted to recommend the remuneration package of Directors and KMPs based on the performance and defined criteria.



The terms of reference of Nomination and Remuneration Committee are as under:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The composition of the Nomination & Remuneration Committee is as under:

Name of Members	Designation	Category
Mr. Navinchandra C Soni	Chairman	Non-Executive Director (Independent)
Mr. Samirkumar Shah	Member	Non-Executive Director (Independent)
Mr. Narendrakumar D Shah	Member	Non-Executive Director (Independent)

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on
	29 th July 2022
Mr. Navinchandra C Soni	Yes
Mr. Samirkumar Shah	Yes
Mr. Narendrakumar D Shah	Yes

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is available at the Company's web site www.nalinfin.co.in.

The details of remuneration paid to the Executive Directors are as under:

Name	Salary (Rs. in thousands)	Perquisites & Retirement benefits	Commission Payable	Total (Rs. in thousands)
Shri Dilipkumar Nalinkant Gandhi	2110.00	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013.	-	2110.00
Shri Pallaviben Dilipkumar Gandhi	1750.00		-	1750.00
Shri Harsh Dilipkumar Gandhi	1630.00		-	1630.00

There is no payment towards Bonus, Stock Options, Pension or any other to above said Executive Directors.



The Non-Executive Directors did not receive any remuneration, including sitting fees or commission, for the financial year 2022-23. No payments were made to them during this period.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

The terms of reference of Stakeholders' Relationship Committee are as under:-

1. Resolving the grievances of the security holders of the listed entity, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The composition of the Stakeholders' Relationship Committee is as under:

Name of the Members	Designation	Category
Shri Navinchandra Soni	Chairman	Independent (Non-Executive Director)
Shri Narendrakumar Shah	Member	Independent (Non-Executive Director)
Shri Dilipkumar Gandhi	Member	Managing (Executive) Director

Meetings and attendance during the year:

Members	Attendance at Committee Meeting held on			
	27th May, 2022	10th August, 2022	14th November, 2022	30th January, 2023
Shri Navinchandra Soni	Yes	Yes	Yes	Yes
Shri Narendrakumar Shah	Yes	Yes	Yes	Yes
Shri Dilipkumar Gandhi	Yes	Yes	Yes	Yes

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 21st February, 2023, inter alia, to discuss: Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.

Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors.

Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance



evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of the Company's business.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature and in the ordinary course of the Company's business. Transactions with related parties are disclosed in the notes to accounts to the financial statements.

The Form No-AOC-2 envisages disclosure of material contracts or arrangement or transaction at arm's length basis is annexed with as **Annexure 'A'**.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at following link-

<https://nalinfin.co.in/upload/Policy%20on%20dealing%20with%20related%20party%20transactions.pdf>.

COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards as notified by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

INTERNAL CONTROLS

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business process has a strong monitoring and reporting process resulting in financial discipline and accountability.

CODE OF CONDUCT

i) For prevention of Insider Trading

The Company has a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances.

ii) For Board of Directors (including Independent Directors) and Senior Management

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company www.nalinfin.co.in. The Board Members (including Independent Directors) and Senior Management Personnel have affirmed compliance with the "Code of Conduct" for the year ended on 31st March, 2023.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended 31st March, 2023.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy. The Company takes cognizance of complaints made and suggestions given, if any, by the employees and others. No employee of the Company has been denied access to the Audit Committee. The Weblink for the Whistle Blower is- https://nalinfin.co.in/upload/WHISTLE%20BLOWER%20POLICY_06062017.pdf



General Body Meetings

A. Annual General Meeting (“AGM”):

The location, date and time of the last three Annual General Meetings held, are as under:

Year	Venue	AGM	Date	Day	Time	No. of Special Resolution Passed
2021-22	Meeting conducted through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”) pursuant to MCA circulars	AGM	27.09.2022	TUESDAY	12:00 P.M.	01
2020-21	Meeting conducted through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”) pursuant to MCA circulars	AGM	07.09.2021	TUESDAY	04:00 P.M.	--
2019-20	Meeting conducted through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”) pursuant to MCA circulars	AGM	30.09.2020	WEDNESDAY	01:00 P.M.	03

POSTAL BALLOT

The Company has not passed any resolution through postal ballot during the year 2022-23.

MD/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015 pertaining to MD/CFO certification for the financial year ended on 31st March, 2023. The said certificate is part of the Annual Report.

MEANS OF COMMUNICATION

i.	In which newspapers quarterly results were normally published.	Western Times (English & Gujarati)
ii.	Any website where results or official news are displayed.	www.nalinfin.co.in
iii.	The presentation made to institutional investors or to the analysts.	No
iv.	Whether Management Discussion and Analysis is part of Annual Report or not	Yes, contained in the Board’s Report

GENERAL SHAREHOLDER INFORMATION

i. AGM – date, time and venue: Saturday, 16th September, 2023 at 03:00 p.m. IST through Video Conferencing (“VC”) /other Audio Visual means (“OAVM”). The place of the meeting deemed to be at Registered Office of the Company at Gandhi Nursing Home Bldg Dr.Nalinkant Gandhi Road Himatnagar -383001 India.

ii. Financial Year: 2022-23 (year ending on 31st March, 2023)

iii. Book Closure Date: Sunday, 10th September, 2023, to Saturday, 16th September, 2023 (both days inclusive)

iv. Unclaimed Dividend:

Section 125 of the Companies Act, 2013, mandates that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Financial Year	Date of Declaration	Date of Payment	Unclaimed Amount (Rs. in Thousands)	Date on which dividend will become part of IEPF
2020-21	07 th September, 2021	14 th September, 2021	80.22	12 th October, 2028



v. Listing on Stock Exchanges

The Company's shares are listed on:

BSE Limited,

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

The listing fees for the year 2022-23 for the above Stock Exchange has been paid in time and the shares of the Company have been neither de-listed nor suspended from trading during the year under review.

vi. Stock Code

The Stock Code of the Company's shares is as follows:

Name of the Stock Exchange	Code No.
BSE Limited	531212
ISIN No. for Shares in Demat mode	INE606C01012

vii. Stock Market Price Data

Months 2022-23	BSE Limited (BSE)			BSE Index	
	High	Low	No. of Shares	High	Low
Apr-22	36.95	26.20	39,273	60485.10	56009.07
May- 22	38.80	26.10	94,379	57184.21	52632.48
Jun -22	36.70	25.70	79,856	56432.65	50921.22
Jul -22	32.00	24.55	38,404	57619.27	52,094.25
Aug -22	32.40	23.35	54,180	60411.20	57,367.47
Sep -22	32.90	25.20	74,862	60676.12	56,147.23
Oct- 22	35.00	23.55	62,750	60786.70	56,683.40
Nov -22	36.05	26.20	52,016	63303.01	60,425.47
Dec -22	43.90	26.20	1,35,548	63583.07	59,754.10
Jan -23	39.95	31.50	48,549	61343.96	58,699.20
Feb- 23	40.25	30.30	41,254	61682.25	58,795.97
Mar- 23	36.00	30.01	46,742	60498.48	57,084.91

viii. Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a stipulated period from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

ix. Details of shareholders' complaints received, solved and pending:

No. of Complaints pending as on 1 st April, 2022	No. of Complaints received during the year	No. of Complaints resolved during the year	No. of Complaints pending as on 31 st March, 2023
0	0	0	0

x. Distribution of Shareholding as On 31st March, 2023:

Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1- 500	1330	84.7674	203349	3.1007
501- 1000	87	5.5449	68752	1.0483
1001-2000	62	3.9516	92837	1.4156
2001-3000	17	1.0835	43585	0.6646
3001-4000	6	0.3824	21447	0.3270
4001-5000	12	0.7648	55284	0.8430
5001-10000	13	0.8286	99507	1.5173
Above 10001	42	2.6769	5973419	91.0835
Total	1431	100.0000	6558180	100



xi. Shareholding Pattern as on 31st March, 2023

Category	Demat Securities	Demat Holders	Physical Securities	Physical Holders	Total Securities	Total Holders	%-Issued Capital
Clearing Members	49	1	0	0	49	1	0.0007
Other Bodies Corporate	49805	7	0	0	49805	7	0.7594
Hindu Undivided Family	22241	14	0	0	22241	14	0.3391
Non Resident Indians	2978	5	0	0	2978	5	0.0454
Non Resident (Non Repatriable)	561	3	0	0	561	3	0.0086
Public	1665409	1099	153400	444	1818809	1543	27.7334
Promoters	4573701	5	0	0	4573701	5	69.7404
Promoters - HUF	85036	2	0	0	85036	2	1.2966
Body Corporate - Ltd Liability Partnership	5000	1	0	0	5000	1	0.0762
TOTAL :	6404780	1137	153400	444	6558180	1581	100

xii. Dematerialization of shares and liquidity

As on 31st March, 2023, 64,04,780 shares have been dematerialized from representing 97.66% of total shares. The Company's shares are traded on BSE Limited, Mumbai.

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

Service of Documents through Electronic Mode

As a part of Green Initiative, the members who wish to receive the annual report(s), notice(s) and other communications/ benefits through electronic mode, may kindly visit the weblink provided by the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited at https://www.linkintime.co.in/EmailReg/Email_Register.html and upload the required therein. The Company urges all the members to use this link effectively since the Email IDs and Mobile Numbers could help the Company for sending paperless communications in future.

xiii. Outstanding GDR/ADR/ Warrants or Convertible Instruments: Nil

xiv. Address for communication: Gandhi Nursing Home Bldg, Dr. Nalinkant Gandhi Road, Himatnagar -383001

xv. Certificate from Company Secretary in Practice

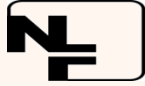
Shri Amrish N. Gandhi M/s. Amrish Gandhi & Associates, Company Secretary in Practice, has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Certificate is annexed herewith as a part of the Report.

xvi. The Company has not raised any funds through preferential allotment or qualified institutions placement.

xvii. During the year under review, the Board of Directors confirms that it has accepted all recommendations received from all its Committees.

xviii. The Non-Executive Directors/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

xix. During the year, the company has fully complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.



xx. Name and Designation of the Compliance Officer:-

The shareholders may address their communications/suggestions/grievances to:-

Name of Authorised Person	Contact Details
Shri Nikulkumar Patel Chief Financial Officer and Compliance officer	Nalin Lease Finance Limited Gandhi Nursing Home Bldg, Dr. Nalinkant Gandhi Road, Himatnagar -383001 Telephone: (02772)241264, 242264 Email Address:- info@nalinfm.co.in

Registrars and Share Transfer Agent:	
Link Intime India Private Limited.	
Mumbai Office: C-101,247 Park, LBS Marg, Vikhroli (W), Mumbai 400083	Ahmedabad Office: 5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. St. Xavier’s College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006, E-mail:- ahmedabad@linkintime.co.in Tel. No. 079 - 2646 5179

DISCLOSURES

In the past three years, the Company has not violated any rules or regulations related to the stock exchanges or capital markets. There have been no penalties or restrictions imposed on the Company by any regulatory authorities during this period.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

During the period under review, it is not applicable to the Company.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.

During the period under review, it is not applicable to the Company.

B. NON-MANDATORY REQUIREMENTS

The status of adoption of the discretionary requirements as specified in sub - regulation 1 of Regulation 27 of the Listing Regulations are as follows:

1. Shareholder Rights:

Half-yearly and other quarterly financial results are published in newspapers. Quarterly results as approved by the Board are disseminated to BSE Limited (www.bseindia.com) and uploaded on the website of the Company at www.nalinfm.co.in.

2. Modified opinion(s) in audit report:

The Financial Statements of the Company for the Financial Year ended on 31st March, 2023 are with unmodified audit opinion.

3. Reporting of Internal Auditor

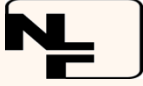
The Internal Auditors of the Company are permanent invitees to the Audit Committee Meeting and regularly attend the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

For and on behalf of the Board of Directors

Harsh Dilipkumar Gandhi
Wholetime Director
DIN: 03120638

Dilipkumar Nalinkant Gandhi
Managing Director
DIN: 00339595

Place: Himatnagar
Date: 14-08-2023



Declaration regarding affirmation of Code of Conduct

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended on 31st March, 2023.

Harsh Dilipkumar Gandhi
Wholetime Director
DIN: 03120638

Dilipkumar Nalinkant Gandhi
Managing Director
DIN: 00339595

Place: Himatnagar
Date: 14-08-2023



MANAGING DIRECTOR (MD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

To,

The Board of Directors,

Nalin Lease Finance Limited
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

We, the undersigned, in our respective capacities as Executive Director and Chief Financial Officer of Nalin Lease Finance Limited (“the Company”) to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 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.

(b) to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31st March, 2023, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) 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 confirm that no deficiencies in the design or operation of such internal controls of which we are aware were noticed during the year.

(d) We have indicated to the Auditors and the Audit Committee:-

i) there are no significant changes in internal control over financial reporting during the financial year ended on 31st March, 2023;

ii) there are no significant changes in accounting policies during the financial year ended on 31st March, 2023; and

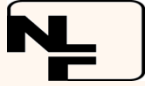
iii) there are no instances of significant fraud of which the Management have become aware and the involvement, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Nalin Lease Finance Limited,

Dilipkumar Nalinkant Gandhi	Nikul K. Patel
Managing Director	Chief Financial Officer
DIN: 00339595	

Place: Himatnagar

Date: 14-08-2023



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Nalin Lease Finance Limited
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Nalin Lease Finance Limited** having **CIN: L65910GJ1990PLC014516** and having registered office at Gandhi Nursing Home Bldg, Dr. Nalinkant Gandhi Road, Himatnagar 383001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

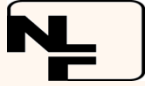
Sr. No.	Name of Directors	DIN	Date of Appointment
1.	Narendrakumar Dalsukhdas Shah	00314044	13/12/1994
2.	Dilipkumar Nalinkant Gandhi	00339595	01/08/2005
3.	Pallaviben Dilipkumar Gandhi	00339639	15/10/1992
4.	Harsh Dilipkumar Gandhi	03120638	09/07/2010
5.	Navinchandra Chandulal Soni	03123355	09/07/2010
6.	Samirkumar Kantilal Shah	07215030	15/04/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Amrish Gandhi & Associates
Practicing Company Secretaries**

Amrish N. Gandhi
Membership No. F8193
C.P.No.5656
Peer Review Certificate No. 586/2019
UDIN: F008193E000748845

Date: 05/08/2023
Place: Ahmedabad



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Nalin Lease Finance Limited
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

I, Amrish Gandhi, Proprietor, Amrish Gandhi & Associates, Practicing Company Secretary, have examined the compliance of conditions of Corporate Governance by **Nalin Lease Finance Limited** ('the Company') for the year ended on **March 31, 2023** as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In my opinion and to the best of my information according to the explanations and information furnished to me, I certify that the Company has complied with the conditions of corporate governance, to the extent applicable and as stipulated in the above-mentioned Listing Regulations.

I further state that such compliance is neither any assurance as to 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
Practicing Company Secretaries**

Amrish N. Gandhi
Membership No. F8193
C.P.No.5656
Peer Review Certificate No. 586/2019
UDIN: F008193E000749087

Date: 05/08/2023
Place: Ahmedabad



ANNEXURE – ‘D’ TO BOARD’S REPORT- ITEM NO. 24

Information pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. Details of the top 10 employees of the Company in terms of remuneration drawn as required under with Section 134 of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial ended on **March 31, 2023**.

Sr. No.	Name	Age (Yrs.)	Qualification	Date of Joining	Designation	Nature of Duty	Remuneration	Experience (Yrs.)	Last Employment
1.	Dilipkumar Gandhi	69	B.Sc.	01/08/2005	Managing Director	Permanent	21,60,000/-	45	-
2.	Pallaviben Gandhi	67	B.A.	15/10/1992	Wholetime Director	Permanent	18,00,000/-	30	-
3.	Harsh Gandhi	35	B.Com., M.B.A.	09/07/2010	Wholetime Director	Permanent	16,80,000/-	15	-
4.	Suresh Soni	68	B.A.	01/08/2017	Officer	Permanent	3,25,000/-	35	-
5.	Nikul Patel	39	B.Com.	01/05/2015	Chief Financial Officer	Permanent	2,60,000/-	17	-
6.	Mayur Thakar	39	M.Com., M.B.A.	01/08/2009	Officer	Permanent	2,34,000/-	16	-
7.	Amar Pandya	40	B.Com.	01/02/2010	Officer	Permanent	2,08,000/-	15	-
8.	Vipul Patel	34	B.Com.	01/10/2014	Officer	Permanent	1,95,000/-	10	-
9.	Ronak Goswami	36	B.A.	01/12/2011	Officer	Permanent	1,95,000/-	12	-
10.	Swati A. Shah	62	CS	04/06/2014	Company secretary	Permanent	1,20,000/-	30	-

Notes:

1. Experience includes number of years' service elsewhere, wherever applicable.
2. In above mentioned, no employee held the equity share of the Company within the meaning of Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. Shri Harsh D. Gandhi and Smt. Pallavi D. Gandhi, Executive Directors of the Company are relatives of Shri Dilipkumar N. Gandhi, Managing Director of the Company. No other employee is a relative of any Director of the Company.



ii. The percentage increase in remuneration of each Director, CFO & Company Secretary during the financial year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

Details of Remuneration of KMPs:-

Sr. No.	Name	Designation	Remuneration p.a. (Rs.)	% Increase in Remuneration in F.Y. 2022-23 over the F.Y. 2021-22	Ratio (Remuneration of KMP to Median Remuneration)
1.	Shri Dilipkumar N. Gandhi	Managing (Executive) Director	21,10,000	6.03	10.82
2.	Shri Harsh D. Gandhi	Wholetime (Executive) Director	16,30,000	7.95	8.35
3.	Smt. Pallavi D. Gandhi	Wholetime (Executive) Director	17,50,000	7.36	8.97
4.	Shri Nikul K. Patel	CFO	2,60,000	--	1.33
5.	Smt. Swati A. Shah	CS	1,20,000	--	0.61

Details of Remuneration of other Directors:

- Non-executive Directors: No sitting fees, remuneration, or commission paid during the financial year.

iii. The median remuneration of employees of the Company during the Financial Year was Rs. 1,95,000/-.

iv. In the Financial Year, there was no change in the median remuneration of employees.

v. There were **18** permanent employees on the rolls of Company as on 31st March, 2023.

vi. There was no change in average percentage salaries of employees other than the managerial personnel in the last Financial Year i.e. 2022-23 whereas the decrease in the managerial personnel remuneration for the same Financial Year was 6.53%.

vii. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

viii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees of the Company.

For and on behalf of the Board of Directors

Harsh Dilipkumar Gandhi
Wholetime Director
DIN: 03120638

Dilipkumar Nalinkant Gandhi
Managing Director
DIN: 00339595

Place: Himatnagar
Date: 14-08-2023

ANNEXURE – ‘E’ TO BOARD’S REPORT - ITEM NO. 28

Form No. MR-3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

Dear Sir / Madam,

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 with regulatory authorities 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, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, 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 further report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended on 31st March 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 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; to the extent the same was applicable to the Company;

(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, 2018; **(Not applicable)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable)**
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (f) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (g) The Securities and Exchange Board of India (Depositories and participants) Regulations, 2018;
- (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable)**

(vi) Provisions of Reserve Bank of India Act, 1934 and Regulations / Guidelines issued by Reserve Bank of India from time to time as applicable to Non-deposit accepting NBFCs.

We have thoroughly checked and confirmed that the Company has established and adheres to a reliable system and mechanism to ensure compliance with the specific laws mentioned at serial numbers v and vi (if applicable). Additionally, we have also considered the representations made by the Company and its Officers regarding the systems and mechanisms in place to comply with other relevant Acts, Laws, and Regulations. We found that these systems are operating satisfactorily.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013;
- (ii) Uniform Listing Agreement entered with BSE Limited

We further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines:

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

Based on the above said information provided by the Company, we report that during the financial year under report, the Company has substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have no material observation of instances of non-compliance in respect of the same.

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. During the year under review, there were no changes in the composition of the Board of Directors.

We also report that adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Based on the representation made by the Company and its Officers, where with report that majority decisions are carried through and recorded as part of the minutes. In the minutes, there were no dissenting members' views that needed to be recorded.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we 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. During the audit period under review, no significant events or actions that had a major impact on the Company's affairs were identified.

Note: This Report is to be read along with attached Letter provided as “Annexure - A”.

**For Amrish Gandhi & Associates
Practicing Company Secretaries**

**Amrish N. Gandhi
Membership No. F8193
C.P.No.5656
Peer Review Certificate No. 586/2019
UDIN: F008193E000749111**

**Date: 05/08/2023
Place: Ahmedabad**

‘ANNEXURE A’

To,
The Members,
Nalin Lease Finance Limited
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

Dear Sir / Madam,

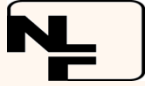
Sub: Our report of even date is to be read along with this letter.

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes 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 process followed by the Company to ensure adequate Compliance.
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
Practicing Company Secretaries**

**Amrish N. Gandhi
Membership No. F8193
C.P.No.5656
Peer Review Certificate No. 586/2019
UDIN: F008193E000749111**

**Date: 05/08/2023
Place: Ahmedabad**



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 2023, 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, 2023, 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.

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) 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 the guiding principles of Ind AS 109 including: <ul style="list-style-type: none">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.	We read and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109. 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



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.

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 2022-23, 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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, 2020 ("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, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

(h) 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.

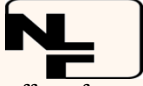
(iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The Company has not declared or paid any dividend during the year ended 31 March 2023.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail,



with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 114777W

Paresh K Thothawala
Partner
Membership No. 048435

UDIN: 23048435BGSRRC6582

Place: Ahmedabad
Date: 17-05-2023



"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(The Annexure referred to in Independent Auditors' Report to the members of the Nalin Lease Finance Limited on the standalone financial statements for the year ended March 31, 2023.)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone financial statements of the Company and taking into consideration the information and explanations given to us, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) Property, Plant and Equipment 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.
- (d) The Company does not held any immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee)
- (e) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March, 2023.
- (f) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories except except stationery & Adhesive Stamp and, accordingly, the requirements under clause 3(ii)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crore in aggregate from banks during the year on the basis of security of current assets of the Company, accordingly, the requirements under clause 3(ii)(b) of the Order are not applicable to the Company.
- (iii) During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:
- (a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.4 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. Disclosures in respect of such loans have been provided in Note 26 to 28 to the Financial Statements.
- (d) The total amount overdue for more than 180 days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 4048.46 thousands. Reasonable steps are been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.
- (e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without

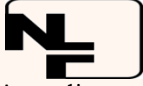


specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- (iv) According to information and explanation given to us, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Act. Hence reporting under paragraph 3(iv) of the Order is not applicable.
- (v) 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. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) There were no dues referred in sub clause (a) above which have not been deposited on account of disputes as at March 31, 2023.
- (viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) According to the information and explanations given to us, in respect of borrowings:
- (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.



- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2023.
- (xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are applicable to the Company and we report that the Company has registered as required.
- (b) The Company has conducted Non-Banking Financial activities obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. 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.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Corporate Social Responsibility (CSR) clause as per Companies Act, 2013 is not applicable to the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable.



(xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxii) of the Order is not applicable.

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 114777W

Paresh K Thothawala
Partner
Membership No: 048435

UDIN: 23048435BGSRRC6582

Place: Ahmedabad
Date: 17-05-2023



“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Nalin Lease Finance Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the Standalone 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 2023, 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 Registration No: 114777W

Paresh K Thothawala
Partner
Membership No: 048435

UDIN: 23048435BGSRRC6582

Place: Ahmedabad
Date: 17-05-2023



BALANCE SHEET AS AT 31ST MARCH, 2023

(Rs. In Thousands)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
1. Financial Assets			
(a) Cash and Cash Equivalents	4	9,310.08	4,551.86
(b) Bank Balance other than (a) above	5	180.22	80.22
(c) Investments	6	45,716.68	10,150.00
(d) Loans	7	2,24,950.48	2,31,712.34
(e) Other Financial Assets	8	3,218.35	19.02
2. Non Financial Assets			
(a) Inventories	9	689.30	949.08
(b) Current Tax Assets (Net)		7,460.52	7,722.11
(c) Deferred Tax Assets (Net)	10	163.39	229.74
(d) Property, Plant & Equipment	11	9,738.81	5,169.26
(e) Capital Work-in-progress	11	926.74	-
(f) Other Non Financial Assets	12	870.07	369.37
Total Assets		3,03,224.65	2,60,953.00
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) Borrowings (Other than debt securities)	13	15,422.55	4,491.79
(c) Other financial Liabilities	14	1,006.38	881.61
2. Non-financial Liabilities			
(a) Current Tax Liabilities (net)		9,930.89	8,638.06
(b) Provisions	15	28.70	31.00
3. Equity			
(a) Equity Share Capital	16	65,581.80	65,581.80
(b) Other Equity	17	2,11,254.33	1,81,328.74
Total Liabilities and Equity		3,03,224.65	2,60,953.00

Statement of Significant Accounting Policies

1 to 3

See accompanying notes forming part of the financial statements

4 to 56

In terms of our report of even date attached

**For Paresh Thothawala & Co.
Chartered Accountants**

Firm Registration No: 114777W

(S.N.PARIKH)

Company Secretary

Paresh K Thothawala

Partner

Membership No. 048435

(N.K.PATEL)

Chief Financial Officer

UDIN: 23048435BGSRRRC6582

Date: 17-05-2023

Place: Ahmedabad

**For and on behalf of board of Directors of
Nalin Lease Finance Limited**

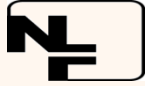
D.N.Gandhi Managing Director(Din: 00339595)

H.D.Gandhi – Whole time Director(Din: 03120638)

P.D.Gandhi – Whole time Director (Din: 00339639)

Date: 17-05-2023

Place: Himantnagar



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2023

(Rs. In Thousands)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from operations			
(i) Interest Income	18	53,134.97	52,314.16
(ii) Other revenue from operations	19	4,660.35	3,644.34
(I) Total revenue from operations		57,795.33	55,958.51
(II) Other income	20	1,669.35	818.14
(III) Total Income (I+II)		59,464.68	56,776.65
Expenses			
(i) Finance Cost	21	766.47	956.71
(ii) Impairment on financial instruments	22	369.42	4,377.06
(iii) Employee Benefits Expenses	23	8,385.14	7,862.12
(iv) Depreciation, amortization and impairment	11	1,464.92	992.19
(v) Other expenses	24	8,506.87	7,515.18
(IV) Total expenses		19,492.81	21,703.26
(V) Profit before tax (III-IV)		39,971.86	35,073.39
(VI) Tax expense:			
Current tax		9,930.89	8,638.06
Deferred tax		66.35	357.08
Provision for taxes related to earlier periods		49.03	73.41
Total tax expenses	10	10,046.27	9,068.55
(VII) Profit for the period (V-VI)		29,925.59	26,004.84
(VIII) Other Comprehensive Income		-	-
(IX) Total Comprehensive Income for the year (VII+VIII)		29,925.59	26,004.84
(X) Earnings per equity share			
Basic	25	4.56	3.97
Diluted		4.56	3.97

Statement of Significant Accounting Policies

1 to 3

See accompanying notes forming part of the financial statements

4 to 56

In terms of our report of even date attached

For Paresh Thothawala & Co.

Chartered Accountants

Firm Registration No: 114777W

Paresh K Thothawala

Partner

Membership No. 048435

UDIN: 23048435BGSRRRC6582

Date: 17-05-2023

Place: Ahmedabad

For and on behalf of board of Directors of Nalin Lease Finance Limited

(S.N.PARIKH)

Company Secretary

(N.K.PATEL)

Chief Financial Officer

D.N.Gandhi Managing Director(Din: 00339595)

H.D.Gandhi – Whole time Director(Din: 03120638)

P.D.Gandhi – Whole time Director (Din: 00339639)

Date: 17-05-2023

Place: Himantnagar



STATEMENT OF CHANGE IN EQUITY

A. EQUITY SHARE CAPITAL

(Rs. In Thousands)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	65,581.80	65,581.80
Change in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	65,581.80	65,581.80
Changes in equity share capital during the year [refer note no. 16.3]	-	-
Balance at the end of the year	65,581.80	65,581.80

B. OTHER EQUITY

For the year ended March 31, 2023

(Rs. In Thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Statutory Reserve	General Reserve	Total Other equity
Balance as at April 1, 2022	17	20,798.90	38,558.70	36,329.16	85,641.98	1,81,328.74
Changes in accounting policy or prior period errors		-	-	-	-	-
Restated balance as at April 1, 2022		20,798.90	38,558.70	36,329.16	85,641.98	1,81,328.74
Profit after tax			29,925.59			29,925.59
Transfer to Statutory reserve from retained earnings		20,798.90	68,484.29	36,329.16	85,641.98	2,11,254.33
Transfer to General Reserve			(5,985.12)	5,985.12		-
Transfer to Dividend			(7,500.00)		7,500.00	-
Balance as at March 31, 2023	17	20,798.90	54,999.17	42,314.28	93,141.98	2,11,254.33

For the year ended March 31, 2022

(Rs. In Thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Statutory Reserve	General Reserve	Total Other equity
Balance as at April 1, 2021	17	20,798.90	28,533.92	31,128.19	78,141.98	1,58,602.99
Changes in accounting policy or prior period errors		-	-	-	-	-
Restated balance as at April 1, 2021		20,798.90	28,533.92	31,128.19	78,141.98	1,58,602.99
Profit after tax			26,004.84			26,004.84
Transfer to Statutory reserve from retained earnings		20,798.90	54,538.76	31,128.19	78,141.98	1,84,607.83
Transfer to General Reserve			(5,200.97)	5,200.97		-
Transfer to Dividend			(7,500.00)		7,500.00	-
Balance as at March 31, 2022	17	20,798.90	38,558.70	36,329.16	85,641.98	1,81,328.74

In terms of our report of even date attached

For Paresh Thothawala & Co.

Chartered Accountants

Firm Registration No: 114777W

Paresh K Thothawala

Partner

Membership No. 048435

UDIN: 23048435BGSRRRC6582

Date: 17-05-2023

Place: Ahmedabad

For and on behalf of board of Directors of Nalin Lease Finance Limited

(S.N.PARIKH)

Company Secretary

(N.K.PATEL)

Chief Financial Officer

D.N.Gandhi Managing Director(Din: 00339595)

H.D.Gandhi – Whole time Director(Din: 03120638)

P.D.Gandhi – Whole time Director (Din: 00339639)

Date: 17-05-2023

Place: Himantnagar



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2023
(Pursuant to the Listing Agreement with Stock Exchange)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	39,971.86	35,073.39
Adjustments for :		
Depreciation and amortisation	1,464.92	992.19
Interest income	(53,134.97)	(52,314.16)
Finance cost	766.47	956.71
Impairment on financial instruments	(106.98)	(3,053.84)
Loss on Fair Value of Investments	164.09	-
Bad Debts & Written off	476.40	7,430.90
Profit on sale of property, plant and equipment	-	(557.55)
Operating profit before working capital changes	(10,398.21)	(11,472.36)
Adjustment for Changes in Working Capital:		
(Increase) / decrease in loans	6,392.45	(23,273.29)
(Increase) / decrease in other bank balances	(100.00)	(80.22)
(Increase) / Decrease in inventories	259.78	(329.20)
(Increase) / Decrease in financial assets	(3,199.34)	-
(Increase) / Decrease in other non financial assets	(500.70)	(138.14)
Increase / (Decrease) in financial liabilities	124.77	124.27
Increase / (Decrease) in provisions	(2.30)	-
Increase / (Decrease) in other non financial liabilities	-	-
Cash generated from operations	(7,423.55)	(35,168.94)
Interest income received	53,134.97	52,314.16
Finance cost paid	(766.47)	(956.71)
Income tax paid (net)	(8,425.50)	(8,392.97)
Net cash generated from operating activities (A)	36,519.46	7,795.54
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,961.22)	(3,819.84)
Proceeds from sale of property, plant and equipment	-	641.00
Purchase of Investment	(35,730.78)	(2,470.10)
Net cash used in investing activities (B)	(42,691.99)	(5,648.94)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-	(3,198.87)
Borrowings other than debt securities	10,930.76	2,869.68
Net cash generated from financing activities (C)	10,930.76	(329.19)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	4,758.23	1,817.42
Cash and cash equivalent at the beginning of the year	4,551.86	2,734.44
Cash and cash equivalent at the end of the year	9,310.08	4,551.86

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.

**In terms of our report of even
date attached**

**For Paresh Thothawala & Co.
Chartered Accountants**

Firm Registration No: 114777W (S.N.PARIKH)
Company Secretary

**Paresh K Thothawala
Partner (N.K.PATEL)**
Membership No. 048435 Chief Financial
Officer

UDIN: 23048435BGSRRRC6582

**Date: 17-05-2023
Place: Ahmedabad**

**For and on behalf of board of Directors of
Nalin Lease Finance Limited**

D.N.Gandhi Managing Director(Din: 00339595)
H.D.Gandhi – Whole time Director(Din: 03120638)
P.D.Gandhi – Whole time Director (Din: 00339639)

**Date: 17-05-2023
Place: Himantnagar**



NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2023

Notes to Financial Statements For the Year Ended on March 31, 2023

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 17 May 2023, 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.

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.

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 financial statement of the company are prepared and presented as per Schedule III (Division III) of the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"), as notified by the MCA. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties



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]

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. 26.

Estimation of Expected Credit Loss

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

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.

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.

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 value 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

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. 27.

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.



3.18 : Segments:

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, in India. All other activities of the Company revolve around the main business. This in the context of Ind AS 108 – Operating Segments reporting is considered to constitute one reportable segment.

3.19 : Recent pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no significant impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no significant impact on its standalone financial statement.



Note 4: Cash and cash equivalents

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
Cash on hand	855.48	1,126.41
Balance with banks in current accounts	8,454.61	3,425.45
	9,310.08	4,551.86

Note 5: Bank balance other than note 4 above

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
<u>Fixed deposits with bank*</u>		
Maturing after period of three months	100.00	-
<u>Balance in other escrow accounts</u>		
Unpaid (Unclaimed) Dividend Account	80.22	80.22
	180.22	80.22

*Fixed deposits under lien with bank amounted to Rs.1.00 lakhs and kept as collateral security against over draft facility amounted to Rs.0.90 lakhs.

Note 6: Investments

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
Investments in Mutual Funds- Fair Value through P&L	3,065.41	-
Investments in Debt Securities- Fair Value through P&L	9,885.68	-
Investments in Debt Securities- At amortised cost	29,852.53	8,150.00
P2P Investments- At amortised cost	-	2,000.00
Investments in Equity instruments- Fair Value through P&L	2,913.07	-
	45,716.68	10,150.00
<u>i) Investments outside India</u>	-	-
<u>ii) Investments in India</u>	45,716.68	10,150.00
	45,716.68	10,150.00
	45,716.68	10,150.00



Note 7: Loans

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
	At amortised cost	At amortised cost
A) Secured		
i) Vehicle Loan	89,706.63	78,653.91
ii) Gold Loan	1,30,423.25	1,40,072.90
Total (A) Gross	2,20,129.89	2,18,726.81
Less: Impairment loss allowance	2,299.29	9,440.31
Total (A) - Net	2,17,830.60	2,09,286.51
B) Unsecured		
i) Business Loan	7,260.55	22,486.98
Total (B) Gross	7,260.55	22,486.98
Less: Impairment loss allowance	140.68	61.14
Total (B) - Net	7,119.87	22,425.84
Total (A+B) - Net	2,24,950.48	2,31,712.34
C) Out of above		
I) Loans in India		
i) Public sectors	-	-
ii) Others	2,27,390.44	2,41,213.79
II) Loans outside India	-	-
Total (C) Gross	2,27,390.44	2,41,213.79
Less: Impairment loss allowance	2,439.96	9,501.44
Total (C) - Net	2,24,950.48	2,31,712.34
	2,24,950.48	2,31,712.34

Category of Loans (Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
	At amortised cost	At amortised cost
A) Loans repayable on demand		
i) Gold Loan	1,30,423.25	1,32,898.43
ii) Business Loan	7,260.55	22,482.04
Total (A) Gross	1,37,683.81	1,55,380.47
Less: Impairment loss allowance	1,940.96	1,874.54
Total (A) - Net	1,35,742.85	1,53,505.93
B) Term Loans		
i) Vehicle Loan	89,706.63	78,402.42
Total (B) Gross	89,706.63	78,402.42
Less: Impairment loss allowance	499.01	196.01
Total (B) - Net	89,207.63	78,206.41
Total (A+B) - Net	2,24,950.48	2,31,712.34
	2,24,950.48	2,31,712.34



Note 8: Other Financial assets

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
Security Deposits	19.02	19.02
Interest accrued on fixed deposits with banks and investment in debt securities	32.25	-
Advances to dealer	3,000.00	-
Other Finance Assets	167.09	-
	3,218.35	19.02

Note 9: Inventories

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
Sp. Adhesive Stamp	672.00	949.08
Stationery Stock	17.30	-
	689.30	949.08

Note 10: Deferred Tax Assets (Net)

(Rs. In Thousands)

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

Particulars	As at	
	31/03/2023	31/03/2022
Profit before tax	39,971.86	35,073.39
At corporate tax rate of 25.168%	10,060.12	8,827.27
Impact of taxes of earlier years	49.03	73.41
Fairvalue of Investment	41.30	-
Temporary Difference on Merger Exp	(66.84)	-
Depreciation and amortisation	188.93	-
Others	(226.27)	167.87
Tax expenses	10,046.27	9,068.55
Effective tax rate	25.13%	25.86%

Deferred tax assets (net) recorded in Balance Sheet

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
Deferred tax to the following:		
Deferred tax assets		
Disallowance u/s 37 of the Income Tax Act, 1961	(66.84)	(66.84)
Fairvalue of Investment	41.30	-
Depreciation and amortisation	188.93	296.58
Gross deferred tax assets (a)	163.39	229.74
Deferred tax liabilities		
Other temporary differences	-	-
Gross deferred tax liabilities (b)	-	-
Deferred tax assets/(liabilities), net (a-b)	163.39	229.74
	163.39	229.74



Changes in deferred tax assets recorded in profit or loss

Particulars	(Rs. In Thousands)	
	Year ended	
	31/03/2023	31/03/2022
Deferred tax relates to the following:		
Disallowance u/s 37 of the Income Tax Act, 1961	-	284.90
Fairvalue of Investment	(41.30)	-
Impairment on financial instruments	-	67.19
Financial instruments measured at EIR	-	2.71
Depreciation and amortisation	107.65	113.02
Other temporary differences	-	(110.74)
	66.35	357.08

Note 12: Other Non-financial Assets

Particulars	(Rs. In Thousands)	
	As at	
	31/03/2023	31/03/2022
Balances with Government Authorities	422.08	220.06
Prepaid Expenses	410.12	131.02
Other Receivables	37.87	18.28
	870.07	369.37

Note 13: Borrowings (Other than debt securities)

Particulars	(Rs. In Thousands)	
	As at	
	31/03/2023	31/03/2022
	At amortised cost	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)	-	260.30
Over Draft* (Secured by Fixed Deposit)	72.91	-
ii) from financial institutions		
Vehicle Term Loan* (Secured by Vehicle)	4,955.70	-
Over Draft* (Secured by Director's Mutual Funds)	8,043.94	4,231.49
ii) from related party		
Loan from Directors and Relatives (Unsecured)	2,350.00	-
Total (A)	15,422.55	4,491.79
Borrowings in India	15,422.55	4,491.79
Borrowings outside India	-	-
Total (B)	15,422.55	4,491.79
	15,422.55	4,491.79

* **Note:** Cash credit / short term loans from Bank of Baroda 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. Dilipkumar Nalinkant Gandhi, Mr. Harsh Dilipkumar Gandhi and Mrs. Pallaviben Dilipkumar Gandhi. The Cash credit facility has been withdrawn in F.Y. 2022-2023. Over draft facility from Bank of Baroda is secured by fixed deposits.



* **Note:** Vehicle Term loan from BMW Financial Services Pvt Ltd is secured by hypothecation of vehicle as collateral security. Co-borrower of the vehicle term loan is Mr. Harsh Dilipkumar Gandhi (director). The duration of Loan is 36 Months. Over draft facility from financial institutions (Bajaj Finance Ltd and Aditya Birla Finance Ltd) are secured by Mutual funds of Mr. Dilipkumar Nalinkant Gandhi and Mr. Harsh Dilipkumar Gandhi (Director of the company).

The Company has not defaulted in repayment of principal and interest to its lenders.

Loans repayable on demand (Cash credit from banks)

Terms of repayment

(Rs. In Thousands)

Particulars	Rate of Interest	As at	
		31/03/2023	31/03/2022
Secured by hypothecation of specific assets covered under hypothecation loan agreements	9.40 % to 11.35%	-	260.30

a) Term Loans (Vehicle Loan facility from financial institutions)

Terms of repayment

(Rs. In Thousands)

Particulars	Rate of Interest	As at	
		31/03/2023	31/03/2022
Secured by hypothecation of Motor vehicle with repayable in 36 monthly Installment.	10.75%	4,955.70	-

b) Loans repayable on demand (Over Draft Facility from financial institutions)

Terms of repayment

(Rs. In Thousands)

Particulars	Rate of Interest	As at	
		31/03/2023	31/03/2022
Secured by director's mutual funds	8.50 % to 9.00%	8,043.94	4,231.49

c) Unsecured Loans repayable on demand (Loan from Directors and Relatives)

Terms of repayment

(Rs. In Thousands)

Particulars	Rate of Interest	As at	
		31/03/2023	31/03/2022
Unsecured Loan from directors	12.00%	2,350.00	-

Note 14: Other Financial Liabilities

(Rs. In Thousands)

Particulars	As at	
	31/03/2023	31/03/2022
Unclaimed Dividend	80.22	80.22
Auction Surplus Refundable	650.92	559.29
Payable for Expenses	244.32	242.10
Other Financial Liabilities	30.92	-
	1,006.38	881.61

**Note 15: Provisions****(Rs. In Thousands)**

Particulars	As at	
	31/03/2023	31/03/2022
Other Provisions	28.70	31.00
	28.70	31.00

Note 16: Equity Share Capital16.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period**(Rs. In Thousands)**

Particulars	As at	
	31/03/2023	31/03/2022
<u>Authorised Capital</u> 93,50,000 Equity shares of 10/-each	93,500.00	93,500.00
Issued & Subscribed and Paid up 65,58,180 Equity shares of 10/-each	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 of Rs. 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

(Rs. In Thousands)

Particulars	In Numbers	Amount
As at 01 April, 2022	65,58,180	65,581.80
Share issued during the year	-	-
As at 31 March, 2023	65,58,180	65,581.80

Particulars	In Numbers	Amount
As at 01 April, 2021	65,58,180	65,581.80
Share issued during the year	-	-
As at 31 March, 2022	65,58,180	65,581.80

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

Particulars	31/03/2023	31/03/2022
	No. of Shares held	
Dilipkumar Nalinkant Gandhi	28,40,970	28,40,970
Pallaviben Dilipkumar Gandhi	5,62,057	5,62,057
Harsh Dilipkumar Gandhi	9,72,632	9,72,632
	% holding in the class	
Dilipkumar Nalinkant Gandhi	43.32%	43.32%
Pallaviben Dilipkumar Gandhi	8.57%	8.57%
Harsh Dilipkumar Gandhi	14.83%	14.83%

16.5 Details of shareholding of Promoters

Equity Shares held by promoters at the end of the 31.03.2023				% change during the year
Sr No.	Promoter Name	No. of Share	% of total shares	
1	Dilipkumar Nalinkant Gandhi	28,40,970	43.32%	0.00%
2	Harsh Dilipkumar Gandhi	9,72,632	14.83%	0.00%
3	Pallaviben Dilipkumar Gandhi	5,62,057	8.57%	0.00%
4	Manali Harshkumar Gandhi	1,73,542	2.65%	0.00%
5	Falguniben Krishnakant Shah	24,500	0.37%	0.00%
6	Dilipkumar Nalinkant Gandhi HUF	56,560	0.86%	0.45%
7	Harsh Dilipkumar Gandhi HUF	28,476	0.43%	0.22%

Equity Shares held by promoters at the end of the 31.03.2022				% change during the year
Sr No.	Promoter Name	No. of Share	% of total shares	
1	Dilipkumar Nalinkant Gandhi	28,40,970	43.32%	0.40%
2	Harsh Dilipkumar Gandhi	9,72,632	14.83%	13.60%
3	Pallaviben Dilipkumar Gandhi	5,62,057	8.57%	0.00%
4	Manali Harshkumar Gandhi	1,73,542	2.65%	0.00%
5	Falguniben Krishnakant Shah	24,500	0.37%	0.00%
6	Dilipkumar Nalinkant Gandhi HUF	27,000	0.41%	0.00%
7	Harsh Dilipkumar Gandhi HUF	14,098	0.21%	0.21%

**Note 17: Other Equity****(Rs. In Thousands)**

Particulars	As at	
	31/03/2023	31/03/2022
(A) SECURITIES PREMIUM	20,798.90	20,798.90
TOTAL (A)	20,798.90	20,798.90
(B) GENERAL RESERVE		
Opening Balance	85,641.98	78,141.98
Add: Profit transferred from Profit & Loss for the year	7,500.00	7,500.00
TOTAL (B)	93,141.98	85,641.98
(C) STATUTORY RESERVE (U/S 45 IC of RBI ACT)		
Opening Balance	36,329.16	31,128.19
Add: Profit transferred from Profit & Loss for the year	5,985.12	5,200.97
TOTAL (C)	42,314.28	36,329.16
(D) RETAINED EARNINGS		
Opening Balance	38,558.70	28,533.92
Add: Profit for the year	29,925.59	26,004.84
Less: Transfer to General Reserve	7,500.00	7,500.00
Less: Transfer to Compulsory Reserve	5,985.12	5,200.97
Less: Transfer to Dividend	-	3,279.09
TOTAL (D)	54,999.17	38,558.70
TOTAL (A+B+C+D)	2,11,254.33	1,81,328.74

17.1 Nature and purpose of reserve**Securities Premium**

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

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

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

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 11: Property, Plant & Equipments and Capital work-in- progress For the financial year 2022-23

(Rs. In Thousands)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1 April 2022	Additions	Disposals	Balance as at 31 March 2023	Balance as at 1 April 2022	Depreciation charge for the year	Adjustments	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Property, Plant & Equipments										
Air Conditioner	874.52	-	-	874.52	620.32	78.77	(0.00)	699.09	175.42	254.20
Furniture & Fixtures	2,155.84	-	-	2,155.84	1,606.01	159.43	(0.00)	1,765.44	390.40	549.83
Office Equipment	3,105.43	67.06	-	3,172.49	2,764.10	146.86	(0.00)	2,910.96	261.53	341.34
Computers*	1,960.94	61.93	-	2,022.87	1,579.68	233.89	0.00	1,813.57	209.30	381.26
Vehicles	3,679.05	5,905.48	-	9,584.53	36.41	845.97	-	882.37	8,702.16	3,642.64
Grand Total	11,775.78	6,034.48	-	17,810.26	6,606.52	1,464.92	(0.00)	8,071.44	9,738.81	5,169.26
Capital work-in-progress	-	926.74	-	926.74	-	-	-	-	926.74	-

* Includes Server and networking

10.1 Capital work-in-progress (CWIP) aging schedule as at March 31, 2023

(Rs. In Thousands)

Particulars	< 1 year	1-2 years	2-3 years	> 3 years	Total
Solar Power System	926.74	-	-	-	926.74
Projects temporarily suspended	-	-	-	-	-

10.2 Capital work-in-progress (CWIP) completion schedule as at March 31, 2023

(Rs. In Thousands)

Particulars	< 1 year	1-2 years	2-3 years	> 3 years	Total
Solar Power System	926.74	-	-	-	926.74
Projects temporarily suspended	-	-	-	-	-



For the financial year 2021-22

(Rs. In Thousands)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 1 April 2021	Depreciation charge for the year	Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Property, Plant & Equipments										
Air Conditioner	798.55	75.97	-	874.52	542.88	77.44	0.00	620.32	254.20	255.67
Furniture & Fixtures	2,155.84	-	-	2,155.84	1,440.82	165.20	0.00	1,606.01	549.83	715.03
Office Equipment	3,061.60	43.84	-	3,105.43	2,421.27	342.83	0.00	2,764.10	341.34	640.33
Computers*	1,939.96	20.98	-	1,960.94	1,325.19	254.49	(0.00)	1,579.68	381.26	614.77
Vehicles	1,669.11	3,679.05	1,669.11	3,679.05	1,469.83	152.23	1,585.65	36.41	3,642.64	199.27
Grand Total	9,625.05	3,819.84	1,669.11	11,775.78	7,199.99	992.19	1,585.66	6,606.52	5,169.26	2,425.06

* Includes Server and networking



Note 18: Revenue from Operations

(Rs. In Thousands)

Particulars	Year ended	
	31/03/2023	31/03/2022
Finance Activity:		
Interest Income		
Interest Income on Vehicle Loan	24,347.92	23,293.61
Interest Income on Gold Loan	25,743.37	26,104.67
Interest received on Business & Other Loans	3,043.68	2,915.88
	53,134.97	52,314.16

Note 19: Other revenue from operations

(Rs. In Thousands)

Particulars	Year ended	
	31/03/2023	31/03/2022
Miscellaneous Charges and receipts	679.89	535.17
Late Fees Charges	2,150.61	1,488.36
Bad Debt recovered	1,829.85	1,620.81
	4,660.35	3,644.34

Note 20: Other Income

(Rs. In Thousands)

Particulars	Year ended	
	31/03/2023	31/03/2022
Other Interest income	1,829.84	143.75
Income from Dividend	3.60	-
Profit on sale of PPE	-	557.55
Profit on sale of Mutual Funds	-	116.84
Net gain on financial instruments at fair value through profit or loss - investments	(164.09)	-
	1,669.35	818.14

Note 21: Finance Cost

(Rs. In Thousands)

Particulars	Year ended	
	31/03/2023	31/03/2022
On financial liabilities measured at amortised cost		
Bank Interest & Charges	135.87	230.46
Other Interest Cost	600.01	721.53
Loan Processing Charges	30.59	4.72
	766.47	956.71

Note 22: Impairment on Financial Instruments

(Rs. In Thousands)

Particulars	Year ended	
	31/03/2023	31/03/2022
On financial instruments measured at amortised cost:		
Bad Debts & Written off	476.40	7,430.90
Loan assets	(106.98)	(3,053.84)
	369.42	4,377.06

**Note 23: Employee Benefit Expense****(Rs. In Thousands)**

Particulars	Year ended	
	31/03/2023	31/03/2022
Salary & Conveyance	2,831.50	2,645.50
Staff Welfare Expense	63.64	86.62
Director Remuneration	5,490.00	5,130.00
	8,385.14	7,862.12

Note 24: Other Expenses**(Rs. In Thousands)**

Particulars	Year ended	
	31/03/2023	31/03/2022
Advertisement & Marketing Expense	493.16	398.47
Payment to auditors (Refer note below)	230.00	230.00
CIBIL Charges	136.90	157.80
Cash Back to Customer (against advance interest payment)	52.63	50.90
Computer & Software Expense	47.25	54.60
Demate Charges & Stock Exchange Listing Fee	455.93	510.96
Electricity Expense	375.34	301.85
GST Expense	441.16	420.06
Insurance Expense	1,158.59	341.82
Kasar & Round off	1.51	7.98
Legal & Professional Fees	229.40	244.70
Loss on sale of Gold auction	465.22	687.83
Loss on sale of Mutual Funds	31.41	-
Membership & Subscription Expense	11.80	11.80
Office & General Expense	56.74	63.89
Professional Tax	90.55	1.07
Postage & Courier Expense	360.02	559.13
Rent Expense	2,619.98	2,619.98
Repairs & Annual Maintenance Expense	148.36	99.29
Sp Adhesive Stamp Expense	577.98	117.30
Stationery & Printing Expense	178.23	214.40
Telephone Expense	141.87	159.77
Vehicle & Travelling Expense	190.83	261.58
Website Maintenance Expense	12.00	-
	8,506.87	7,515.18

Payment to Auditor**(Rs. In Thousands)**

Particulars	Year ended	
	31/03/2023	31/03/2022
Statutory Audit	70.00	70.00
Tax Audit	40.00	40.00
Limited Review	40.00	40.00
Other Services	80.00	80.00
	230.00	230.00

Note 25: Earning per Share**(Rs. In Thousands)**

Particulars	Year ended	
	31/03/2023	31/03/2022
i: Net Profit for the year	29,925.59	26,004.84
ii: Basic No of Equity Share	65,58,180	65,58,180
iii: Basic & Diluted Earnings per Share	4.56	3.97
iv: Face Value per Equity Share	10	10



Note 26 : 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.

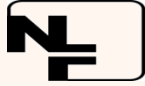
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The risk management committee 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:

(Rs. In Thousands)

Particulars	Gross Carrying Amount	
	31/03/2023	31/03/2022
Vehicle Loan	89,706.63	78,653.91
Gold Loan	1,30,423.25	1,40,072.90
Business Loan	7,260.55	22,486.98
	2,27,390.44	2,41,213.79

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	Sub-Standard	10.00%	
Stage-3	Doubtful	20.00%	180+ days
	Loss	100.00%	

Movement of ECL

(Rs. In Thousands)

Particulars	31/03/2023	31/03/2022
Opening Provision of ECL	9,501.44	5,124.38
Addition during the year	-	4,377.06
Utilization / Reversal during the year	7,061.48	-
Closing provision for ECL	2,439.96	9,501.44

ECL sensitivity to future economic conditions

(Rs. In Thousands)

Particulars	31/03/2023	31/03/2022
Gross carrying amount of loans	2,27,390.44	2,41,213.79
Reported ECL	2,439.96	9,501.44
Reported ECL coverage	1.07%	3.94%



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 Over draft limit available to the company is Rs. 1.01 crore. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

1- 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 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 27 : Other disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”:

a) Category-wise classification for applicable financial assets and financial liabilities:

(Rs. In Thousands)

Particulars	Amortised Cost	Fair Value through OCI	Fair Value through P&L
As at March 31, 2023			
Financial Assets			
Cash and Cash Equivalents	9,310.08	-	-
Bank Balance other than Cash and Cash Equivalents	180.22	-	-
Equivalents Investments	29,852.53	-	15,864.16
Loans	2,24,950.48	-	-
Other Financial Assets	3,218.35	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	15,422.55	-	-
Other financial Liabilities	1,006.38	-	-
As at March 31, 2022			
Financial Assets			
Cash and Cash Equivalents	4,551.86	-	-
Bank Balance other than Cash and Cash Equivalents	80.22	-	-
Investments	10,150.00	-	-
Loans	2,31,712.34	-	-
Other Financial Assets	19.02	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	4,491.79	-	-
Other financial Liabilities	881.61	-	-

b) Fair value of financial assets and financial liabilities:

(Rs. In Thousands)

Particulars	31/03/2023		31/03/2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents (at amortised cost)	9,310.08	9,310.08	4,551.86	4,551.86
Bank Balance other than Cash & Cash Equivalents	180.22	180.22	80.22	80.22
Equivalents (at amortised cost)				
Investments (at fair value through P&L)	16,028.25	15,864.16	-	-
Investments (at amortised cost)	29,852.53	29,852.53	10,150.00	10,150.00
Loans* (at amortised cost)	2,24,950.48	2,24,950.48	2,31,712.34	2,31,712.34
Other Financial Assets (at amortised cost)	3,218.35	3,218.35	19.02	19.02
	2,83,539.91	2,83,375.82	2,46,513.44	2,46,513.44
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	15,422.55	15,422.55	4,491.79	4,491.79
Other financial Liabilities (at amortised cost)	1,006.38	1,006.38	881.61	881.61
	16,428.93	16,428.93	5,373.40	5,373.40

Note: Carrying amounts of cash and cash equivalents, borrowings and other financial liabilities as at March 31, 2023 and March 31, 2022 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:

(Rs. In Thousands)

Particulars	Fair Value			
	Level 1	Level 2	Level 3	Total
As at March 31, 2023				
Financial Assets				
Loans (at amortised cost)	-	-	2,24,950.48	2,24,950.48
Investments (at amortised cost)	-	-	29,852.53	29,852.53
Investments (at fair value through P&L)	15,864.16	-	-	15,864.16
Other Financial Assets (at amortised cost)	-	-	3,218.35	3,218.35
	15,864.16	-	2,58,021.36	2,73,885.51
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	-	-	15,422.55	15,422.55
Other financial Liabilities (at amortised cost)	-	-	1,006.38	1,006.38
	-	-	16,428.93	16,428.93
As at March 31, 2022				
Financial Assets				
Loans (at amortised cost)	-	-	2,31,712.34	2,31,712.34
Investments (at amortised cost)	-	-	10,150.00	10,150.00
Other Financial Assets (at amortised cost)	-	-	19.02	19.02
	-	-	2,41,881.36	2,41,881.36
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	-	-	4,491.79	4,491.79
Other financial Liabilities (at amortised cost)	-	-	881.61	881.61
	-	-	5,373.40	5,373.40

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:

(Rs. In Thousands)

(As at March 31, 2023)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	9,310.08	-	9,310.08
Bank Balance other than Cash & Cash Equivalents	180.22	-	180.22
Investments	12,390.48	33,326.20	45,716.68
Loans	1,76,079.34	48,871.14	2,24,950.48
Other Financial Assets	3,218.35	-	3,218.35
Non Financial Assets			
Inventories	689.30	-	689.30
Current Tax Assets (Net)	7,460.52	-	7,460.52
Deferred Tax Assets (Net)	-	163.39	163.39
Property, Plant & Equipments	-	9,738.81	9,738.81
Capital Work-in-progress	926.74	-	926.74
Other Non Financial Assets	870.07	-	870.07
Total	2,11,125.10	92,099.54	3,03,224.65
Financial Liabilities			
Borrowings (Other than debt securities)	11,104.87	4,317.68	15,422.55
Other financial Liabilities	1,006.38	-	1,006.38
Non Financial Liabilities			
Current Tax Liabilities (net)	9,930.89	-	9,930.89
Provisions	28.70	-	28.70
Total	22,070.84	4,317.68	26,388.52

(Rs. In Thousands)

(As at March 31, 2022)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	4,551.86	-	4,551.86
Bank Balance other than Cash & Cash Equivalents	80.22	-	80.22
Investments	10,150.00	-	10,150.00
Loans	1,90,667.07	41,045.28	2,31,712.34
Other Financial Assets	19.02	-	19.02
Non Financial Assets			
Inventories	949.08	-	949.08
Current Tax Assets (Net)	7,722.11	-	7,722.11
Deferred Tax Assets (Net)	-	229.74	229.74
Property, Plant & Equipments	-	5,169.26	5,169.26
Other Non Financial Assets	369.37	-	369.37
Total	2,14,508.72	46,444.28	2,60,953.00
Financial Liabilities			
Borrowings (Other than debt securities)	4,491.79	-	4,491.79
Other financial Liabilities	881.61	-	881.61
Non Financial Liabilities			
Current Tax Liabilities (net)	8,638.06	-	8,638.06
Provisions	31.00	-	31.00
Total	14,042.46	-	14,042.46



Note 28 : Loss Allowances (Provisions) as required under Ind AS 109:

(Rs. 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 provision and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	2,22,865.58	1,558.72	2,21,306.86	1,558.72	-
Non-Performing Assets						
Sub Standard	Stage 3	4,048.46	404.85	3,643.61	404.85	-
Doubtful Assets	Stage 3	-	-	-	-	-
Loss Assets	Stage 3	476.40	476.40	-	476.40	-
Total	Stage 1	2,22,865.58	1,558.72	2,21,306.86	1,558.72	-
	Stage 3	4,524.86	881.24	3,643.61	881.24	-
	Total	2,27,390.44	2,439.96	2,24,950.48	2,439.96	-

Note 29: Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012

(Rs. In Thousands)

Particulars	31/03/2023	31/03/2022
Gold Loans granted against collateral of gold jewellery (principal portion)	1,25,898.23	1,29,995.89
Total assets of the Company	3,03,224.65	2,60,953.00
Percentage of Gold Loans to Total Assets	41.52%	49.82%

Note 30: Disclosure required as per Reserve Bank of India for Special Mention Accounts (SMA) with the three sub-categories as given in the table below:

(Rs. In Thousands)

SMA Sub-Categories	Basis of Classification	31/03/2023	31/03/2022
SMA-0	Principal or interest not overdue for more than 30 days but account showing signs of incipient stress	21,834.49	38,473.64
SMA-1	Principal or interest payment overdue between 31-60 days	11,399.48	13,310.06
SMA-2	Principal or interest payment overdue between 61-180 days	7,182.15	11,241.88

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 0.10 as at March 31, 2023 (as at March 31, 2022 is 0.06)

Note 32: 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 33: 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	(Rs. In Thousands)	
	31/03/2023	31/03/2022
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 MSMED Act, 2006.	-	-

Note 34: Contingent liabilities and commitments:

Particulars	(Rs. In Thousands)	
	31/03/2023	31/03/2022
Contingent Liabilities	-	-

Note 35: Expenditure in foreign currency & unhedged exposure:

Particulars	(Rs. In Thousands)	
	31/03/2023	31/03/2022
Foreign Currency Expenditure	-	-
Unhedged Foreign Currency Exposure	-	-

Note 36: Contribution to political parties during the year 2022-23 is Rs. NIL

Note 37: There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2023

Note 38: 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, 2023

(Rs. In Thousands)

Nature of Transaction with Related Parties (Excluding Reimbursement)	2022-23		2021-22	
	Transaction Value	Outstanding amount carried in the Balance Sheet	Transaction Value	Outstanding amount carried in the Balance Sheet
<u>Mr. Dilipkumar Nalinkant Gandhi</u>				
Director remuneration	2,110.00		1,990.00	
Rent	2,619.98		2,619.98	
Interest	7.50		548.61	
Loan taken	2,305.00	-	22,750.00	-
Loan repaid	2,312.50		23,298.61	
<u>Mrs. Pallaviben Dilipkumar Gandhi</u>				
Director remuneration	1,750.00	-	1,630.00	-
Interest	61.93		-	
Loan taken	33,400.00	750.00	-	-
Loan repaid	32,711.93		-	
<u>Mr. Harsh Dilipkumar Gandhi</u>				
Director remuneration	1,630.00		1,510.00	
Interest	61.05		75.39	
Loan taken	12,150.00	1,600.00	8,500.00	-
Loan repaid	10,611.05		8,575.39	

Note 39: Events after the reporting period:

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

Note 40: 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 41: The Company does not hold any immovable property as on 31 March 2023 and 31 March 2022. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

Note 42: No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2023 and 31 March 2022.

Note 43: The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2023 and 31 March 2022.

Note 44: The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and 31 March 2022.



Note 45: Analytical Ratios

Ratio	Numerator	Denominator	Current year	Previous year
Capital to risk-weighted assets ratio (CRAR) (times)	Tier 1 Capital + Tier 2 Capital	Risk weighted assets	1.24	1.34
Tier I CRAR (times)	Core Capital	Risk weighted assets	1.24	1.34
Tier II CRAR*	Supplementary Capital	Risk weighted assets	NA	NA
Liquidity Coverage Ratio (%)**	Stock of high quality liquid assets	Total net cash outflows over the next 30 calendar days	334.35%	272.03%

Tier-II CRAR* ratio is not applicable to the company because the company does not have supplementary capital.

Variance in Liquidity Coverage Ratio (%) ** is more than 25% due to reason that in the current year company has obtained additional overdraft facility from financial institution.

Note 46: The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

Note 47: The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date.

Note 48: There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2023 and 31 March 2022, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2023 and 31 March 2022.

Note 49: As a part of normal lending business, the company grants loans and advances on the basis of security / guarantee provided by the Borrower/ co- borrower. These transactions are conducted after exercising proper due diligence.

Note 50: The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2023 and 31 March 2022.

Note 51: Derivatives: There are no derivative instruments in the Company for the year ended 31 March 2023 and 31 March 2022.

Note 52: Registration of charges or satisfaction with Registrar of Companies (ROC): All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2023 and March 31, 2022. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

Note 53: Compliance with number of Layers of companies: The Company has not violated with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2023 and March 31, 2022.



Note 54: Miscellaneous

Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

Group structure: Not Applicable. The Company does not have any holding, subsidiary or associate company.

Net Profit or Loss for the period, prior period items and changes in accounting policies: The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.

Revenue Recognition: There have been no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

Consolidated Financial Statements (CFS): The Company does not have any subsidiary, associate or joint venture accordingly CFS is not applicable.

Note 55: There were no instances of fraud reported during the year ended 31 March 2023 and 31 March 2022.

Note 56: Figures of previous year have been reworked/regrouped/reclassified wherever necessary.

In terms of our report of even date attached

For Paresh Thothawala & Co.

Chartered Accountants

Firm Registration No: 114777W

Paresh K Thothawala

Partner

Membership No. 048435

UDIN: 23048435BGSRRC6582

Date: 17-05-2023

Place: Ahmedabad

For and on behalf of board of Directors of Nalin Lease Finance Limited

(S.N.PARIKH)

Company Secretary

(N.K.PATEL)

Chief Financial Officer

D.N.Gandhi Managing Director(Din: 00339595)

H.D.Gandhi – Whole time Director(Din: 03120638)

P.D.Gandhi – Whole time Director (Din: 00339639)

Date: 17-05-2023

Place: Himantnagar

NALIN LEASE FINANCE LIMITED

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