



NALIN LEASE FINANCE LIMITED

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**16th
Annual Report**

2006-2007





NALIN LEASE FINANCE LIMITED

16 th ANNUAL GENERAL MEETING

Day : Monday
 Date : 30th July, 2007
 Time : 4-00 P.M.
 Venue : Ground Floor,
 Gandhi Nursing Home Bldg.,
 Dr. Nalinkant Gandhi Road,
 HIMATNAGAR - 383 001.

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NOTES :

1. All Correspondence relating to Shares of the Company may please be addressed to be Companys's Registered office.
2. Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
3. Members seeking further information about the Accounts and / or Operations of the Company, are requested to send their queries to the Company at its Registered Office atleast TEN days before the date of the Meeting.

BOARD OF DIRECTORS

Mr. Mahendrakumer P. Shah	<i>Chairman</i>
Mr. Dilipkumar Nalinkant Gandhi	<i>Managing Director</i>
Mrs. Nipurnaben Nalinkant Gandhi	<i>Director</i>
Mrs. Pallaviben Dilipkumar Gandhi	<i>Director</i>
Mr. Narendrakumar Dalsukhdas Shah	<i>Director</i>
Mr. Indravadan Chhotalal Shah	<i>Director</i>

COMPANY SECRETARY

Mrs. Swatiben Parikh
Company Secretary

AUDITORS

M/s. Deepak R. Soni & Co.
Chartered Accountants
 Himatnagar - 383 001.
 Phone : 247780

BANKERS

Bank Of India
 State Bank Of India
 Union Bank of India
 Himatnagar Nagrik Sahakari Bank Ltd.
 Dena Bank
 H.D.F.C. Bank Ltd., Himatnagar.

REGISTERED OFFICE

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



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NOTICE

Notice is hereby given that 16th Annual General Meeting of the Members of **Nalin Lease Finance Limited** will be held on Monday the 30th July, 2007 at 4.00 p.m. at the Ground Floor, Gandhi Nursing Home Bldg; Dr. Nalinkant Gandhi Road, Himatnagar – 383001 to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider, approve and to adopt the audited Balance Sheet as at 31st March, 2007, 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 Narendrakumar Dalsukhbhai Shah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution

Resolved that pursuant to provisions under section 198, 269, 309, 311, 314, Schedule XIII and other applicable provisions, if any under the Companies, Act, 1956, consent of the company be and is hereby accorded for the reappointment of Smt. Nipurnaben Nalinkant Gandhi as Whole time Director of the Company for a period of 5 (five) years with effect from 01st day of August, 2007 and payment of remuneration to her, upon various terms and conditions set out in Explanatory Statement for item No. 4 of the notice convening this Annual General Meeting."

Resolved further that Board of Directors be and is hereby authorized to increase, augment and / or enlarge the salary and perquisites payable to the Whole time Director of the Company including the monetary value thereof up to the maximum limit prescribed in the behalf under the Companies Act, 1956, Schedule XIII or any statutory modification or reenactment thereof from time to time in force and / or the guidelines for Managerial Remuneration issued from time to time and from the date to such, provisions and / or guidelines come into force.

5. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution



NALIN LEASE FINANCE LIMITED

Resolved that pursuant to provisions under section 198, 269, 309, 311, 314, Schedule XIII and other applicable provisions, if any under the Companies Act, 1956, consent of the company be and is hereby accorded for the re-appointment of Smt. Pallaviben Dilipkumar Gandhi as Executive Director of the Company for a period of 5 (five) years with effect from 01st day of August, 2007 and payment of remuneration to her, upon various terms and conditions set out in Explanatory Statement for item No. 5 of the notice convening this Annual General Meeting."

Resolved further that Board of Directors be and is hereby authorized to increase, augment and / or enlarge the salary and perquisites payable to the Executive Director of the Company including the monetary value thereof up to the maximum limit prescribed in the behalf under the Companies Act, 1956, Schedule XIII or any statutory modification or reenactment thereof from time to time in force and/or the guidelines for Managerial Remuneration issued from time to time and from the date to such, provisions and / or guidelines come into force.

6. To consider and if thought fit to pass with or without modification, the following resolution as ordinary resolution

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized, pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, to borrow money, from time to time, at its discretion either from the Company's bank or any other bank, financial institution or any other lending institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors up to a limit of Rs.100 Crores (Rupees One Hundred Crores only) in excess of aggregate of its paid up capital and free reserves subject to the approval of the Company in its Annual General Meeting by passing Ordinary Resolution."

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 4

The Board of Directors of the Company at its meeting held on 26th June, 2007 re-appointment Smt. Nipumaben Nalinkant Gandhi as wholetime Director subject to the approval of the Shareholders at General Meeting Smt. Nipurnaben Nalinkant Gandhi was looking after the general administration, personnel, staff welfare schemes and was also looking after the human resources for the company. It is desirable that the company should continue to avail her services as Whole time director of the Company on the following terms and conditions;



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1. The whole time Director shall, subject to supervision, control and directions of the Board of Directors and/ or Managing Director of the Company, manage the business and affairs of the Company.
2. Period of appointment 5 years commencing from 01.08.2007 to 31.07.2012
3. Remuneration payable Salary Rs. 25000 (Twenty Five Thousand only) per Month including all allowances in the scale of 25000-5000-50000.
4. Medical Reimbursement: Reimbursement of medical expenses incurred for Smt. Nipurnaben Nalinkant Gandhi and her family.
5. Leave Travel Concession: Leave Travel Concession for Smt. Nipurnaben Nalinkant Gandhi and her family once in a year in accordance with the Rules and Regulations specified by the Company.
6. Personal Accident Insurance and Hospitalisation/ Medi claim Insurance also premium not exceeding Rs. 10000/- per annum.
7. Club Fee : Remuneration of fees of club. This will not include admission and Life Membership Fees.
8. Car and telephone: Provision of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance call on telephone and use of car for private purpose shall be billed by the company to Smt. Nipurnaben Nalinkant Gandhi.
9. The remuneration and other perquisites as set out above are in accordance with and within limit prescribed under Schedule XIII of the Companies Act, 1956.

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

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

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

Company shall reimburse the Whole time Director traveling and all other expenses incurred by She for the business of the Company.

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



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

Further Shri Diliplumar Nalinkant Gandhi and Smt. Pallaviben Dilipkumar Gandhi both relatives of Smt. Nipurnaben Nalinkant Gandhi are deemed to be concerned or interested in the Resolution.

ITEM NO. 5

The Board of Directors of the Company at its meeting held on 26th June, 2007 re-appointment Smt. Pallaviben Dilipkumar Gandhi as Executive Director subject to the approval of the Shareholders at General Meeting Smt. Pallaviben Dilipkumar Gandhi was looking after the Accounts. It is desirable that the company should continue to avail her services as Executive Director of the Company on the following terms and conditions;

1. The Executive Director shall, subject to supervision, control and directions of the Board of Directors and/ or Managing Director of the Company, manage the business and affairs of the Company.
2. Period of appointment 5 years commencing from 01.08.2007 to 31.07.2012.
3. Remuneration payable Salary Rs. 25000 (Twenty Five Thousand only) per Month including all allowances in the scale of 25000-5000-50000.
4. Medical Reimbursement: Reimbursement of medical expenses incurred for Smt. Pallaviben Dilipkumar Gandhi and her family.
5. Leave Travel Concession: Leave Travel Concession for Smt. Pallaviben Dilipkumar Gandhi and her family once in a year in accordance with the Rules and Regulations specified by the Company.
6. Personal Accident Insurance and Hospitalisation/ Mediclaim Insurance also premium not exceeding Rs. 10000/- per annum.
7. Club Fee : Remuneration of fees of club. This will not include admission and Life Membership Fees.
8. Car and telephone: Provision of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance call on telephone and use of car for private purpose shall be billed by the company to Smt. Pallaviben Dilipkumar Gandhi.
9. The remuneration and other perquisites as set out above are in accordance with and within limit prescribed under Schedule XIII of the Companies Act, 1956.

Above may be treated as an abstract to notice pursuant to section 302 of the Companies Act, 1956. The Directors recommend the resolution as set out in Item No. 5 of the notice for approval of shareholders.



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

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

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

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

Smt. Pallaviben Dilipkumar Gandhi is deemed to be concerned or interested in the resolution set out at Item No. 5 of the notice as it pertains to her appointment and remuneration payable to her.

Further Shri Diliplumar Nalinkant Gandhi and Smt. Nipurnaben Nalinkant Gandhi both relatives of Smt. Pallaviben Dilipkumar Gandhi are deemed to be concerned or interested in the Resolution.

ITEM NO. 6

The Board of Directors of the Company at its meeting held on 26th June, 2007 increasing the borrowing powers up to the limit of Rs. 100 Crores subject to the approval of the Shareholders at General Meeting.

The additional funds may require for future expansion of the Company business and opening of the branch Offices in the various districts of the State of Gujarat.

None of the Directors of the Company are deemed to be concerned or interested in the Resolution.

Registered Office:

Ground floor,
Gandhi Nursing Home bldg.,
Dr. Nalinkant Gandhi Road,
Himatnagar-383001.
Dated: 27th June, 2007

By order of the Board of Directors

M. P. Shah
Chairman



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Notes :

1. A member entitle to attend and vote at the meeting is entitle to appoint a proxy to attend and vote instead of himself / herself and the proxy 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 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 queries, if any at least 10 days before the date of the 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 Friday 27th July, 2007 to Monday 30th July, 2007 (Both days inclusive).

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By order of the Board of Directors

Registered Office:

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

Dated: 27th June, 2007.

M. P. Shah
Chairman



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DIRECTORS' REPORT

To,
The Members,
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 16th Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

(Rs. in Lacs)

	2006-2007	2005-2006
Gross Profit (PBDT)	40.88	24.34
Less:-Depreciation	3.13	2.99
Profit Before Tax (PBT)	37.75	21.35
Less:-Provision for Taxation & FBT	14.44	11.00
Net Profit (PAT)	23.31	10.35
Add: Balance in Profit & Loss A/C.	3.46	3.18
Balance Available for Appropriation	26.77	13.53
Appropriations:		
Reserves	24.66	10.07
Balance carried to Balance Sheet	2.11	3.46

Your Directors have successfully maintained its advances portfolio in auto two wheelers in the area of its operation. Company is also making its serious efforts to enter into new areas in which company may enter in near future and company is also making its efforts to get loans from Bank.

DIVIDEND

The Directors regret their inability to recommend dividend for the year 2006-2007 in view to accumulate funds for future requirement and also to strengthen the financial position of the company.

DIRECTORS

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

FIXED DEPOSITS

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

- Public Deposits held by the Company as on 31-03-2007 Rs. **344.84 Lacs.**
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2007 :- **NIL.**

NALIN LEASE FINANCE LIMITED**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.

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 profit or loss of the company for that period,
3. That your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities,
4. That your directors have prepared the annual accounts on a going concern basis.

5. Corporate Governance

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