

29TH
ANNUAL REPORT
2019-2020



NALIN LEASE FINANCE LIMITED

CIN: L65910GJ1990PLC014516

COMPANY INFORMATION & MANAGEMENT

The Board of Directors

- | | |
|----------------------------------|-----------------------------------|
| 1. Narendrakumar Dalsukhdas Shah | - Chairman (Independent Director) |
| 2. Dilipkumar Nalinkant Gandhi | - Managing Director |
| 3. Harsh Dilipkumar Gandhi | - Wholetime Director |
| 4. Pallavi Dilipkumar Gandhi | - Wholetime Director |
| 5. Navinchandra Chandulal Soni | - Independent Director |
| 6. Samirkumar Kantilal Shah | - Independent Director |

Chief Financial Officer

Nikul Kumar Kantibhai Patel

Company Secretary

Swati Ajay Shah

Board Committees

Audit Committee

Stakeholder Relationship Committee

Nomination and Remuneration
Committee

Statutory Auditors

M/s Paresh Thothawala & Co.

Chartered Accountant

Member No. 048435

Firm Registration No. 114777W

A-707, Times Square Arcade-II,

Nr. Avalon Hotel, Opp. Mann Party
Plot, Bodakdev, Ahmedabad, Gujarat
- 380 054.

Practicing Company Secretary

Amrisha N. Gandhi

29TH ANNUAL GENERAL MEETING

Day : Wednesday

Date : 30th September, 2020

Time : 1:00 P.M

Venue : through Video
Conference / Other Audio Visual
Means.

Registrar & Share Transfer Agent

LINK INTIME INDIA PVT. LIMITED,

C-101,247 Park, L.B.S.Marg,
Vikhroli(West),

Mumbai 400 083

Phone: +91-22-49186000

Fax: +91-22-49186060

Registered Office:

NALIN LEASE FINANCE LIMITED

Ground Floor, Gandhi Nursing Home
Bldg, Dr.Nalinkant Gandhi Road,
Himatnagar, Gujarat 383001 In
Phone No. +91 2772 241264,
2422264

CIN: L65910GJ1990PLC014516

E-mail: nalinlease@yahoo.co.in

www.nalinfin.co.in

CONTENT AND INDEX OF PAGES

SR. NO.	PARTICULARS	PAGE NO
1	NOTICE OF ANNUAL GENERAL MEETING	1
2	DIRECTORS REPORT	20
3	"ANNEXURE-I" - FORM MGT-9	32
4	"ANNEXURE-II" – FORM AOC-2	41
5	"ANNEXURE-III" – FORM MR-3 (Secretarial Audit Report)	43
6	CORPORATE GOVERNANCE REPORT	47
7	MANAGEMENT DISCUSSION AND ANALYSIS	60
8	AUDITOR'S REPORT	65
9	BALANCE SHEET	75
10	PROFIT AND LOSS ACCOUNT	76
11	CASH FLOW STATEMENT	78
12	NOTES TO ACCOUNTS	79
13	SCHEDULE TO THE FINANCIAL STATEMENTS	93
14	ANNEUXURE TO NOTICE	116



NALIN LEASE FINANCE LIMITED

CIN: L65910GJ1990PLC014516

**Regis. Office: Gandhi Nursing Home Bldg Dr.Nalinkant Gandhi Road,
Himatnagar -383001**

Tel: (02772)241264, 242264, Email id: nalinlease@yahoo.co.in

Website: www.nalinfin.co.in

NOTICE

Notice is hereby given that the 29th Annual General Meeting of Nalin Lease Finance Limited will be held on Wednesday, September 30, 2020 at 1:00 p.m. through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Gandhi Nursing Home Bldg, Dr.Nalinkant Gandhi Road Himatnagar -383001.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020, the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri Dilipkumar Nalinkant Gandhi (DIN: 00339595), who retires by rotation and being eligible, offers himself for re-appointment.

3. To fix the remuneration of the Statutory Auditors.

SPECIAL BUSINESS

4. Re-appointment of Samirkumar Kantilal Shah as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Samirkumar Kantilal Shah (DIN: 07215030), who was appointed as an Independent Director at the 24th Annual General Meeting of the Company and who holds office up to 29th Annual General Meeting and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years upto 34th AGM."

5. Re-appointment of Mr. Dilipkumar Nalinkant Gandhi as Managing Director w.e.f. August 01, 2020

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act')



and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mr. Dilipkumar Nalinkant Gandhi (DIN: 00339595), as Managing Director of the Company for a period of 5 (five) consecutive years as per the following terms:

1) Term of Appointment: With effect from August 01, 2020 till July 31, 2025.

2) Total Compensation: Rs. 22.20 Lakhs/- (Rupees Twenty Two Lakhs Twenty Thousand Only), for the financial year 2020-21 which may vary by the change as may be decided by the Board. The Total Compensation payable to him is divided into the following heads:

a) Fixed Compensation: Rs. 19.20 Lakhs/- (Rupees Nineteen Lakhs Twenty Thousand Only) per annum which includes:

(i) Basic Salary: 100% of Fixed Compensation

(ii) Allowances:

Costs of allowances include:

House Rent Allowance: 10% of the Fixed Compensation

Travelling Allowance: 10% of the Fixed Compensation

b) Flexible Compensation: In addition to the Fixed Compensation, he shall be entitled to the following perquisites, benefits, facilities and amenities as per rules of the Company upto Rs. 3 Lakhs/- (Rupees Three Lakhs Only) per annum:

Perquisites/ Benefits/Facilities and Amenities:

Mr. Dilipkumar Nalinkant Gandhi shall continue to be eligible for perquisites (evaluated as per Income tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company Policies.

Fixed Compensation and Flexible Compensation will be subject to revision by the Board annually.

The amount forming a part of Fixed and Flexible compensation payable to Mr. Dilipkumar Nalinkant Gandhi may be inter changed, in whole or in part, within the overall limits of such compensations as approved above.

3) Commission: In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment/ modification in the Rules, Act and/or applicable laws in this regard) may also be paid to him.



"RESOLVED FURTHER THAT consent is also accorded for an annual increment of 10% in every financial year over his last drawn remuneration during the period of 5 years of his tenure as stated above."

"FURTHER RESOLVED THAT the Board (including any Committee thereof), be and is hereby authorized to alter/ vary the amount of Compensation including the type and amount of perquisites, bonus and other benefits payable from time to time, in such manner as may be agreed between the Company and Mr. Dilipkumar , within the total compensation and overall limits thereof as approved by the Members and to the extent the Board may consider appropriate and to do all such acts, deeds, matters and things including execution of a contract or written memorandum with the Mr. Dilipkumar Nalinkant Gandhi, Managing Director of the Company."

6. Re-appointment of Mr. Harsh Dilipkumar Gandhi as Wholetime Director of the Company w.e.f. August 01, 2020

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of Mr. Harsh Dilipkumar Gandhi (DIN: 03120638), as Whole-Time Director of the Company for a period of 5 (five) consecutive years as per the following terms

1) Term of Appointment: The term of Appointment of Mr. Harsh Dilipkumar Gandhi as Whole-Time Director shall be for a period of 5 years i.e. with effect from August 01, 2020 till July 31, 2025. Though he shall be liable to retire by rotation whilst he continues to hold office of Whole-Time Director; however, his re-appointment on retirement by rotation will not break his length of service as Whole-Time Director.

2) Total Compensation: Rs. 16.40 Lakhs /- (Rupees Sixteen Lakhs Forty Thousand Only), for the financial year 2020-21 which may vary by the change as may be decided by the Board. The Total Compensation payable to him is divided into the following heads:

a) Fixed Compensation: Rs. 14.40 Lakhs/- (Rupees Fourteen Lakhs Forty Thousand Only) per annum which includes:

(i) Basic Salary: 100% of Fixed Compensation

(ii) Allowances:

Costs of allowances include:

House Rent Allowance: 10% of the Fixed Compensation

Travelling Allowance: 10% of the Fixed Compensation

b) Flexible Compensation: In addition to the Fixed Compensation, he shall be entitled to the following perquisites, benefits, facilities and amenities as per rules of the Company upto Rs. 2 Lakhs/- (Rupees Two Lakhs Only) per annum:



Perquisites/ Benefits/Facilities and Amenities:

Mr. Harsh Dilipkumar Gandhi shall continue to be eligible for perquisites (evaluated as per Income tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or reimbursement of expenses in lieu thereof; medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company Policies.

Fixed Compensation and Flexible Compensation will be subject to revision by the Board annually. The amount forming a part of Fixed and Flexible compensation payable to Mr. Harsh Dilipkumar Gandhi may be inter changed, in whole or in part, within the overall limits of such compensations as approved above.

3) Commission: In addition to the salary, perquisites and allowances payable, a commission, as may be decided by the Board of Directors at the end of each financial year calculated with reference to the net profits of the Company, subject to the overall ceiling stipulated in Sections 197, 198 read with Schedule V of the Companies Act, 2013 (including any subsequent amendment/ modification in the Rules, Act and/or applicable laws in this regard) may also be paid to him.

"RESOLVED FURTHER THAT consent is also accorded for an annual increment of upto 10% in every financial year over his last drawn remuneration during the period of 5 years of his tenure as stated above"

"FURTHER RESOLVED THAT the Board (including any Committee thereof), be and is hereby authorized to alter/vary the amount of Compensation including the type and amount of perquisites, bonus and other benefits payable from time to time, in such manner as may be agreed between the Company and Mr. Harsh Dilipkumar Gandhi, within the total compensation and overall limits thereof as approved by the Members and to the extent the Board may consider appropriate and to do all such acts, deeds, matters and things including execution of a contract or written memorandum with Mr. Harsh Dilipkumar Gandhi, Whole-Time Director of the Company."

By order of the Board of Directors

SD/-
Nikulkumar Kantibhai Patel
Chief Financial Officer

Registered office:

Gandhi Nursing Home Bldg
Dr.Nalinkant Gandhi Road
Himatnagar -383001
CIN: L65910GJ1990PLC014516
Date: 30.07.2020



NOTES:-

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to amrishgandhi72@gmail.com with a copy marked to enotices@linkintime.co.in

4. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this regard.

5. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the RTA in case the shares are held by them in physical form.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.

7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to Link Intime India Private Limited, RTA of the Company in the prescribed form. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.



8. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or Link Intime India Private Limited, RTA of the Company along with relevant Share Certificates.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before September 29, 2020 through email on nalinlease@yahoo.co.in. The same will be replied by the Company suitably.

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.nalinfin.co.in, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of LinkIntime-InstaVOTE <https://instavote.linkintime.co.in>.

12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

14. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Pvt. Ltd – InstaVOTE, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The remote e-voting period commences on Sunday, September 27, 2020 (9:00 a.m. IST) and ends on Tuesday, September 29, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 23, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd – InstaVOTE for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The Board of Directors has appointed Amrish Gandhi (Membership No. FCS 8193) of Amrish Gandhi & Associates and failing him Samsad Alam Khan (Membership No ACS 28719), Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.



iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Members are eligible to cast vote only if they are holding shares as on that date. Kindly note that a person who is not a member of the Company as on the Cut-off date should treat this Notice for Information Purposes Only.

vi. The details of the process and manner for remote e-voting are explained herein below:

Remote e-Voting Instructions for shareholders:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LI IPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

☐ Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/members holding shares in **CDSL Demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/members holding shares in **NSDL Demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/members holding shares in **CDSL Demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/members holding shares in **NSDL Demat account shall provide ‘D’, above**
- Shareholders/members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

☐ set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@! # \$ & *), at least one numeral, at least one alphabet and at least one capital letter).

☐ Click “confirm” (Your password is now generated).