

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of **Nalin Lease Finance Limited** will be held on Wednesday, the 18th July, 2012 at 11.00 a.m. at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar- 383 001, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2012, Profit & Loss Account for the year ended on that date together with the Report of Board of Director & Auditors thereon.
2. To appoint an independent 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 deem 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 here by accorded for the reappointment 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 2012, 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 of company be and is here by 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 and from the date to such provisions and for guidelines come into force.

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 1st June, 2012 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 01.08.2012 to 31.07.2017.
3. Remuneration payable salary Rs. 60000 (Sixty Thousand only) per month including all allowances in the scale of 60000-10000-100000.
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. 4 of the notice for approval of shareholders.

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. 4 of the notice as it pertains to her appointment and remuneration payable to her.

Registered Office
By order of the Board of Directors

Ground floor,
Gandhi Nursing Home Bldg.
Dr. Nalinkant Gandhi Road,
Himatnagar-383001.
Dated: June 1st, 2012

(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, 16th July, 2012 to Wednesday, 18th July, 2012 (both days inclusive).

DIRECTORS' REPORT

To,
The Members,
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 21st Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

	2011-2012	(Rs. in Lacs) 2010-2011
Gross Profit (PBDT)	83.53	68.82
Less:-Depreciation	3.93	3.60
Profit Before Tax (PBT)	79.60	65.22
Less:-Provision for Taxation & FBT	26.40	20.75
Net Profit (PAT)	53.20	44.47
Add: Balance in Profit & Loss A/C.	4.43	3.86
Balance Available for Appropriation	57.63	48.33
Appropriations:		
Reserves	50.65	43.90
Balance carried to Balance Sheet	6.97	4.43

Despite of adverse situation and also competition, your Directors have, by making continuous sincere efforts maintained its advances portfolio in auto two wheelers in the area of its operation. .

DIVIDEND

Dividend Not recommended for the year 2011-12 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.

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 31-03-2012 Rs. 345.11 Lacs.
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2011:- 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. During the year as required by NBFC prudential norms (Reserve Bank) directions, 2007 company has made a general provision @ 0.25% amounting to Rs. 191,600/- on outstanding standard assets.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the companies act, 1956, your director's 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 : Himatnagar
Dated:- 01.06.2012

(N. D. SHAH)
CHAIRMAN

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 transparence 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 five directors Three Directors are executive Directors and two 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 31.03.2012. These were held on 11.04.2011, 15.06.2011, 11.07.2011, 11.10.2011, 11.01.2012. 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, 2012 are given below:

Directors	No. of Board Meeting Attended During 2011-12	No. of Audit Committee Attended During 2011-12	No. of Share-holders' Inves-tors Grievance Committee Attended During 2011-12	Last Annual General Meeting Attained 2011-12
Narendrakumar Dalsukh Shah	5	4	4	Yes
Dilipkumar Nalinkant Gandhi	5	4	4	Yes
Harsh Dilipkumar Gandhi	5	-	-	Yes
Pallaviben Dilipkumar Gandhi	5	-	-	Yes
Navinchandra Chandulal Soni	5	4	4	Yes

(III) OTHER DIRECTORSHIPS

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

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.
Narendrakumar Dalsukhdas Shah	Nil	Nil	Three
Dilipkumar Nalinkant Gandhi	Four	Nil	Three
Harsh Dilipkumar Gandhi	Nil	Nil	Nil
Pallaviben Dilipkumar Gandhi	Four	Nil	Nil
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 Narendrakumar dalshukhdas shah joined the Board of the Company from 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) Navinchandra Chandulal Soni

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 2012, the audit committee meeting were held on 11.04.2011, 11.07.2011, 11.10.2011 & 11.01.2012.

Sr. No.	Name of the Director	No. of Meetings attended
1.	Dilipkumar Nalinkant Gandhi	4
2.	Narendrakumar Dalsukhdas Shah	4
3.	Navinchandra Chandulal Soni	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 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) 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, Statutory auditor and internal audit functions. During the financial year ended 2012, the Grievance committee meeting were held on 11.04.2011, 11.07.2011, 11.10.2011 & 11.01.2012.

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

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

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 2011-2012 is as follows:

Name	Salary	Perquisites	Commission	Total
Dilipkumar Nalinkant Gandhi	9,00,000	-	-	9,00,000
Pallalviben Dilipkumar Gandhi	4,80,000	-	-	4,80,000
Harsh Dilipkumar Gandhi	6,00,000	-	-	6,00,000
Total	19,80,000			19,80,000

Number of Shares held by non executive directors is as under

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

6. GENERAL BODY MEETING

Financial Year	Date	Time	Venue
2007-2008 17 th AGM	30.07.2008	4.00 P.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2008-2009 18 th AGM	29.07.2009	4.00 P.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2009-2010 19 th AGM	28.07.2010	11.00 A.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2010-2011 20 th AGM	20.07.2011	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.