


NALIN LEASE FINANCE LIMITED

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For, **NALIN LEASE FINANCE LTD.**


Managing Director

18th
Annual Report

2008-2009



NALIN LEASE FINANCE LIMITED

18th ANNUAL GENERAL MEETING

Day : Wednesday
 Date : 29th July, 2009
 Time : 4-00 P.M.
 Venue : Ground Floor,
 Gandhi Nursing Home Bldg.,
 Dr. Nalinkant Gandhi Road,
 HIMATNAGAR - 383 001.

BOARD OF DIRECTORS

Mr. Narendrakumar Dalsukhdas 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. Mahendrakumer P. 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
 Bank of Baroda
 Axis Bank Ltd.
 State Bank of India
 Union Bank of India
 IDBI Bank.
 Dena Bank
 Himatnagar Nagrik Sahakari Bank Ltd.
 The S.K. Dist. Cen. Co-op. Bank Ltd.
 Modasa Nagarik Sahakari Bank Ltd.
 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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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.



18th ANNUAL REPORT 2008-2009

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of **Nalin Lease Finance Limited** will be held on Wednesday, the 29th July, 2009 at 4.00 p.m. at "Ground Floor, Gandhi Nursing Home Bldg., Dr. 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, 2009, 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 Indravadan C. 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:

By order of the Board of Directors

Ground floor,
Gandhi Nursing Home bldg.
Dr. Nalinkant Gandhi Road,
Himatnagar-383001.
Dated: June 24, 2009.

(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, 27th July. 2009 to Wednesday, 29th July, 2009. (both days inclusive).

NALIN LEASE FINANCE LIMITED**DIRECTORS' REPORT**

To,
The Members,
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 18th Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

(Rs. in Lacs)

	2008-2009	2007-2008
Gross Profit (PBDT)	49.14	45.94
Less:-Depreciation	2.88	3.16
Profit Before Tax (PBT)	46.26	42.78
Less:-Provision for Taxation & FBT	15.78	14.30
Net Profit (PAT)	30.48	28.48
Add: Balance in Profit & Loss A/C.	0.89	2.11
Balance Available for Appropriation	31.37	30.59
Appropriations:		
Reserves	31.20	29.70
Balance carried to Balance Sheet	0.27	0.89

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 regret their inability to recommend dividend for the year 2008-2009 in view to accumulate funds for future requirement and also to strengthen the financial position of the company.

DIRECTORS

Shri Indravadan C. 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 31-03-2009 Rs. **375.03 Lacs.**
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2009 :- **NIL.**



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 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.
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.

NALIN LEASE FINANCE LIMITED**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:- 24th June 2009.

N.D.SHAH

CHAIRMAN

**MANAGEMENT DISCUSSION AND ANALYSIS****NATURE OF BUSINESS AND DEVELOPMENT:**

Finance is one of the important tools for the development in bullish market or bearish market. It is must for economic growth. The Company is engaged in providing finance for vehicles mainly two wheelers in rural part of interior villages of Sabarkantha District.

DISCUSSION: FINANCIAL / OPERATIONAL PERFORMANCE:

For the year under report, your Company has made a net profit (PAT) of **Rs. 30.48** Lacs after providing for depreciation of **Rs. 2.88** Lacs despite of full proof competition in the market particularly from Private Bank and Nationalized Bank and Special Trust giving on the retail banking, due to efficient services and timely and speedy disbursement of vehicle finance and relations of the company from generation to generation in the whole of Sabarkantha District and as per the earlier year's commitment to expand the business activities in another districts and at the interior areas of the Banaskantha, Mehasana, Kheda, Patan, Ahmedabad and nearby Gandhinagar district, the Company had sustain and increased its income by **7.02 %**.

Your Company is committed to speedy and timely disbursement of loan and providing good services after finance to the customers. Due to this the company is expected to achieve a sizeable leaf in working of the company in the coming years.



INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The day to day operations of the Company are being looked after by the Managing Director, The Company has the following committees to over view the operations:

1. Audit Committee of Board of Director
2. Management Committee
3. Executive Committee

The Company has adequate internal control systems, procedures, checks designed to provide reasonable assurance on achievement of the objectives relating to efficiency and effectiveness of operations, reliability of financial reporting and compliance with applicable laws and regulations. The management committees and the executive committee monitor the operations and the progress of the project on a continuous basis and suggest the ways and means for strengthening the operations of the Company. The internal auditors have expressed their satisfaction on the overall internal control systems in force.

THREATS

The Company is having constant threats from Private Bank, Multination Banks National Banks, other Non Banking Finance Companies, Financial institutions, Due to this to stand in competition; the Company has to reduce their rate of finance. Due to this, the operating profit may go down.

RISKS AND CONCERNS

The Company is mainly dealing in two wheeler finance, in the current year the demand of the vehicle loans decrease due to increase in the rate of interest and increase in the fuel prices in the domestic market. As committed in the last year the Company is continuously trying their best to recover its dues by mutual dialogs and in last resort by fast and full recovery including seizers of vehicles to reduce the overall NPA of the Company.

HUMAN RESOURCES AND INDUSTRIAL RELATION:

The Company has its own system to control all divisions to ensure proper and adequate control, facility, transparency and accuracy. The employer employee relation ship has been cordial. The Company considers the quality of its human resources as its important asset and it endeavors to attract and recruit best possible talent and to retain and groom it to meet its needs.

NALIN LEASE FINANCE LIMITED**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.	Nipurnaben Nalinkant Gandhi	Executive (Wholtime Director)
4.	Pallalviben Dilipkumar Gandhi	Executive (Executive Director)
5.	Mahendrakumar Prabhulal Shah	Non-Executive Director
6.	Indravadan Chhotalal Shah	Non- Executive (Independent Director)

(ii) MEETINGS OF BOARD

Eight Board Meeting were held during the year ended 31.03.2009. these were held on 15.04.2008, 26.06.2008, 10.07.2008, 07.10.2008, 08.01.2009 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 31st March, 2009, are given below:

Directors	No. of Board Meeting Attended During 2008-09	No. of Audit Committee Attended During 2008-09	No. of Shareholders' Investors Grievance Committee Attended During 2008-09	Last Annual General Meeting Attained 2008-09
Narendrakumar Dalsukh Shah	05	4	4	Yes
Dilipkumar Nalinkant Gandhi	05	4	4	Yes
Nipurnaben Nalinkant Gandhi	05	—	—	Yes
Pallaviben Dilipkumar Gandhi	05	—	—	Yes
Mahendrakumar Prabhudas Shah	05	-	-	Yes
Indravadan Chhotalal Shah	05	4	4	Yes

**(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	Nipurnaben Nalinkant Gandhi	Three	Nil	Nil
4	Pallaviben Dilipkumar Gandhi	Four	Nil	Nil
5	Mahendrakumar Prabhudas Shah	Nil	Nil	One
6	Indravadan Chhotlal Shah	Nil	Nil	One

(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 Indravadan Chhotlal Shah 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 2 (Two) 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 2 independent director out of 3 members in the audit 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) Indravadan Chhotlal 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 2009, the audit committee meeting were held on 15.4.2008, 10.07.2008, 07.10.2008 & 08.01.2009.

NALIN LEASE FINANCE LIMITED

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

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) Indravadan Chhotalal Shah

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 2009, the Grievance Committee meeting were held on 15.4.2008, 10.07.2008, 07.10.2008 & 08.01.2009.

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

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