
NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of **Nalin Lease Finance Limited** will be held on Wednesday, the 28th July, 2010 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, 2010, 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.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:-
RESOLVED THAT Shri Navinchandra Chandulal Soni was appointed as an additional director of the company and holds office up to the date of this Annual General Meeting of the company, and eligible for appointment, and in respect of whom the company has received a notice in writing from the member under the provisions of section 257 of the Companies Act, 1956, proposing his candidature for the office of a director be and is hereby appointed as a director of the company.
5. To consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution:-
RESOLVED THAT Shri Harsh Dilipkumar Gandhi was appointed as an additional director of the company and holds office up to the date of this Annual General Meeting of the company, and eligible for appointment, and in respect of whom the company has received a notice in writing from the member under the provisions of section 257 of the Companies Act, 1956, proposing his candidature for the office of a director be and is hereby appointed as a director of the company designated as whole time director of the company to hold the office for a period of five years with effect from 01.08.2010
6. To consider and if thought fit, to pass the following resolution with or without modification which will be proposed as a Special Resolution:-
Resolved that pursuant to section 198, 269, 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals as may be necessary, the company hereby accords its consent and approved to the appointment of Shri Harsh Dilipkumar Gandhi as a whole time director of the company for the period of five years with effect from 01.08.2010 to 31.07.2015 on the terms & conditions (including the remuneration to be paid in the event of loss or inadequacy of profit or in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the notice convening this Annual General Meeting, with a liberty to



directors to alter and vary the terms and conditions of the said reappointment in such manner as may be agreed to between the directors and Shri Harsh Dilipkumar Gandhi. Resolved further that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

7. To consider and if thought fit, to pass the following resolution with or without modification which will be proposed as a Special Resolution:-

Resolved that pursuant to section 198, 269, 309 read with schedule XIII and other applicable provisions, if any of the Companies Act, 1956 and subject to such approvals to the reappointment and remuneration of Shri Dilipkumar Nalinkant Gandhi as a managing director of the company for the period of five years with effect from 01.08.2010 to 31.07.2015 and on the terms & conditions (including the remuneration to be paid in the event of loss or inadequacy of profit or in any financial year during the aforesaid period) as set out in the Explanatory Statement annexed to the notice convening this Annual General Meeting, with a liberty to directors to alter and vary the terms and conditions of the said reappointment in such manner as may be agreed to between the directors and Shri Dilipkumar Nalinkant Gandhi.

Resolved further that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

Registered Office

Ground floor,
Gandhi Nursing Home Bldg.
Dr. Nalinkant Gandhi Road,
Himatnagar-383001.
Dated: June 17th 2010

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 26th July, 2009 to 28th July, 2010 (both days inclusive).



Explanatory Statement

Pursuant to Section 173(2) of the Companies Act, 1956

As required by Section 173 of the Companies Act, 1956 ("Act") the following explanatory statements set out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice.

1. Item No.4:

The Board of directors have appointed Navinchandra Chandulal Soni as an additional director of the company at its meeting held on 9th July 2010.

Shri Navinchandra Chandulal Soni, he is engaged in education line and vast experience in varied fields.

The company has received a notice from a member signifying his intention to propose the appointment of Navinchandra Chandulal Soni as a director of the company. A deposit of Rs.500 is required by law as accompanied the said notice. The directors commend the resolution for the approval of members.

Shri Navinchandra Chandulal Soni is concerned and interested in the proposed resolution as this agenda item pertains to his appointment as a director of the company. The remaining directors of the company are not any way concerned or interested in the resolution.

2. Item No.5 & 6:

The Board of directors had appointed Shri Harsh Dilipkumar Gandhi as an additional director of the company in the meeting of the Board of directors held on 9th July 2010. In the same meeting, subject to confirmation of the members in general meeting, he was designated as the whole time director of the company w.e.f.01.08.2010.

Shri Harsh Dilipkumar Gandhi is B.com, M.B.A. (International Management) from University Of Ballarat, Victoria, Australia. He is 24 (Twenty Four) years old, but very dash-ing in decision making and implementation of novel ideas. He is also visionary. He will look after marketing, finance and administration.

As an additional director, Shri Harsh Dilipkumar Gandhi holds office upto the date of Annual General Meeting. The company has received a notice from a member signifying his intention to propose the appointment of Shri Harsh Dilipkumar Gandhi as the direc-tor of the company. A deposit of Rs.500 is required by law has accompanied the said notice. In the proposed resolution under item no.:5 & 6, he is designated as the whole time director of the company w.e.f.01.08.2010.

The remuneration/ perquisites/benefits payable to Shri Harsh Dilipkumar Gandhi as a whole time director of the company & other terms and conditions as set out in this Explanatory Statement are as under:-

A. Tenure of Agreement:

The appointment of the whole time director is with effect from August 1, 2010 to July 31, 2015.+



B. Nature of Duties:

The Whole time director shall devote his whole time to the business of the company and shall carry out such duties as may be entrusted to him by the Board of directors pertaining to marketing, finance and administration, subject to the superintendence, control and directions of the Board of directors in connection with and in the best interest of the company and the business.

C. Remuneration:

Salary - Rs. 50,000/- per month in the scale of
Rs. 50000-100000-100000

And the perquisites will be provided as under:-

1. House Rent allowance at the rate of 25% of the salary per month.
2. The expenditure incurred on Gas, Electricity, Water and furnishings shall may be paid by the company shall not be exceed 10% of the salary.
3. The reimbursement of the medical expenses of self and his family subject to the ceiling of one months salary in a year or three months salary over a period of three years.
4. Leave Travel concession for self and family once in a year as per rules specified by the company.
5. Fees of club and other admission and life membership fee maximum of two clubs.
6. Personal accident insurance premium not to excess Rs.4000/- Per annum.

CATEGORY B:

1. Contribution to the Provident Fund, Super Annuation Fund, Annuity Fund as per the rules of the Company.
2. Gratuity not exceeding half a month salary for each completed Year of service subject to a ceiling of Rs. 100,000/-.

CATEGORY C:

1. A Car with Chauffeur will be provided for the companies business.
2. Telephone facility shall be provided at residence.
3. Personal long distance calls on telephone and use of car for private purpose shall be borne by him.

D The whole time director is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283 (1) (I) of the Act.

E This may be treated as an abstract of the draft agreements between the Company and Shri Harsh Dilipkumar Gandhi for his remuneration and his appointment as whole time director pursuant to Section 302 of the Act.

Shri Harsh Dilipkumar Gandhi is concerned and interested in the proposed resolution as this agenda items pertain to his appointment as a director, whole time director of the company and the payment of remuneration to him. Shri Dilipkumar N. Gandhi, managing director of the company and Pallaviben Dilipkumar Gandhi being relative of Harsh Dilipkumar Gandhi may be deemed to be concerned or interested in the proposed resolution. None of the other directors are not any way concerned or interested in the proposed resolution.



3. Item No.7:

The Board of directors have reappointed Shri Dilipkumar Nalinkant Gandhi as a managing director of the company for a period of five years with effect from 01.08.2010 in the meeting of Board of directors held on 9th July, 2010.

Shri Dilipkumar Nalinkant Gandhi is one of the main promoters of the company and he is the managing director of the company since 1st August 2000. Due to his experience, expertise and vision, the company is doing well and inspite of recessionary trend and cut thought competition of the market, the company was survived. He is having long 30 (Thirty) years experience of finance and lease finance business. Because of his reputation in Sabarkantha district, the company is getting continuous business from the district.

His existing terms as a managing director of the company will be completing on 30 July, 2010. Therefore, he appointed as the managing director of the company w.e.f. 01.08.2010 for a period of five years. The remuneration/perquisites/benefits payable to Dilipkumar Nalinkant Gandhi as a managing director of the company and other main terms and conditions as set out in this Explanatory Statement are as under:

A. Tenure of Agreement:

The appointment of the Managing Director is with effect from August 1, 2010 to July 31, 2015.

B. Nature of Duties:

The managing director shall devote his whole time to the business of the company. He will look after day to day affairs of the company and shall carry out such other duties as may be entrusted to him by the Board of directors. He will perform his duty as a managing director of the company, subject to superintendence, control and directions of the Board of directors. He will perform his duty in the best interest of the company and the business of the company.

C. Remuneration:

| | |
|--------|--|
| Salary | Rs. 80,000/- per month in the scale of |
| | Rs. 80000-5000-100000 |

And the perquisites will be provided as under:-

1. House Rent allowance at the rate of 25% of the salary per month.
2. The expenditure incurred on Gas, Electricity, Water and furnishings shall may be paid by the company shall not be exceed 10% of the salary.
3. The reimbursement of the medical expenses of self and his family subject to the ceiling of one months salary in a year or three months salary over a period of three years.
4. Leave Travel concession for self and family once in a year as per rules specified by the company.
5. Fees of club and other admission and life membership fee maximum of two clubs.
6. Personal accident insurance premium not to excess Rs.4000/- Per annum.



CATEGORY B:

1. Contribution to the Provident Fund, Super Annuation Fund, Annuity Fund as per the rules of the Company.
2. Gratuity not exceeding half a month salary for each completed Year of service subject to a ceiling of Rs. 100,000/-.

CATEGORY C:

1. A Car with Chauffeur will be provided for the companies business.
 2. Telephone facility shall be provided at residence.
 3. Personal long distance calls on telephone and use of car for private purpose shall be borne by him.
- D The managing director is appointed as a Director by virtue of his employment in the Company and his appointment shall be subject to the provisions of Section 283 (1) (I) of the Act.
- E This may be treated as an abstract of the draft agreements between the Company and Shri Dilipkumar Nalinkant Gandhi for his remuneration and his appointment as whole time director pursuant to Section 302 of the Act.

Shri Dilipkumar Nalinkant Gandhi is concerned and interested in the proposed resolution as this agenda item pertains to his reappointment as a managing director of the company and the payment of remuneration to him. Shri Harsh Dilipkumar Gandhi and Pallaviben Dilipkumar Gandhi directors of the company being relative of Dilipkumar Nalinkant Gandhi may be deemed to be concerned or interested in the proposed resolution. None of the other directors are not any way concerned or interested in the proposed resolution.

Registered Office

Ground floor,
Gandhi Nursing Home Bldg.
Dr. Nalinkant Gandhi Road,
Himatnagar-383001.
Dated: June 17th , 2010

By order of the Board of Directors

(N. D. Shah)
Chairman



DIRECTORS' REPORT

To,
The Members,
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 19th Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2010.

| FINANCIAL RESULTS | (Rs. in Lacs) | |
|-------------------------------------|----------------------|------------------|
| | 2009-2010 | 2008-2009 |
| Gross Profit (PBDT) | 55.40 | 49.14 |
| Less:-Depreciation | 03.02 | 2.88 |
| Profit Before Tax (PBT) | 52.38 | 46.26 |
| Less:-Provision for Taxation & FBT | 16.37 | 15.78 |
| Net Profit (PAT) | 36.01 | 30.48 |
| Add: Balance in Profit & Loss A/C. | 00.27 | 0.89 |
| Balance Available for Appropriation | 36.28 | 31.37 |
| Appropriations: | | |
| Reserves | 32.20 | 31.20 |
| Balance carried to Balance Sheet | 03.86 | 0.27 |

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 2009-2010 in view to accumulate funds for future requirement and also to strengthen the financial position of the company.

DIRECTORS

Shri Narendrakumar D. 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.

The Board of Directors has appointed Shri Navinchandra Chandulal Soni as an additional director with effect from 01.08.2010. He will hold office up to the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Notices under Section 257 of the Companies Act, 1956, have been received by the Company from members signifying their intention to propose the candidature of Shri Navinchandra Chandulal Soni as a Director of the Company.



Shri Harsh Dilipkumar Gandhi was appointed as an additional director of the Company, designated as a Whole time director of a company with effect from 01.08.2010. He will hold office up to the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. Notices under Section 257 of the Companies Act, 1956, have been received by the Company from members signifying their intention to propose the candidature of Shri Harsh Dilipkumar Gandhi as a Director of the Company. His appointment as Whole time director of the Company with effect from 01.08.2010, is subject to the approval of the members of the forthcoming Nineteenth Annual General Meeting.

Shri Dilipkumar Nalinkant Gandhi, Managing Director of the Company re-appointed as the Managing Director of the Company in the meeting of Board of Directors held on 09 July, 2010 for a period of five years with effect from 01.08.2010, subject to the approval of members at the forthcoming Nineteenth Annual General Meeting.

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 31-03-2010 Rs. **379.89 Lacs.**
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2010 :- **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.

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:- 17th June 2010.

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. 36.01** Lacs after providing for depreciation of **Rs. 3.02** 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 **12.74%**.

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.