



## NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of **Nalin Lease Finance Limited** will be held on Wednesday, the 20th July, 2011 at 11.00 a.m. at "Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar. - 383 001, to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date together with the Reports of Board of Directors & Auditors thereon.
2. To appoint a director in place of Shri Narendrabhai D. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

### Registered Office

Ground floor,  
Gandhi Nursing Home Bldg.  
Dr. Nalinkant Gandhi Road,  
Himatnagar-383001.  
Dated: June 15<sup>th</sup> 2011

### By order of the Board of Directors

(N. D. Shah)  
Chairman

### Notes:-

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxies need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. All documents referred to in the accompanying notice are open for inspection at the registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.
3. Members are requested to send their quarries, if any, at least 10 days before the date of meeting so that the information can be made available at the meeting.
4. The Register of Members and the Share Transfer Books will remain closed from Monday, 18<sup>th</sup> July, 2011 to Wednesday, 20<sup>th</sup> July, 2011 (both days inclusive).

**AUDITORS AND AUDITORS REPORT**

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

**PERSONNEL**

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

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

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

**REGULATORY GUIDELINES**

There being no non-performing assets, no provision is made for the year. Company has fully complied with prudential norms prescribed by Reserve Bank of India. The Company has also complied with the Directions issued by Reserve Bank Of India regarding Capital Adequacy, Assets classification etc. During the year as required by NBFC prudential norms (Reserve Bank) directions, 2007 company has made a general provision @ 0.25% amounting to Rs. 2,01,600/- on outstanding standard assets.

**DIRECTORS RESPONSIBILITY STATEMENT**

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same,
2. That your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for that period,
3. That your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities,
4. That your directors have prepared the annual accounts on a going concern basis.



DIRECTORS' REPORT

To,  
The Members,  
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 20th Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS	(Rs. in Lacs)	
	2010-2011	2009-2010
Gross Profit (PBDT)	68.82	55.18
Less:-Depreciation	03.60	03.02
Profit Before Tax (PBT)	65.22	52.16
Less:-Provision for Taxation & FBT	20.75	16.37
Net Profit (PAT)	44.47	36.01
Add: Balance in Profit & Loss A/C.	03.86	00.27
Balance Available for Appropriation	48.33	36.06
<b>Appropriations:</b>		
Reserves	43.90	32.20
Balance carried to Balance Sheet	04.43	03.86

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

**DIVIDEND**

The Directors do not recommend dividend for the year 2010-2011 in view to accumulate funds for future requirement and also to strengthen the financial position of the company.

**DIRECTORS**

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

**FIXED DEPOSITS**

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

- Public Deposits held by the Company as on 31-03-2011 Rs. **362.25 Lacs.**
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2011 :- **NIL.**

## ANNEXURE TO DIRECTOR'S REPORT

### Report on Corporate Governance

#### A. MANDATORY REQUIREMENTS :

##### 1. COMPANY'S PHILOSOPHY ON CODE OF GEVERNANCE :

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

##### 2. BOARD OF DIRECTORS

###### (I) Composition:

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

Sr. No.	Name of the Director	Executive / Non - Executive
1	Narendrakumar Dalsukhdas Shah	Non-Executive (Chairman) Independent
2.	Dilipkumar Nalinkant Gandhi	Executive (Managing Director)
3.	Harsh Dilipkumar Gandhi	Executive (Whole time Director)
4.	Pallaviben Dilipkumar Gandhi	Executive (Executive Director)
5.	Navinchandra Chandulal Soni	Non- Executive (Independent Director)

###### (ii) MEETINGS OF BOARD

Five Board Meeting were held during the year ended 31.03.2011. These were held on 09.04.2010, 17.06.2010, 09.07.2010, 08.10.2010, 10.01.2011. The details of the attendance of each Director at the Board, last Annual General Meeting and various committees of the Board, during the financial year ended on 31<sup>st</sup> March, 2011, are given below:

Directors	No. of Board Meeting Attended During 2010-11	No. of Audit Committee Attended During 2010-11	No. of Shareholders' Investors Grievance Committee Attended During 2010-11	Last Annual General Meeting Attained 2010-11
Narendrakumar Dalsukh Shah	05	4	2	Yes
Dilipkumar Nalinkant Gandhi	05	4	2	Yes
Nipurnaben Nalinkant Gandhi*	02	—	—	Yes
Harsh Dilipkumar Gandhi**	03	—	—	Yes
Pallaviben Dilipkumar Gandhi	05	—	—	Yes
Mahendrakumar Prabhudas Shah***	02	—	—	Yes
Navinchandra Chandulal Soni****	03	03	02	Yes
Indravadan Chhotalal Shah*****	03	03	—	Yes



5. Corporate Governance

pursuant to clause 49 of the listing agreement with stock exchanges, a separate section titled “corporate governance” is attached to this annual report.

**ACKNOWLEDGEMENT**

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

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

For and on behalf of the Board of Directors

Place : **HIMMATNAGAR**  
DATED:- 15<sup>th</sup> June 2011.

**N.D.SHAH**  
CHAIRMAN



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

\* New appointed Independent Director dated 09-07-2010

\*\* He is Sad Demised.

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

#### 4. GRIEVANCE COMMITTEE

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

- (1) Dilipkumar Nalinkant Gandhi
- (2) Narendrakumar Dalsukhdas Shah
- (3) Navinchandra Chandulal Soni

The Grievance Committees functions include reviewing the Company's internal control system, audit procedures, compliances with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct, it also reviews the half yearly results and the annual financial statements before submission to the Board. The Grievance Committee effectively acts as a link among the Board of Directors. During the financial year ended 2011, the Grievance Committee meeting were held on 08.10.2010 & 09.01.2011.

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

\* New appointed Independent Director dated 09-07-2010

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

- \* She resigned on 09-07-2010 from her duties due to old age.  
 \*\* New appointed additional Director dated 09-07-2010.  
 \*\*\* He resigned from his duties due to old age.  
 \*\*\*\* New appointed Independent Director dated 09-07-2010.  
 \*\*\*\*\* He is Sad Demised.

### **(III) OTHER DIRECTORSHIPS**

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

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

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

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

Shri Navinchandra Chandulal Soni joined the Board of the Company since last many years. He looks after overall management of the company he normally sits at the registered office of the company.

### **3. AUDIT COMMITTEE**

The Audit Committee of the Board was formed on 25.10.2002 and it comprises of 3 (Three) non-executive Directors & 1 (One) executive Director However to comply the requirement of revised clause 49 of the listing agreement, the audit committee was reconstituted having 3 independent director out of 4 members in the audit committee w.e.f. 1.1.2006 the present audit committee is comprising of the following 4 directors

- (1) Dilipkumar Nalinkant Gandhi
- (2) Narendrakumar Dalsukhdas Shah
- (3) Navinchandra Chandulal Soni
- (4) Indravadan Chhotalal Shah

The audit Committees functions include reviewing the Company's internal control system, audit procedures, compliances with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct, it also reviews the half yearly results and the annual financial statements before submission to the Board. The Audit Committee effectively acts as a link among the Board of Directors, Statutory auditor and internal audit functions. During the financial year ended 2011, the audit committee meeting were held on 09.4.2010, 09.07.2010, 08.10.2010 & 10.01.2011.

## 6. GENERAL BODY MEETING

Financial Year	Date	Time	Venue
2006-2007 16 <sup>th</sup> AGM	30-7-2007	4.00 P. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2007-2008 17 <sup>th</sup> AGM	30-7-2008	4.00 P. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2008-2009 18 <sup>th</sup> AGM	29-7-2009	4.00 P. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2009-2010 19 <sup>th</sup> AGM	28-7-2010	11.00 A. M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.

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

## 7. DISCLOSURES:

(a) Disclosure on materially significant related party transactions:

Full disclosure of related party transactions as per accounting standard 18 issued by the Institute of Chartered Accountants of India are given under Note No. 16 of Notes forming part of accounts for the year ended on 31<sup>st</sup> March, 2011.

Equity Shares held by Director as on 31<sup>st</sup> March, 2011.

Sr. No.	Name of the Director	No. of Shares held
1	Dilipkumar Nalinkant Gandhi	2,43,368
2.	Pallaviben Dilipkumar Gandhi	1,80,000
3.	Harsh Dilipkumar Gandhi	0,30,500
4.	Narendrakumar Dalsukhdas Shah	0,02,500

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

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

## 8. MEANS OF COMMUNICATION

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



5. REMUNERATION OF DIRECTORS

A. Non Executive Directors

No remuneration paid to non executive directors.

B. Executive Directors

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

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

The remuneration paid to the directors for the year 2010-2011 is as follows:

Name	Salary	Perquisites	Commission	Total
Dilipkumar Nalinkant Gandhi	9,00,000	-	-	9,00,000
Nipurnaben Nalinkant Gandhi	1,30,667	-	-	1,30,667
Pallaviben Dilipkumar Gandhi	4,80,000	-	-	4,80,000
Harsh Dilipkumar Gandhi	4,00,000	-	-	4,00,000
<b>Total</b>	<b>19,10,667</b>	-	-	<b>19,10,667</b>

Number of Shares held by non executive directors are as under

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