
30TH ANNUAL REPORT
2020-2021



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

Nikulkumar 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

Amrish N. Gandhi

30TH ANNUAL GENERAL MEETING

Day : Tuesday

Date : 7th September, 2021

Time : 4:00 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: info@nalinfin.co.in

www.nalinfin.co.in

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NALIN LEASE FINANCE LIMITED
(CIN: L65910GJ1990PLC014516)
Registered Office: Gandhi Nursing Home Bldg Dr.Nalinkant Gandhi Road
Himatnagar -383001
E-mail: info@nalinfin.co.in
Website: www.nalinfin.co.in
Phone: 02772-241264, 02772-242264

NOTICE OF THE 30TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30th Annual General Meeting of Members of Nalin Lease Finance Limited will be held on Tuesday, the 7th day of September, 2021 at 04:00 p.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2021 and the Reports of the Board of Directors ("the Board") and Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended on 31st March, 2021.
3. To appoint a Director in place of Smt. Pallavi D. Gandhi, (DIN: 00339639), who retires by rotation and being eligible, offers herself for re-appointment.

Registered Office:
Gandhi Nursing Home Bldg
Dr.Nalinkant Gandhi Road
Himatnagar 383001

Date: 17.05.2021
Place: Himatnagar

By Order of the Board of Directors,

Dilipkumar N. Gandhi
Managing Director
DIN: 00339595

NOTES:

- A.** Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM.
- B.** Generally, 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 through VC/OAVM pursuant to the MCA Circulars, 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 hereto.

- C.** Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- D.** Since the AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed hereto. The venue of the meeting shall be deemed to be the Registered Office of the Company at Himatnagar- 383001, Gujarat.
- E.** As required by Regulation 36 of the SEBI (LODR) Regulations, 2015 (Listing Regulations) and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Director retiring by rotation at the ensuing AGM are given in the Annexure to the Notice of the AGM.
- F. DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:** In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.nalinfm.co.in, website of the Stock Exchange, i.e., BSE Limited at www.bseindia.com.
- G. For receiving all communication (including Annual Report) from the Company electronically:**
- Members holding shares in physical mode and who have not registered/updated their e-mail address with the Company are requested to register/update the same by visiting the website of Link Intime India Pvt. Ltd. at https://web.linkintime.co.in/EmailReg/Email_Register.html with details of folio number and attaching/ uploading a self-attested documents required therein. The Company urges all the members to use this link effectively since the Email IDs and Mobile Numbers could help the Company for sending paperless communication in future.
 - Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participant.
- H.** Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LINK INTIME at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- I. Procedure for Inspection of Documents:**
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to info@nalinfm.co.in.
 - 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



Tuesday, 31st August, 2021 through email on info@nalinfm.co.in. The same will be replied by the Company suitably.

J. DIVIDEND RELATED INFORMATION:

- a) Subject to approval of the Members at the AGM, the dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on the Record Date, and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants/ demand drafts will be despatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service. Members are requested to register / update their complete bank details:
- i with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
 - ii With the Company / Link Intime India Private Limited or by emailing at info@nalinfm.co.in or ahmedabad@linkintime.co.in , if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

OR

Members are requested to visit on the website of the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited (LINK INTIME) at https://web.linkintime.co.in/EmailReg/Email_Register.html and upload the documents required therein.

❖ RESIDENT SHAREHOLDERS:

- a) Tax Deductible at Source for Resident Shareholders:

TAX DEDUCTIBLE AT SOURCE/ WITHHOLDING TAX:

Pursuant to the requirement of Income Tax, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/Link Intime/ Depository Participant.



Sr No	Particulars	Withholding Tax Rate	Documents required (If any)
1	Valid PAN updated in the Company's Register of Members	10%	No document required If dividend does not exceed Rs. 5,000/-, no TDS withholding tax will be deducted. Also, please refer note (v) below.
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/Link Intime/ Depository Participant. All the shareholders are requested to update, on or before 31st August, 2021 , their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before 31st August, 2021 .

b) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company /Link Intime/ Depository Participant on or before **31st August, 2021**.

c)

Sr No	Particulars	Withholding Tax Rate	Documents required (If any)
1	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to an Individual who is below 60 years)/ Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax Act, 1961.



3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	<ul style="list-style-type: none"> • Recognised provident funds • Approved superannuation fund • Approved gratuity fund 	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961
7	Any resident shareholders exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification.	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS.

❖ **NON-RESIDENT SHAREHOLDERS:**

The table below shows that withholding tax on dividend payment to non-resident shareholders who submit, on or before 31st August, 2021., the following document(s), as mentioned in column no.4 of the below table, to the Company/ Link Intime. In case all necessary documents are not submitted, then the TDS/Withholding tax will be deducted @20% (plus applicable surcharge and cess).

Sr No	Particulars	Withholding Tax Rate	Documents required (If any)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	<p>FPI registration certificate in case FIIs/ FPIs.</p> <p>To avail beneficial rate of tax treaty following tax documents would be required:</p> <ol style="list-style-type: none"> 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 3. Form 10F filled & duly signed



			4. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)
2	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India.
3	Availability of Lower/NIL tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
4	Any non-resident shareholder exempt from WHT deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act, 1947, etc.	Nil	Necessary documentary evidence substantiating exemption from WHT deduction.

Notes:

- i. The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / LINK INTIME post payment of the dividend. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>
- ii. The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before **31st August, 2021** to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/ deduction received after **31st August, 2021** shall not be considered. Formats of Form 15G/Form 15H are available on the website of the Company and can be downloaded from the link.
- iii. Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / Link Intime. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
- iv. No TDS will be deducted in case of resident individual shareholders who furnish their PAN



details and whose dividend does not exceed Rs. 5,000/-. However, where the PAN is not updated in Company/Link Intime/Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of Rs. 5,000/-. All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime (if shares are held in physical form) against all their folio holding on or before **31st August, 2021**.

- v. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them

K. OTHER INFORMATION

- i. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting ("e-voting") facility provided by the Link Intime India Private Limited (LINK INTIME). Shareholders who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by shareholders holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice.
- ii. The e-voting period begins on **Saturday, 4th September, 2021** at **09:00 a.m.** and ends on **Monday, 6th September, 2021** at **5:00 p.m.** During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Tuesday, 31st August, 2021** may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited ("LI IPL") for voting thereafter.
- iii. The voting rights of shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date.
- iv. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who 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 the e-voting system during the AGM.
- v. Any person who acquires shares of the Company and becomes a shareholder of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at instameet@linkintime.co.in. However, if he/she is already registered with LI IPL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.
- vi. Shri Amrish N. Gandhi, Practicing Company Secretary (Membership No. FCS: 8193; CP No. 5656) has been appointed as the Scrutinizer to scrutinize the e-voting at the meeting and remote e-voting process in a fair and transparent manner.
- vii. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the



conclusion of the AGM. The results declared along with the Scrutinizer's Report shall be communicated to the stock exchanges, LINK INTIME and will also be displayed on the Company's website.

- vii. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / LI IPL have stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
- ix. Members holding shares in physical mode are: a) required to submit their Permanent Account Number (PAN) and bank account details to the Company/ LI IPL, if not registered with the Company/LI IPL, as mandated by SEBI by writing to the Company at info@nalinfm.co.in or to LI IPL at ahmedabad@linkintime.co.in along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
- x. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form may file their nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent i.e. LI IPL. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.
- xi. Non-Resident Indian members are requested to inform LI IPL / respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

Members are requested to send all their documents and communications pertaining to shares to the Registrar & Transfer (R&T) Agent of the Company: Link Intime India Private Limited ("LI IPL") at their address at 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380006, Tel. No. 079 2646 5179, for both physical and demat segments of Equity Shares.

Please quote on all such correspondence

– "Unit-Nalin Lease Finance Limited" for Shareholders queries –

Tel No +91(079)2646 5179,

Email ID: ahmedabad@linkintime.co.in, Website: www.linkintime.co.in.

L Process and manner for attending the Annual General Meeting through InstaMeet:

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

Select the "Company" and 'Event Date' and register with your following details:-

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.

- 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** 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. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id at info@nalinfm.co.in for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.



Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- 1)** On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- 2)** Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- 3)** After successful login, you will see "Resolution Description" and against the same the option "Favour/ against" for voting.
- 4)** Cast your vote by selecting appropriate option i.e. "Favour/against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/against'.
- 5)** After selecting the appropriate option i.e. Favour/against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- 6)** Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175. **InstaMeet Support Desk, Link Intime India Private Limited**

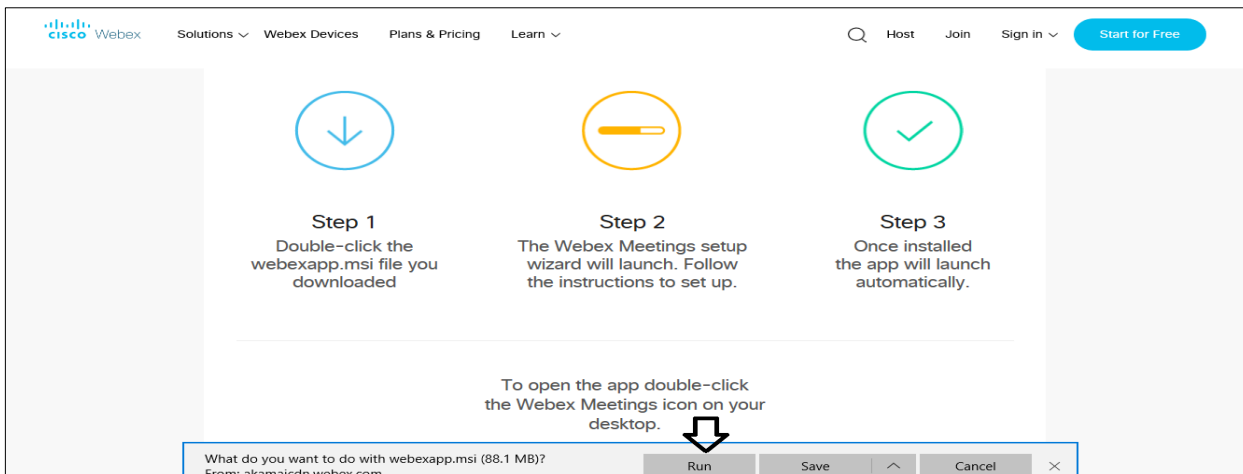
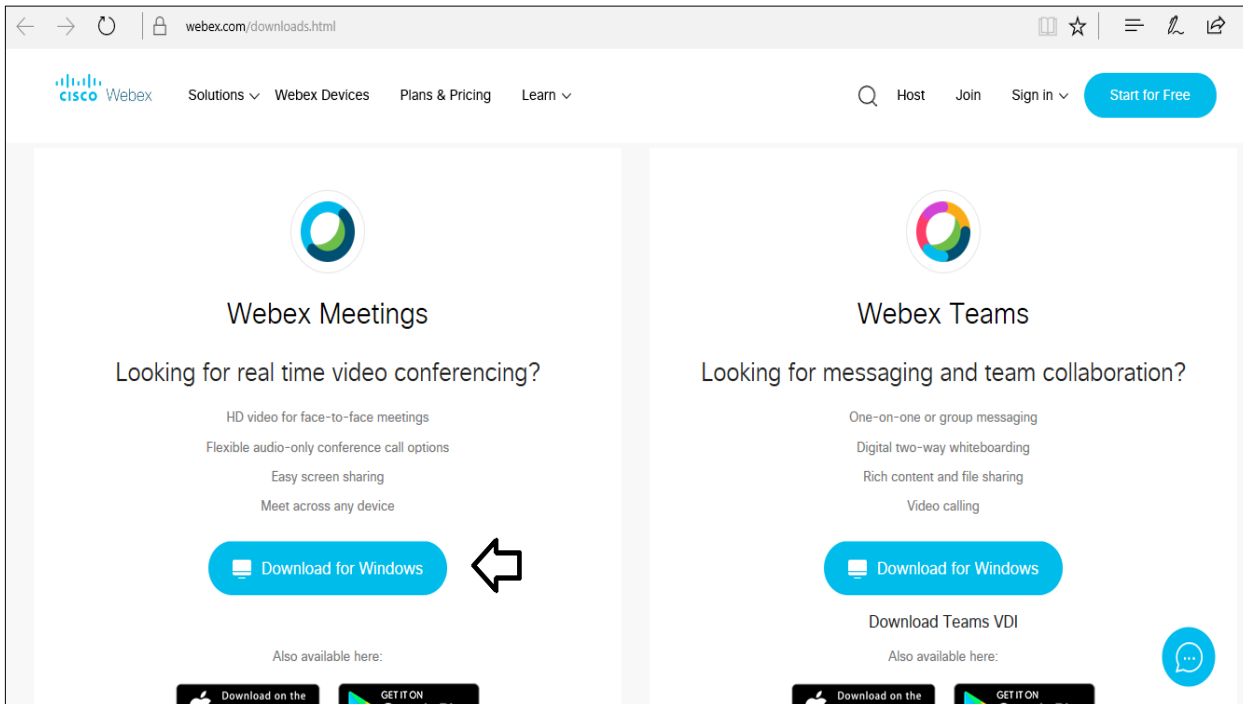


Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMeet

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMeet, shareholders/ members who are registered as speakers for the event are requested to download and install the WebEx application in advance by following the instructions as under:

- a) Please download and install the WebEx application by clicking on the link <https://www.webex.com/downloads.html/>





Step 1
Double-click the webexapp.msi file downloaded.

Step 3
Once installed, the app will launch automatically.

To open the app double-click the Webex Meetings icon on your

Step 1
Double-click the webexapp.msi file downloaded.

Step 3
Once installed, the app will launch automatically.

Step 1
Double-click the webexapp.msi file downloaded.

Step 3
Once installed, the app will launch automatically.

Or

b) If you do not want to download and install the WebEx application, you may join the meeting by following the process mentioned as under:



Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the WebEx application on your device, join the meeting by clicking on Join Now
1 (B)	If WebEx application is not installed, a new page will appear giving you an option to either Add WebEx to chrome or Run a temporary application . Click on Run a temporary application , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

The screenshot shows the Cisco Webex 'Join Event Now' interface. On the left, there are fields for 'Event status:', 'Date and time:', 'Duration:', and 'Description:'. On the right, there is a 'Join Event Now' button and a message: 'You cannot join the event now because it has not started.' Below this message are input fields for 'First name:', 'Last name:', 'Email address:', and 'Event password:'. A red arrow points to the 'Join Now' button, and another red arrow points to the 'Join by browser - NEW!' link. A red text box says 'Mention your First name, Last name and email address'.

M. Remote e-Voting Instructions for shareholders:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in Demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode can vote through their Demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their Demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode/ physical mode is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	<ul style="list-style-type: none">• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.• If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Individual Shareholders holding securities in demat mode with CDSL

- Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <https://web.cdslindia.com/myeasi/home/login> or www.cdslindia.com and click on New System Myeasi.
- After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi./Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.

Individual Shareholders (holding securities in Demat mode) & login through their depository participants

- You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
- Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Individual Shareholders holding securities in Physical mode & Evoting service Provider is LINKINTIME.

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
 - ▶ Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -
 - A. User 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 **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).
2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.



Individual Shareholders holding securities in Physical mode & Evoting service Provider is LINKINTIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- 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.

Individual Shareholders holding securities in Demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
 - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in Demat mode:

In case shareholders/ members holding securities in Demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.



Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & E-voting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Registered Office:
Gandhi Nursing Home Bldg
Dr.Nalinkant Gandhi Road
Himatnagar 383001

Date: 17.05.2021
Place: Himatnagar

By Order of the Board of Directors,

Dilipkumar N. Gandhi
Managing Director
DIN: 00339595



Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS2)]

Item No. 3

Name of Director	Smt. Pallaviben D. Gandhi
Date of Birth	06 th September, 1956
Date of Appointment	15 th October, 1992
DIN	00339639
Nationality	Indian
Qualifications	B.A.
Brief Resume and Expertise in specific Functional areas	She has expertise in the area of Finance over 30 years
Terms and Conditions of Appointment / Re-appointment	As per the Resolution at Item No. 4 of the 26 th Annual General Meeting
Details of remuneration sought to be paid	As per the Nomination and Remuneration Policy of the Company.
Details of remuneration last drawn	For remuneration details, please refer to the Board's Report
No. of Board Meetings attended	6 out of 6
List of Directorships held in other Companies.	NIL
Chairman/Membership of the Committees of the Boards of other Companies in which he is Director	NIL
No. of Shares held	562057
Relationship with any Director of the Company	Wife of Shri Dilipkumar N. Gandhi, Managing Director

**Registered Office:
Gandhi Nursing Home Bldg
Dr.Nalinkant Gandhi Road
Himatnagar 383001**

**Date: 17.05.2021
Place: Himatnagar**

By Order of the Board of Directors,

**Dilipkumar N. Gandhi
Managing Director
DIN: 00339595**



DIRECTORS' REPORT FOR F.Y. 2020-21

To,
The Shareholders,

Your directors have pleasure in presenting their 30th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2021.

> FINANCIAL HIGHLIGHTS (STANDALONE)

The financial summary, performance highlights operations/ states of affair of your Company for the year are summarized below:

(Rupees in Thousands)

Particulars	Current Year ended 31st March, 2021	Previous Year ended 31st March, 2020
Income from Business Operations	48889.22	49800.99
Other income	48.24	3012.68
Total income	48937.46	52813.67
Less: Expenditure except Depreciation	14562.59	23996.90
Profit before Depreciation and Tax	34374.87	28816.77
Less: Depreciation	1288.98	1142.45
Profit before Tax	33085.89	27674.32
Less: Tax Expense	7842.78	7780.33
Net Profit after tax	25243.11	19893.99
Add: Other Comprehensive Income	-	-
Net Profit for the period	25243.11	19893.99
Earnings per share:		
Basic	3.85	3.03
Diluted	3.85	3.03

> STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Though the pandemic brought challenges on the NBFC sector, it gave rise to greater opportunities such as realignment of strategies, cost optimisation and more focus on digital mode for sustainable growth. With the second wave of Covid-19 leading to partial lockdown and restricted business activities, the upside is vaccination drives are in full swing across the country.

The Government and RBI have introduced several liquidity and stimulus measures to support the NBFC industry, which have slowly started to yield results. Disbursements are picking up sequentially across the NBFC sector, driven by moratorium exit, pent-up and seasonally strong demand. The NBFC industry remains an important functionary in the economic ecosystem to fulfil credit requirement of credit starved and new to credit customers by bringing them into formal financial services ecosystem.

The operations of the Company have continued to improve and this is reflected in the quality of the services offered as also in improved cost efficiencies. Wherever required, our staffs are working from home. Disbursements and physical collections which were impacted during the onset of Covid-19 are back to pre-Covid levels. The Company is well prepared to seize opportunities and manage risks at every stage of our value chain.



All businesses including Gold Loan, Business Loan and Vehicle Loans have seen good stability and reasonable profitability through the last financial year.

The Company hopes to offer a full range of new services in the segment of Gold Loan and the development work is continuing.

➤ **CHANGE IN NATURE OF BUSINESS, IF ANY**

There is no change in the business carried on by the company. The classes of business in which the company has an interest are: - Vehicle Loan, Gold Loan, Business Loan and Other Loans as stated in the Financial Statements.

➤ **DIVIDEND**

Your directors recommend for your consideration a dividend of Rs. 0.50/- per share on 65,58,180 equity shares of Rs. 10/- each for the year ended on 31st March, 2021. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

➤ **AMOUNTS TRANSFERRED TO RESERVES**

The Board of the Company has decided /proposed to Carry following amount to its Reserves as under:-

To Reserve fund as per RBI Act (Rupees in Thousands): 5048.62/-

To General Reserve (Rupees in Thousands): 7500/-

➤ **CHANGES IN SHARE CAPITAL, IF ANY**

There was no change in Share Capital of the Company during the year under review as it has not issued any shares including Equity Shares, Shares with Differential Voting Rights, Stock Options, Sweat Equity, etc. The Company has not bought back any equity shares during the year 2020-21.

As on 31st March, 2021, the Paid-up share capital of the Company stood at Rs. 6,55,81,800/- consisting of 65,58,180 Equity Share of Rs. 10/- each.

➤ **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/ unclaimed Dividend declared or paid by the Company, the provisions of Section 125 of the Companies Act, 2013 do not apply.

➤ **COMPLIANCE WITH RBI GUIDELINES**

The Directors confirm that the Company has not invited or accepted any deposits from the public and the Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2021.

➤ **SUBSIDIARY /ASSOCIATE/ JOINT VENTURES OF THE COMPANY**

During the year under review, there were no Subsidiary, associate and joint ventures of the Company.

➤ **CHANGE IN DIRECTORS /KEY MANAGERIAL PERSONNEL DURING THE YEAR**

During the period under review, Mr. Dilipkumar Nalinkant Gandhi was re-appointed as Managing Director for a period of 5 years from 01/08/2020 to 31/07/2025.



Further, Mr. Harsh Dilipkumar Gandhi was re-appointed as Whole-Time Director from 01/08/2020 to 31/07/2025.

Mr. Samirkumar Kantilal Shah was re-appointed as Independent Director of the company for a period of 5 years w.e.f. 15/04/2020.

In accordance with Section 152 of the Act, Mrs. Pallaviben Dilipkumar Gandhi is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible has offered herself for re-appointment. The Board recommends the same for the approval of Shareholders.

➤ **EXTRACT OF ANNUAL RETURN**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for F.Y. 2020-21 is given in **Annexure I** in the prescribed Form No- MGT-9, which is a part of this report.

➤ **NUMBER OF MEETINGS OF THE BOARD & COMMITTEES**

During the year under review Board Meetings, Audit Committee Meetings, Nomination & Remuneration Committee Meetings, Stakeholders' Relationship Committee Meetings and other Meetings were convened, the details of which are given in Corporate Governance Report.

The maximum interval between any two meetings didn't exceed 120 days, as prescribed in the Companies Act, 2013.

➤ **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section of this Annual Report as **Annexure II**.

➤ **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

In the financial year 2020-21, all contracts or arrangements executed by the Company during the financial year with related parties were on arm's length basis and in the ordinary course of business. The information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure III** in Form No- AOC-2 and the same forms part of this report.

➤ **AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in line with the provisions of section 177 of the Companies Act, 2013 to be read with Regulation 18 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The Composition of Audit Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

➤ **NOMINATION & REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 to be read with Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The



Composition of the Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

➤ **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee of the Company is constituted in line with the provisions of section 178 of the Companies Act, 2013 to be read with Regulation 20 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The Composition of the Committee is given in the Corporate Governance Report which forms the integral part of this Annual Report.

➤ **BOARD ANNUAL EVALUATION**

The provisions of section 134(3)(p) of the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that a Formal Annual Evaluation is to be made by Board of its own performance and that of its Committee and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the Independent Directors shall be done by Directors excluding the Director being evaluated. The Board carried out a formal annual performance evaluation as per the criteria/ framework laid down by the Nomination & Remuneration Committee of the company and adopted by the Board. The evaluation was carried out through a structured evaluation process to judge the performance of individual Directors including the Chairman of the Board. They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement & contribution, independence of judgment, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders.

The performance evaluation of the Independent Directors was carried out by the entire Board except the participation of concerned Independent Director whose evaluation was to be done. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Board was satisfied with the evaluation process and approved the evaluation results thereof.

➤ **STATUTORY AUDITOR**

As per the provisions of Section 139 of the Companies Act, 2013, Paresh Thothawala & Co. (Firm Registration No. 114777W), Chartered Accountants, Ahmedabad having address at A-707, TIMES SQUARE ARCADE-2, NR. AVALON HOTEL, OPP. MANN PARTY PLOT, BODAKDEV, AHMEDABAD 380054 was appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 30th September 2020 to hold office upto the conclusion of the 30th Annual General Meeting of the Company.

Your Company has received letter from M/s. PARESH THOTHAWALA & CO, Chartered Accountants; Ahmedabad to the effect that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 read with rules made there under and that they are not disqualified for such appointment.

Your Directors recommend the re-appointment of M/s. PARESH THOTHAWALA & CO, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 31st Annual General Meeting of the Company to be held in the calendar year 2022 subject to approval of Shareholders of the Company.



The Statutory Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

➤ **SECRETARIAL AUDITOR**

Your Directors have appointed M/s. Amrish Gandhi & Associates, Practicing Company Secretary having address at 504, Shivalik Abaise, Nr. Anand Nagar Bus Stand, Opp. Shell Petrol Pump, Anand Nagar Road, Satellite; Ahmedabad-380015, as Secretarial Auditor for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is attached to this report as **Annexure IV**.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

➤ **INTERNAL AUDITOR**

The Company had appointed **Mr. AJAYKUMAR J SHAH & CO**, Chartered Accountants as Internal Auditor of the Company to carry out the Internal Audit Functions.

The Internal Auditor submits a "Yearly Report" to the Audit Committee for its review.

➤ **VIGIL MECHANISM /WHISTLE BLOWER POLICY**

As per Regulation 22 of the SEBI Regulations, 2015, in order to ensure that the activities of the Company & its employees are conducted in a fair & transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the company has adopted a vigil mechanism policy.

Your Company has put in place a formal whistle blowing policy/vigil mechanism for its directors, employees, customers and other stakeholders as per the requirements of the Companies Act, 2013. The policy has clearly laid down its scope and applicability, procedure to be followed for whistle blowing including the e-mail address and telephone numbers of the senior officers handling the matters escalated to them through the whistle blowing mechanism.

The Policy provides for adequate safeguards against the victimisation of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The details of Policy are available on our website www.nalinfin.co.in.

➤ **PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any loan(s) or guarantee(s) and has not made any investment covered under the provision of the Section 186 of the Companies Act, 2013 during the year under review.

All investments made during the year were within the stipulated limits of law.

➤ **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company to which this financial statement relate and on the date of this report.



➤ **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

To the best of the Management's knowledge, there has been no material order passed by any regulator or Court or Tribunal impacting the Going Concern status of the Company's operations.

➤ **THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

To the best of the Management's knowledge, there has been no Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2020-21.

➤ **INTERNAL FINANCIAL CONTROLS**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. Internal Audit is carried out in a programmed way and follow up actions are taken to rectify all audit observations. Statutory Auditors of the Company have confirmed the adequacy of the internal control procedures, in their report.

➤ **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The company does not fall under the criteria of net worth, turnover or profit for applicability of Corporate Social Responsibility (CSR) provisions as per Section 135 of the Companies Act, 2013; hence the same are not applicable to the company for the period under review.

➤ **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT-GO**

The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo, in terms of the Section 134(3) (m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is given below:

(A) Conservation of energy

Your Company being a Non-Banking Finance Company, its activities are not energy intensive.

However, your Company has taken adequate measures for conservation of energy, wherever required.

(B) Technology Absorption

Your Company being a Non-Banking Finance Company, its activities do not require adoption any specific technology. However, your Company has been in the forefront in implementing latest information technologies & tools towards enhancing our customer convenience. Mobile number validation system introduced has enhanced the quality of our KYC data captured in the system. This helps us provide the customers useful and informative SMS alerts on transactions, repayment reminders and missed call facilities so as to track their accounts offline also. With the infusion of technology across, we walked ahead of time towards true Digital India and financial inclusion.



(C) Foreign exchange earnings and Outgo:

Total Foreign Exchange Earned: NIL

Total Foreign Exchange Used: NIL

➤ RISK MANAGEMENT

The provisions of SEBI Regulations for formation of Risk Management Committee are not applicable to the Company. However, as per section 134(3) (n) of Companies Act 2013, the company regularly maintains a proper check in normal course of its business regarding risk management. Currently, the company has identified following element of risk which may threaten the existence of the company.

Risk Management Policy

The Company is exposed to Credit Risk, Liquidity Risk and Market Risk. The Company's Board of Directors has an Overall Responsibility for the Establishment and Oversight of the Company's Risk Management Framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management Policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The major risks are summarised below:

1. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company's major income generating activity is gold loan, vehicle loan, business loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers that are an asset position. The Company considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.



Policies and procedure for credit risk for different products

The Company addresses credit risk by following different processes for different product:

Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.

b) Sanctioning powers for Gold Loans is delegated to Manager of the company. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Manager Records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Losses on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Vehicle Loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- i) Standardize the process of identifying new risks and designing appropriate controls for these risks
- ii) Minimize losses due to defaults or untimely payments by borrowers
- iii) Maintain an appropriate credit administration and loan review system
- iv) Design appropriate credit risk mitigation techniques

2. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flow of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through unutilised cash credit facility and cash and cash equivalents. The total cash credit limit available to



the Company is Rs. 7.50 Crores. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.

3. Market rate risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. Market risk includes interest rate risk and foreign currency risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

b) Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

4. Price risk

For Gold Loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of Calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of them collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

5. Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.

➤ MANAGERIAL REMUNERATION

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as **Annexure V**.

➤ CODE OF CONDUCT

The Board of Directors has laid down the code of conduct for all Board Members and members of the Senior Management of the Company. Additionally, all Independent Directors of the company shall be bound by duties of Independent Directors as set out in Companies Act, 2013 to be read with SEBI Listing Regulations, 2015.



Declaration by CEO/ CFO that the Board Members and Senior Personnel have complied with the Code of Conduct is annexed herewith as **Annexure VI**.

➤ **CORPORATE GOVERNANCE REPORT**

As per Reg. 34 of SEBI Regulation, 2015 to be read with Part- A of Schedule V of the said regulations, a separate section on corporate governance practices followed by the company, together with the certificate from the Practicing Company Secretary confirming compliance forms an integral part of this Report as **Annexure VII**.

➤ **STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF COMPANIES ACT, 2013**

All Independent Directors have given declarations under section 149(7) that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and Rules made thereunder to be read with SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The Board of Directors in the said meeting confirmed that the Independent Directors of the Company fulfil the conditions specified in Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. No Independent Director has resigned during the F.Y. 2020-21.

➤ **LISTING AGREEMENT**

The shares of the Company are presently listed at Bombay Stock Exchange Limited. All statutory dues including Annual Listing Fees for the Financial Year 2021-22 has been paid by the Company.

➤ **LISTING OF NEW SECURITIES ISSUED PURSUANT TO THE SCHEME OF AMALGAMATION**

As per BSE notice dated 15th June, 2020; BSE approved the listing of securities issued pursuant to the Scheme of amalgamation of Ameer Finance Ltd, Gandhi Shroff Services Private Ltd, Nalin Services Ltd and Nalin Consultancy Services Ltd with Nalin Lease Finance Ltd. and permitted the Trading members for trading on the Exchange with effect from Tuesday, June 16th, 2020. The details of Securities and distinctive number of allotment are as follows:

Security Details	3296180 equity shares of Rs. 10/- each issued pursuant to the Scheme of Amalgamation of Ameer Finance Ltd, Gandhi Shroff Services Private Ltd, Nalin Services Ltd and Nalin Consultancy Services Ltd with Nalin Lease Finance Ltd. These shares are ranking pari-passu with the existing equity shares of the company.
ISIN	INE606C01012
Dist. Nos.	3262001 to 6558180
Date of Allotment	31/01/2020

➤ **DISCLOSURE OF STATEMENT OF DEVIATION(S) OR VARIATION(S) UNDER REGULATION 32 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015**

With reference to Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure of Statement of Deviation(s) or Variation(s) as per the said regulation is not applicable to the Company.



➤ **DISCLOSURE OF MAINTENANCE OF COST RECORDS**

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

➤ **REMUNERATION POLICY OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board on the recommendation of Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel and fixation of their remuneration thereof. The Policy contains, inter-alia, directors' appointment and remuneration including criteria for determining qualifications, positive attributes; independence of a Director, etc.

➤ **PERSONNEL RELATIONS**

Your Directors hereby place on record their appreciation for the services rendered by executives, staff and other workers of the Company for their hard work, dedication and commitment. During the year under review, relations between the Employees and the Management continued to remain cordial.

➤ **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, Directors confirm that:

a) In the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had 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 as at 31st March, 2021 and of the profit/loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

f) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

➤ **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the various stake holders including Financial Institutions, Banks, Governmental authorities and other business associates who have extended their valuable support and encouragement during the year under review.



Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company, who have contributed significantly towards Company's performance and for enhancing its inherent strength. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued stakeholders.

For and on behalf of the Board
For NALIN LEASE FINANCE LIMITED

Date: 17-05-2021
Place: Himatnagar

SD/-
Dilipkumar N. Gandhi
Managing Director
DIN: 00339595

SD/-
Harsh D. Gandhi
Whole Time Director
DIN: 03120638



Annexure I of Board's Report

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L65910GJ1990PLC014516
Registration date	11/10/1990
Name of the Company	NALIN LEASE FINANCE LIMITED
Category /Sub-Category of the Company	Company Limited by shares/ Non-govt company
Address of the registered office and contact details	GANDHI NURSING HOME BLDG, DR. NALINKANT GANDHI ROAD, HIMATNAGAR, 383001 Tel: (02772)242264 Email: info@nalinfin.co.in Website: www.nalinfin.co.in
Whether listed company (Yes/No)	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	LINKINTIME (INDIA) PRIVATE LIMITED Address: C-101,247 Park, L.B.S.Marg, Vikhroli (West), Mumbai 400083 Phone: +91-22-49186000 Fax: +91-22-49186060 Website: www.linkintime.co.in E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

SR. NO.	NAME AND DESCRIPTION OF MAIN PRODUCTS/ SERVICES	NIC CODE OF THE PRODUCT/SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
1	Financial Services	6492	90.13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY /ASSOCIATE	APPLICABLE SECTION
	NIL			



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IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4506576	0	4506576	68.72	4586154	0	4586154	69.93	+1.21
b) Central Govt	0	0	0	0	0	0	0		0
c) State Govt(s)	0	0	0	0	0	0	0		0
d) Bodies Corp.	0	0	0	0	0	0	0		0
e) Banks / FI	0	0	0	0	0	0	0		0
f) Any other	0	0	0	0	0	0	0		0
Sub- Total (A) (1)	4506576	0	4506576	68.72	4586154	0	4586154	69.93	+1.21
(2) Foreign									
a) NRIs - Individual	0	0	0	0	0	0	0	0	0
b) Other - Individual	0	0	0	0	0	0	0	0	0
c) Bodies Corp-	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	4506576	0	4506576	68.72	4586154	0	4586154	69.93	+1.21
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0



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g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B) (1) :-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 Lakhs	408963	161400	570363	8.70	411287	160300	571587	8.72	+0.02
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakhs	1425637	0	1425637	21.74	1339051	0	1339051	20.42	-1.32
c) Others (specify)									
Hindu Undivided Family	12089	0	12089	0.18	12868	0	12868	0.20	+0.02
Non Resident Indians (Repat.)	3305	0	3305	0.06	3352	0	3352	0.06	0
Non Resident Indians (Non Repat)	500	0	500		500	0	500		
Clearing Member	0	0	0	0	449	0	449	0.01	+0.01
Bodies Corporate	39710	0	39710	0.61	44219	0	44219	0.67	+0.06
Sub-total (B)(2):-	1890204	161400	2051604	31.28	1811726	160300	1972026	30.07	-1.21
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1890204	161400	2051604	31.28	1811726	160300	1972026	30.07	-1.21
C. Shares held By Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6396780	161400	6558180	100	6397880	160300	6558180	100	0



NALIN LEASE FINANCE LIMITED
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ii) SHAREHOLDING OF PROMOTERS (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Dilipkumar Nalinkant Gandhi	2814470	42.92	0	2814470	42.92	0	0
2	Pallaviben Dilipkumar Gandhi	562057	8.57	0	562057	8.57	0	0
3	Manali Harshkumar Gandhi*	93964	1.43	0	173542	2.65	0	+1.21
4	Gandhi Harsh Dilipkumar	80572	1.23	0	80572	1.23	0	0
5	Dilipkumar Nalinkant Gandhi HUF	27000	0.41	0	27000	0.41	0	0
6	Dr Nalinkant Gandhi HUF (Dilipkumar Nalinkant Gandhi-Karta)	26500	0.40	0	26500	0.40	0	0
7	Rupalben Dilipkumar Gandhi*	523560	7.98	0	523560	7.98	0	0
8	Urviben Dilipkumar Gandhi*	353953	5.40	0	353953	5.40	0	0
9	Falguniben Krishnakant Shah*	24500	0.37	0	24500	0.37	0	0
	Total	4506576	68.72	0	4586154	69.93	0	+1.21

* Forms part of the Promoter Group



iii) CHANGE IN PROMOTERS' (INCLUDING PROMOTER GROUP) SHAREHOLDING
(please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	4506576	68.72	4506576	68.72
2	<p>Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):</p> <p><i>Acquisition of Shares by Mrs. Manali H. Gandhi (Promoter Group) on</i></p> <p>1. 23/12/2020 from open market 820 Equity shares</p> <p>2. 24/12/2020 from open market 30765 equity shares</p> <p>3. 31/12/2020 from open market 600 Equity shares</p> <p>4. 16/02/2021 from open market 1293 Equity shares</p> <p>5. 17/02/2021 from open market 1349 Equity shares</p> <p>6. 18/02/2021 from open market 18000 Equity shares</p> <p>7. 23/02/2021 from open market 7574 Equity shares</p>	79578	1.21	4586154	69.93



	8. 24/02/2021 from open market 2 Equity shares				
	9. 01/03/2021 from open market 15155 Equity shares				
	10. 03/03/2021 from open market 4000 Equity shares				
	11. 05/03/2021 from open market 20 Equity shares				
3	At the end of the year	4586154	69.93	4586154	69.93



IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDER OF GDRS AND ADRS):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in Shareholding during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	KARAMJIT SINGH	88235	1.3454	88235	1.3454	0
2	SONI KARTAVYA NAVINCHANDRA	60900	0.9286	60900	0.9286	0
3	SANJAYKUMAR SARAWAGI	56272	0.8580	56273	0.8581	+0.0001
4	PATEL KUNDAN MUKESHBHAI	53200	0.8112	53200	0.8112	0
5	PATEL REKHABEN HEMANTKUMAR	53000	0.8082	53000	0.8082	0
6	PATEL VARSHABEN KETANKUMAR	51900	0.7914	51900	0.7914	0
7	SOLANKI SUNILKUMAR KALYAN	51800	0.7899	51800	0.7899	0
8	PATEL MUKESHBHAI RAMJIBHAI	51400	0.7838	51400	0.7838	0
9	KALPESHKUMAR M PATEL	50500	0.7700	50500	0.7700	0
10	PRAJAPATI RAMILABEN K	50205	0.7655	50205	0.7655	0



V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	NARENDRAKUMAR DALSUKHDAS SHAH -(Non-Executive Independent Director)				
	At the beginning of the year	2500	0.0381	2500	0.0381
	At the end of the year	2500	0.0381	2500	0.0381
2.	DILIPKUMAR NALINKANT GANDHI -(Managing Director and KMP)				
	At the beginning of the year	2814470	42.92	2814470	42.92
	At the end of the year	2814470	42.92	2814470	42.92
3.	PALLAVI DILIPKUMAR GANDHI-(Whole time Director and KMP)				
	At the beginning of the year	562057	8.57	562057	8.57
	At the end of the year	562057	8.57	562057	8.57
4.	HARSH DILIPKUMAR GANDHI-(Whole time Director and KMP)				
	At the beginning of the year	80572	1.23	80572	1.23
	At the end of the year	80572	1.23	80572	1.23
5.	NAVINCHANDRA CHANDULAL SONI-(Non-Executive Independent Director)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
6.	SAMIRKUMAR KANTILAL SHAH-(Non-Executive Independent Director)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
7.	SWATI AJAY SHAH-(Company Secretary and KMP)				
	At the beginning of the year	0	0	0	0
	At the end of the year	0	0	0	0
8.	NIKULKUMAR KANTIBHAI PATEL-(C.F.O (KMP))				
	At the beginning of the year	49500	0.7548	49500	0.7548
	At the end of the year	49500	0.7548	49500	0.7548



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rupees in Thousands)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	43768.98	0	-	43768.98
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	6266.09	462.77	-	6728.86
Total (i+ii+iii)	50035.07	462.77	-	50497.84
Change in Indebtedness during the financial year				
* Addition	0	0	-	0
* Reduction	47815.39	409.22	-	19803.38
Net Change	-47815.39	-409.22	-	-48224.61
Indebtedness at the end of the financial year				
i) Principal Amount	1622.11	0	-	1622.11
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	597.57	53.55	-	651.12
Total (i+ii+iii)	2219.68	53.55	-	2273.23



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Rupees in Thousands)

Sr. NO.	Particulars of Remuneration	Name of MD/WTD/ Manager			
		Dilipkumar Nalinkant Gandhi (Managing Director)	Pallavi Dilipkumar Gandhi (Whole-Time Director)	Harsh Dilipkumar Gandhi (Whole-Time Director)	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1880	1520	1400	4800
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Fee for attending Board/Committee Meetings	0	0	0	0
3	Stock Option	0	0	0	0
4	Sweat Equity	0	0	0	0
5	Commission - as % of profit	0	0	0	0
6	Others, please specify(OFFICE/FURNITURE RENT)	2186.66	0	270	2456.66
	Total (A)	4066.66	1520	1670	7256.66



B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		*****	*****	*****	
1.	Independent Directors				
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 				
	Total (1)				
2.	Other Non-Executive Directors	NARENDRA KUMAR DALSUKHDAS SHAH	NAVIN CHANDRA CHANDULAL SONI	SAMIR KUMAR KANTILAL SHAH	
	<ul style="list-style-type: none"> • Fee for attending board committee meetings • Commission • Others, please specify 	0	0	0	0
	Total (2)	0	0	0	0
	Total (B) = (1 + 2)	0	0	0	0
	Total Managerial Remuneration	0	0	0	0



C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Ms. SWATI AJAY SHAH (Company Secretary)	Mr. NIKULKUMAR KANTIBHAI PATEL (Chief Financial Officer)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,000	2,20,000	3,40,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit	0	0	0
5	Others, please specify	0	0	0
	Total	1,20,000	2,20,000	3,40,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2021.

For and on behalf of the Board
For NALIN LEASE FINANCE LIMITED

SD/-
Dilipkumar N. Gandhi
Managing Director
DIN: 00339595

SD/-
Harsh D. Gandhi
Wholetime Director
DIN: 03120638

Date: 17-05-2021
Place: Himatnagar



Annexure II of Board's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY OVERVIEW

2020 was a year that defined 'what was' and 'what will be'. It was a year that segregated the resilient from the vulnerable. Indian economy has been exhibiting a weaker trend even before the onset of the COVID-19 Pandemic. Right from the country's phased lockdown and slump in business activities to the gradual recovery and the ongoing vaccination drive globally; it's been nothing short of a roller coaster ride. The year unfolded quite dramatically as it brought along both unprecedented crisis and uncharted opportunities for the economy. The Reserve Bank of India's (RBI) prompt response during the crisis helped avert a financial collapse. It implemented measures like slashing interest rates, announcing fiscal stimulus package and allowing loan moratorium, among others. Together, these measures helped stabilise the economy.

Indian economy experienced an upside motion during the last festive season. The positive momentum continued with the roll out of vaccines and revival of several infrastructure projects by the Government. This helped uplift morale while also boosting economic activities. Though uncertainty looms around on account of the second wave, vaccine rollout and control of daily new cases will be key monitorables. India went onto record an impressive 13% growth in FDI in 2020. This growth, on the back of rising sentiments towards India, was higher compared to other major economies. The Private Final Consumption Expenditure (PFCE), constituting more than 50% of the GDP, registered a decline by 2.4% in the December quarter. This decline however, an improvement from 26.3% in June quarter, was accompanied with a continued uptick in corporate profit (*Source: CMIE*).

The economy slowly graduated out of the contraction zone from a dip of 23.9% in June 2020 to a positive 0.4% in December 2020 (*Source: MOSPI*). The latest GDP numbers support the economy's narrative of a strong sequential recovery. However, the nature of the ongoing recovery and its ability to sustain after returning to pre-COVID-19 levels remain uncertain. The eight core sector industries' index has shown a positive momentum with minor dips in the short-term. The outlook for the future remains optimistic with recovery in business activities. Total loans sanctioned under the Emergency Credit Line Guarantee Scheme (ECLGS) stood at Rs. 2.10 trillion, out of which Rs. 1.69 trillion were distributed to 4.25 million borrowers till January 2021. (*Source: Finance Ministry*)

This scheme allowed for an incremental 20% exposure for business borrowers that were no more than 30 days delinquent on repayment as of February 2020.

OUTLOOK

The Indian economy is showing decisive and strong signs of recovery. These positive signals are underpinned by the confidence post the vaccine roll out, low interest rates, resurgence of consumer confidence and other investment attracting measures. With strong prospects of robust growth gaining grounds in consumption and investment, along with a lower base effect, GDP is estimated to grow at 11.0% in FY22. (*Source: NCAER, IMF, Deloitte*)



INDUSTRY STRUCTURE AND DEVELOPMENTS

NBFC

NBFCs have been playing a crucial role in changing the growth contours of the Indian economy since the last decade. They bring diversity and efficiency into financial intermediation. Their ability to reach out to the most remote and inaccessible areas, promoting financial inclusion, make them the game-changers of the Indian economy's financial sector. Their focus, right from the beginning, has been towards providing support and financial assistance to the economy's underserved segments such as MSMEs, microfinance and other retail segments. Over the years, NBFCs have considerably evolved in terms of operations, heterogeneity, asset quality, profitability and regulatory architecture. With retail and small-ticket-sized lending as one of the prime focus areas of the sector, many NBFCs are seeing a record growth in loan disbursements in the second half of FY21.

Today, a rising number of NBFCs are seen adopting business and operational models powered by technologies, facilitating higher speed and convenience for customers. Digitalisation has been instrumental in reinventing traditional financial products while catering low-income, urban customers in the unorganised sectors. The NBFC's investments in new technologies and strategic partnerships with fintechs have allowed it to lower costs while increasing customer base significantly.

COVID-19 has driven organisations to recognise the value and role of new-age technologies. The pandemic has boosted the technological advancement in the NBFC sector as well. Paper-based credit appraisals and loan processing are things of the past. The modern-day NBFCs are leveraging on technology and artificial intelligence. All critical stages of loan disbursement right from onboarding, KYC, loan sanctioning to loan agreements and loan disbursements are now done digitally. Technologies like AI and Machine learning are helping NBFCs strengthen their credit appraisal processes and find the right customers in lesser time. By moving towards paperless loan sanctioning processes, the sector has taken a collective step towards sustainability.

The trust these institutions have earned through longstanding relationships with retail customer makes them a significant part of the economy's growth story. With proposed modifications in NBFC governance, along with changes suggested in the last budget, the Government has acknowledged the importance of NBFCs. This next decade will witness the rise in the importance of NBFCs with increased surveillance and control.

The Union Budget in February 2021 proposed to lower the threshold for NBFCs to initiate recovery proceedings under the SARFAESI Act, 2002. To improve credit discipline while continuing to protect the interest of small borrowers, the minimum loan size, eligible for debt recovery under the SARFAESI Act, was reduced from the earlier level of Rs. 5 million to Rs. 2 million. This reduction in minimum loan size was done for NBFCs with a minimum asset size of Rs. 1 billion with intent to help lenders recover their dues faster (*Source: Union Budget 2021-22*).

The Indian NBFC market grew to Rs. 28.7 trillion in FY20. The AUM is expected to grow to Rs. 29.2 trillion in FY21 – a growth of 2% – and to Rs. 31 trillion in FY22 – a growth of 6.2% (*Source: CRISIL*).

The moderate short-term growth can be ascribed to various factors: lower need for credit due to limited economic activity, lockdowns resulting into low production, and



overall risk averseness of the lending community. However, this growth is anticipated to be considerably affected in the wholesale segment owing to sharp decline in the real estate demand. NBFCs with granular portfolio and retail lending on the other hand, are likely to perform better. This improvement can be accredited to recuperating economic activities and fund requirements by MSMEs along with faster digital processing. At the beginning of lockdown and moratorium, when the collection levels plunged sharply, there was a clear discernment regarding nonbanks' ability to meet their financial obligations. However, a gradual upturn in collections since June 2020 brought in some relief. Along with this, adequate support through the Government's liquidity measures, helping even the more vulnerable, small, and midsize lenders, ushered a ray of hope. These measures succoured in raising funds and meet the near-term obligations of such lenders. Additionally, even though corporate market issuances have gone down, bank lending has supported the segment. NBFCs with resilient and strong business models or robust legacy are anticipated to rebound faster than others. Their relative stability is expected to enhance their sustenance for increasing their market share post pandemic.

Asset quality was one of the prime reasons behind the focus shift of lenders from growth to consolidation during the initial phases of the lockdown. There was a continuous engagement of lenders with their customers to ascertain maximum recovery of loans. COVID-19 impacted NBFC segments differently. Segments that were already stressed like commercial vehicle loans and loans against property, felt the pinch. On the other hand, secured loans, especially gold loan and home loan segments, performed relatively better. On the Nonperforming Asset (NPA) front, the Gross Non-Performing Asset (GNPA) ratio for the NBFC sector is anticipated to be at 7.5% in March 2021 from 6.6% in the same month last year. The Net Non-Performing Asset (NNPA) ratio in March 2020 remained stagnant around 3% as compared to the same month last year. The steep rise in the NPAs can be accredited to the pandemic and the resultant asset quality deterioration across segments.

Similarly, when it came to Scheduled Commercial Banks (SCBs), the GNPA ratio stood at 7.5% in September 2020, plunging from 9.3% in September 2019. NNPA ratio declined further from 3.7% in September 2019 to 2.1% in September 2020. These numbers are after taking the moratorium announced by the Centre into account. According to the financial stability report published by the RBI, the GNPA forecast for March 2021 is expected to be around 13.5% in a baseline scenario and may rise up to 14.8% in a severe stress scenario. At the moment, it is difficult to predict the improvement in credit quality in the SCBs. However, going ahead, NBFCs are anticipated to benefit from the same in case of an improvement post the pandemic. SCBs are the main players in both asset sales and securitisation undertaken by NBFCs. An improvement in the asset quality of banks will increase their liquidity benefitting the NBFCs by higher cash flow without further leveraging their balance sheet (*Source: RBI*).

Apart from the wholesale segment, all other non-bank segments remained at ease with regards to liquidity and fundraising. As a matter of fact, the excess liquidity in the system is expected to bring down the borrowing cost by 50- 60 bps in FY21 (*Source: CRISIL*).

NBFCs with robust business foundation and people proficiency could maintain healthy asset quality despite the turbulence. With the pandemic and the resultant crisis, the



focus had shifted from growth to stability. Lenders are continuously connecting with their customers. In the absence of disbursements, even sales teams were involved in collection and borrower engagement. Additionally, the RBI's helping hand in the form of one-time restructuring scheme for all loans provided the much needed breather for all the segments. These initiatives are expected to further mitigate the risk of deterioration in asset quality. Collection efficiencies of NBFCs for products like Gold loans, vehicle loans, home loans and even micro finance have exhibited a strong recovery above their pre-COVID-19 levels, increasing month-on-month. NBFCs are also witnessing a shift from the higher days past due (DPD) segment to the lower DPD segment, resulting in a lower provisioning demand.

In August 2019, the RBI raised bank's exposure limit to a single NBFC. The limit was revised from 15% earlier to 20% of their Tier 1 capital. This step is directed towards encouraging bank lending to NBFCs and is expected to improve bank's exposure in NBFC's resource profile going ahead. Simultaneously, the priority sector lending (PSL) norms were also eased. In November 2020, RBI announced a 'Co-Lending Model' scheme, an upgrade over the previous co-lending guidelines to allow banks to fund NBFCs and ultimately improve the flow of credit to the unserved and underserved sector of the economy. This scheme will help in channelizing funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and greater reach of the NBFCs. This will ensure that public sector banks lend further to NBFCs, thus improving liquidity.

LIQUIDITY UPDATES

The NBFC sector has been facing liquidity constraints since 2018. This constraint was only further aggravated by the COVID-19 outbreak. The SCBs tightened their credit flows and policies leading to liquidity squeeze for NBFCs. This forced NBFCs to shift their focus on maximising loan recovery, asset-liability management and consolidation over AUM growth. Due to liquidity concerns and a reduction in the sectoral exposure cap in NBFC by SEBI from 25% to 20%, Mutual Funds (MFs) saw a decrease in NBFC exposure. As a result, the share of AMC/MFs in outstanding borrowings for NBFCs decreased from 27.8% in June 2019 to 23% in September 2020. For HFCs, it decreased from 25.2% in June 2019 to 21.9% in September 2020. Alternatively, NBFCs and HFCs have used term loans, securitisation, and assignment to obtain financing from banks.

Government Initiatives

The RBI and Government announced several measures to provide liquidity support and mitigate the disruptions caused by the pandemic. These measures were aimed at easing liquidity and improving asset quality. Additionally, RBI in its Monetary Policy Committee meeting in April 2021, decided to retain its accommodative policy stance as long as necessary to sustain long term development.

Policy Rates

RBI reduced the policy rates from 5.15% in February 2020 to the current 4% to further boost liquidity into the system. To further supplement its accommodative stance, RBI has kept the repo rate unchanged at 4% in the April 2021 Monetary Policy Committee meeting.



Partial Credit Guarantee Scheme Expansion

The ministry also expanded the partial credit guarantee scheme (PCGS) in May 2020. This was done with an aim to add greater flexibility to state-owned banks in purchasing bonds and commercial papers of non-banking financial companies (NBFCs). Under PCGS 2.0, the Centre provided 20% first loss sovereign guarantee to public sector banks, resulting in liquidity infusion of Rs. 450 billion into the system.

Other Liquidity Infusion Measures

In April 2020, the RBI provided Rs. 500 billion liquidity to All India Financial Institutions like NABARD, NHB & SIDBI. In April 2021, fresh lending support of Rs. 500 billion has been provided to NABARD, NHB & SIDBI. The Centre's move to uplift the MSMEs in India and substantially increase their contribution to the GDP by injecting liquidity through banks and NBFCs is expected to benefit the sector. Schemes like Rs. 3 trillion collateral free loans with 100% credit guarantee to MSMEs, Rs. 200 billion subordinate debts for stressed MSMEs and Rs. 500 billion equity infusions for MSMEs would collectively infuse and increase liquidity into the system.

Going Ahead

The prime area of focus for NBFCs will remain on collections and customer engagement. NBFCs are expected to pick up by 5-6% in business growth in FY22 on the back of pandemic's impact weaning and the economic engine beginning to roar early into the financial year (*Source: CRISIL*).

Gold loans are expected to perform better than all other segments backed by the behaviour of the asset class. NIMs are contemplated to be maintained at nearly the same level while credit costs are expected to revert to close to pre-COVID-19 levels. Ensuing this, NBFCs are expected to closely mirror recovery in FY22 – steering the economy's momentum towards growth and subsequent capital requirement. However, escalating second wave of COVID-19 infections in India present a downside risk to growth forecast and could dampen market and consumer sentiment.

GOLD FINANCE

Gold industry has traditionally been a pillar of strength and support for the Indian economy. The yellow metal holds a significant position in the hearts and homes of Indians, making India the largest gold consumer globally. For time immemorial gold has been one of the most reliable and auspicious liquid assets for Indians. With an emotional sentiment attached to the metal, Indians rarely sell their gold jewellery but pledge it as collateral with financiers for securing short-term loans.

Specialised NBFCs hold a larger share in the gold loan segment. This is due to their aggressive approach towards the sector through branding, advertising and expansion and other factors like faster loan processing, accurate gold valuation, safekeeping and auctioning. NBFCs have an upper hand over banks in gold financing. This inclination can be credited to the flexibility and quick turnaround time they offer – both of which are extremely vital to gold loan customer segment. Over the past five years, credit outstanding of the gold loan segment has grown at a higher rate as compared to banks (*Source: KPMG*).

The segment has now picked up scale and is on its growth trajectory. It is expected to outmatch the lending space in India. The year 2020 saw a lot of Indian household resorting to pledging their gold reserves. This helped meet their short-term liquidity



needs induced by the pandemic. The RBI revisited its guidelines for banks' lending gold loans by increasing its Loan to Value (LTV) from 75% to 90% (till March 31, 2021). This was aimed to help stressed borrowers unlock more value. The gold loan industry's Asset under Management (AUM) grew at a compounded rate of 8% between 2015 and 2020, registering an AUM of Rs. 3,262 billion (*Source: CRISIL*).

The gold loan market in FY21 is expected to perform better than the other retail loans. This anticipation of better performance is mainly on account of rising gold prices leading to: additional disbursements, growing share of digital loans, widening branch network, large demand from MSMEs and individuals, increased traction from farmers, minimal documentation and faster processing, among others. The AUM for gold finance is expected to reach Rs. 4,180 billion in FY22, a growth of ~28% from FY20 (*Source: CRISIL*).

AUTO INDUSTRY

The auto industry was hit badly in FY 21, coupled with the structural slowdown which was already prevailing in the segment. This has pushed back the industry by many years.

The domestic commercial vehicle industry closed FY 21 with a 21% de-growth after recording a 29% negative growth in FY 20 which is predominantly on account of the disruption in sales due to lockdown restrictions, negative customer sentiments and economic slowdown. Medium and heavy commercial vehicles (MHCV's) recorded a 22% de-growth, light commercial vehicles (LCV's) at 18% de-growth and small commercial vehicles (SCV's) at 25 de-growth. Sale of domestic commercial vehicles is expected to grow in FY 22 after two consecutive years of volume contraction supported by the low base and expectation of improved economic activity from second half of FY 22. However the full impact of the second wave of COVID-19 and its recovery is still not known. The vaccination drive and control of COVID-19 spread in the first two quarters is very critical for a positive growth trajectory in sales volumes in FY 22.

Domestic car and utility vehicle industry has witnessed three years of negative growth which is the first time in a decade which were majorly attributed to muted consumer sentiments and higher cost of ownership. The car & utility vehicle industry is expected to post a favourable growth subject to quicker pick-up in economic activity after the second wave of the pandemic, improved consumer sentiments supported by resilient rural demand due to favourable monsoons. The shift towards personal mobility from public transport will also help the car and utility segment in the urban towns and cities.

Tractor industry had a growth of 27% in FY 21 due to healthy farm cash flows on the back of a normal monsoon and minimal COVID-19 impact in rural areas. The momentum is expected to continue in FY 22 with a moderate growth of 5% to 10% (due to a high base effect) aided by a normal monsoon healthy crop output, and increased government spend on development activities.

Two-wheeler industry had a de-growth of 13% in FY 21 due to higher inflation levels and reduced discretionary spending. The industry is expected to grow at around 10% to 15% in FY 22 on a severely contracted base.



OPPORTUNITIES

Co-lending to Enhance Liquidity

Co-lending via NBFCs is the optimum solution to liquidity conversion from banks to lesser served priority sectors through credit funding. It leads to consumption growth and acts as an excellent way of spreading risk. It prevents the entire loan from falling onto NBFCs' balance sheet as banks lend to the borrowers directly. Last few decades have seen different lenders building different strengths. For instance, banks are better at doing secured and collateralised loans at lower costs, whereas NBFCs specialise in smaller loans that are both collateralised and unsecured. Co-lending brings these strengths together, making credit available to MSMEs and consumers at lower costs. NBFCs bring their existing infrastructure and collection capabilities to the table while banks bring the power of their robust balance sheet to a sector largely underserved by the formal banking space. The prime benefit to NBFCs here is in accessing an entire new set of customers along with cheaper funding sources. With the kind of benefits it brings along, co-lending is sure expected to create substantial synergy for the sector.

Rising Working Capital Demand

The pandemic has affected small and large businesses alike. Here again, the small-scale industries with lack of easy access for credit were the ones most impacted. Many companies have been wiped out due to bankruptcy while others have been dependent on credit for their survival. The world is still reeling with the virus but the discovery of vaccine rollout has raised morale, infused hope and ushered the economy going into revival. All the sectors are experiencing positive momentum with increase in business activities. There is a substantial demand prevalent in the market and economy for working capital. This demand is important for going back to the pre-COVID-19 levels and resurgence to achieve new highs.

Increasing Consumerism Boosting Retail Lending

Over the years, there has been a psychological shift in the consumer spending. This, in turn, resulted in a paradigm shift in the borrowing patterns. The earlier aspirational ideology of savings has given way to consumerism. Leisure has become an essential component of Indian urban and semi urban lifestyles. As a result, an increasing number of people are willing to take loans for instant gratification. This has boosted unsecured lending such as personal loans and credit cards across the country. The retail lending products had witnessed a slowdown due to the pandemic and economic distress. However, with the signs of economic revival, credit demand reached 93% of the pre-COVID-19 levels in November 2020 (*Source: Trans Union CIBIL*).

With the economy gradually reviving, improvement in credit origination and approvals are being seen. Every crisis brings along an opportunity and this pandemic was no different. The COVID-19 crisis is expected to alter the dynamics of India's retail credit market, bringing a new dawn to the economy's retail lending.

Partnership with Fintechs

An increasing number of NBFCs are focusing on developing innovative products and catering low income, urban customers in unorganised sectors. Under this framework, NBFCs are adopting business and operational models powered by technologies. The purpose is to seamlessly facilitate the design, launch, implementation and execution of tailored products and services. Investing in new technologies and strategic partnerships with the present financial institutions and fintechs helps NBFCs in a number of ways: to



lower customer acquisition costs, servicing existing customers or de-risking the portfolio while trying to overcome the increasing formal credit penetration in a growing economy. Moreover, this also gives them access to crowd funding. NBFCs can serve the niche segments in partnerships with fintechs leading to increased synergies between the two. India has seen a steep rise in the fintech industry with almost 67% of the 2,100 fintech set up in the last 5 years. At the current valuation of USD 50-60 billion the fintech industry is expected to reach USD 150-160 billion by 2025 (*Source: Moneycontrol*).

Underserved MSME Segment

MSME segment contributed to almost 29% of India's GDP in FY20 and is one of the most underserved segments in terms of credit access (*Source: IBEF*).

A substantial portion of MSMEs in India do not receive formal credit, leaving these companies under-financed or financed through informal sources. Informal credit ends up being more expensive than formal debt, making it difficult for MSMEs to address accumulated debt burden. The World Bank estimates the current credit gap for MSMEs in India to be at USD 380 billion. MSME is a sector with huge potential for growth with limited access to funds from traditional banks and Financial Institutions. The Government of India took appropriate steps to enhance the credit access to the MSME and eventually increase their contribution to almost 50% of the GDP in the long term. The Centre's move for injecting liquidity with banks and NBFCs would benefit the sector as well. Schemes like Rs. 3 trillion collateral free loans with 100% credit guarantee to MSMEs, Rs. 200 billion subordinate debts for stressed MSMEs and Rs. 500 billion equity infusions for MSMEs collectively would boost the MSME segment substantially. NBFCs with wide coverage and deep penetration in rural India can play a pivotal role in serving these areas. By partnering with various players in BFSI and consumption space with innovative products like Micro ATM, cash deposit/collection, selling home appliances, bundling insurance life and health, there can be immense opportunities and avenues to explore.

Partnership with E-commerce Players to Increase Retail Credit

The e-commerce market is expected to record a CAGR of 18% from USD 39 billion in 2017 to USD 200 billion by 2027 (*Source: IBEF*).

The Indian E-commerce industry has been on an upward growth trajectory and is expected to surpass that of the US to become the second largest e-commerce market in the world by year 2034. There is a huge demand for online credit from buyers, especially for mid to high-ticket size items.

Growth of Digital Financial Services and Tech-enabled Lending

Technology-driven financial services or digital financial inclusion is one of the crucial ways to serve lower-income customers in India. Digital tools have fostered speedier and more inclusive growth by dramatically reducing financial service providers' costs. This has made services more convenient and accessible for users, especially for the low-income subscribers in remote locations. Internet penetration has been on an upward trend, registering the highest levels of data consumption and subscriber base during the pandemic. Total wireless subscriber base in the country reached to 742.06 million in November 2020. With 5G entering the implementation phase in the country, digital financial payments delivered via internet and mobile phones, coupled with the rising credit demand, provide a huge opportunity for NBFCs and fintechs to expand their credit outreach.



Gold Loan Demand

India's gold loan market is expected to touch Rs. 4.1 trillion by 2022 (*Source: CRISIL*). FY19 and FY20 saw gold loan companies aggressively expanding their branch network. This was especially witnessed across the northern and eastern states of the country, which was relatively underpenetrated right until 2018. Despite the pandemic and economic slowdown, the gold loan segment witnessed strong demand and disbursal growth. The lower credit eligibility makes gold loans accessible to all. This loan segment saw a surge in demand from small businesses and individuals during the pandemic to manage their liquidity needs. Further, the onset of online and digital models in the gold loan space brought about a revolution in FY21. Services like gold verification at the customers' doorstep have opened untapped market among digitally-enabled customers. NBFCs are expected to capture this market faster with its quick decision-making, faster adoption and better outreach as compared to banks.

More Involvement of the Private Sector

India's financial sector has a low credit exposure than that compared to other developing countries. Our credit-to-GDP level is 51% as compared to 70% and 136% in Brazil and Malaysia, respectively. The state banks in developing countries generally comprise the minority rather than the majority of market credit share – closer to 20% versus the current ~70% in India. In order to boost the economy's growth at a faster rate, credit must also grow at an equally faster pace, while maintaining good credit quality along with avoiding excessive risk taking.

Threats

Stringent Regulatory Norms

Unexpected regulatory changes or tightening in regulatory scrutiny/restrictions may adversely impact the way current products or services are produced or delivered.

Technology Disruption

Constant technology and innovation-based upgradations require companies to pay as much attention towards innovation as towards business growth. The rising performance-related expectations with respect to quality, timings and cost, are making technological upkeep extremely important. It is crucial for keeping in line with competitors, especially the new ones that are 'born digital' and with a low-cost base for their operations. The risk of disruptive innovations enabled by new and emerging technologies is always prevalent.

Global Market Slowdown

The global markets are looming with uncertainty. The slow growth in the advanced economies and rising constraint on certain emerging economies can result in volatile capital inflows and currency fluctuations. The increasing restrictions on migration and global trade are likely to hurt productivity and incomes. Together, this may take an immediate toll on the market sentiment. Speaking of the same in the Indian context, slow implementation of regulatory reforms and lack of consensus on important legislations is further likely to delay growth.



Volatile External Conditions

There are other notable risks to the global economy. A possible shift towards inward-looking policies and protectionism or a sharper-than-expected tightening in global financial conditions may interfere with balance sheet weaknesses in parts of the West and in some emerging market economies as well. Apart from these, increased geopolitical tensions and even more trade tensions in the global market also pose a threat to the industry.

COMPANY OVERVIEW

Nalin Lease Finance Limited (NLFL) is one of the prominent and reputable financial services company in Gujarat. The Company provides a wide range of fund based services including Gold Loans, Vehicle Loans; Business Loans etc. NLFL (the 'Company') is promoted by Mr. Dilipkumar Nalinkant Gandhi. The Company's highly qualified and experienced management team is focussed to promote a growth culture, entrepreneurship and innovation. Founded in 1990 as a Leasing and Investment Company, NLFL has innovated and reinvented itself time and again. Not only this, it has also adapted to the ever-changing business environment without losing focus on its financial services domain. Today, the Company has exponentially grown into wide range of financial services, serving over 3000 customers across business segments in Gujarat.

Financial Performance and Operations Review

The Company continued diversifying its portfolio with gold loans, vehicle loans, business loans etc. The total comprehensive income for the year grew 26.89% YoY to Rs. 2,52,43,211/-.

The Company continued focusing on its core segments, growing the retail portfolio while maintaining the asset quality alongside. NLFL has focused on to uplift every customer digitally in his/her loan journey. The Company intends to provide an overall seamless digital borrowing experience to every customer.

SEGMENTAL OVERVIEW

Gold Loan

The organised gold loan market comprising NBFCs, banks and Nidhi companies contribute to nearly 35% of the Indian gold loan market. With a CAGR of 8% between FY15 and FY20 to registering an AUM of Rs. 3,262 billion, the gold loan industry is expected to reach Rs. 4,180 billion by FY22 (*Source: CRISIL*).

Indians have sentiments attached with gold, which accounted for an estimated 23% of the total global gold demand between 2009 and 2018 (*Source: KPMG*).

Nearly two-third of India's gold demand comes from rural communities, where jewellery is seen as investment.

Over the years, NBFCs have developed competitive strength and faith in the organised gold loan market. This is due to their wide network, faster loan processing, accurate gold valuation and the ability to serve non-bankable customers. Despite facing competition from substitute financial products, gold loan demand is expected to grow because of increased digitisation and loan demand from small businesses.



Business Overview

NLFL Finance offers loan against gold jewellery to small businessmen, vendors, traders, farmers, and salaried people. These loans are given at competitive rates with minimum documentation and fast turnaround time. The Company follows a strong verification process conducted by experienced officers, certified and trained in asset quality practices. The ornaments are stored in fireproof and burglary-proof vaults under 24x7 electronic surveillance.

FY21 under Review

The Company's prime focal point was to improve profitability and operational efficiency along with superior risk management and controls. The Gold Loan disbursements during the year were Rs. 12,61,07,305/- as against Rs. 11,41,09,078/- in the previous year.

Outlook

The gold loan sector is undergoing a makeover. A steady shift from the unorganised to the organised sector and from physical to digital and online products is being experienced. The gold loan industry is anticipated to continue growing in FY22. This growth is backed by the diminishing impacts of COVID-19, resulting in economic revival. The Company is strongly positioned to capitalise on this existing opportunity. It is ready to reap the benefits of digital capabilities and bring in cost optimisation by gradually shifting to paperless processes.

Vehicle Finance

The vehicle finance (VF) disbursements during the year were Rs. 7,70,67,701/- as against Rs. 8,11,68,258/- in the previous year with a de-growth of 13% primarily due to drop in industry volumes across segments caused by the COVID-19 pandemic. It was a challenging year due to a stressed macro-economic environment which had impacted customer cash flows. VF Business has implemented multiple collection processes which enable customers to shift towards alternate digital payment modes, such as RTGS, NEFT transfers, through payment banks, etc.

RISK MANAGEMENT AND GOVERNANCE

Risk management is crucial for identifying, analysing, and mitigating potential risks for smoother business operations. It helps an organisation define and achieve its future objectives. At NLFL, prudent risk management and governance forms an integral part of the Company's business strategy. It is integrated across all the business operations. NLFL's risk management process is aimed towards optimising the risk-return equation. This helps ensure diligent compliance with all the extant laws, rules, and regulations applicable to its business activities.

The compliance function is a vital part of the Company's operations. NLFL's management teams working under compliance, audit and risk play an important role. They ensure all the rules and regulations are diligently followed in all processes as well as in spirit too. The Company's risk management discipline is implemented across the businesses.

HUMAN RESOURCES

Human resource plays a vital role in developing, reinforcing, and changing the culture of an organisation. It not only implements digital solutions but also builds a strong culture of transparency and service orientation within the organisation. The Company



emphasises on people-friendly policies and practices first and focuses on adopting the best HR policy practices.

INTERNAL CONTROLS

Effective internal controls are crucial for reducing the risk of financial loss. It helps ensure accuracy, completeness and reliability in financial statements. NLFL's internal audit is conducted according to the Annual Audit Plan, approved by the Audit Committee. The Company invested in ensuring that its internal audit and control systems are adequate and commensurate with the nature of business, regulatory prescriptions and the size of its operations.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal controls with reference to financial statements and operations. The Internal Auditor tested the design and effectiveness of the key controls and no material weaknesses were observed in their examination. Further, Statutory Auditors verified the systems and processes and confirmed that the Internal Financial Controls system over financial reporting are adequate and such controls are operating effectively.

OUTLOOK

The COVID-19 pandemic has wreaked havoc on the global economy, posing unparalleled challenges. The nation-wide lockdown in India, which began on March 25, 2020, brought economic activity to a halt. The outlook for Indian economy remains optimistic in the long run with the vaccine rollout and economic revival. However, the resurgence of COVID-19 positive cases in the country has added uncertainty to the near-term outlook. NBFCs may face asset quality deterioration and liquidity crunch due to disruption in the economic activities.

The leading economic indicators show a positive momentum with consumer demand picking up and restored investor confidence. Survival and resumption of MSMEs is of utmost importance for growth revival and the Government has implemented ample incentive to uplift the sector. The anti-China sentiments, along with the 'Atmanirbhar Bharat' initiative and Performance Linked Incentive (PLI) scheme, offer a big opportunity for India in terms of becoming the manufacturing hub for market leaders in electronics, communications among other sectors.

The Company in the past few years has made substantial investments in people, processes and technology and continues to focus on delivering steady performance leveraging on technology and digitisation. NLFL is responsive to the changing landscape in the financial services industry. It is confidently better placed to overcome the new challenges and sustain its performance in a challenging environment.



Annexure III of Board's Report
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 And Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Nalin Lease Finance Limited (the Company) has not entered into any contract/ arrangement/ transaction with its related parties, which is not in ordinary course of business or at Arm's length during Financial Year 2020-21. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name (s) of the Related Party	Nature of Arrangements & Nature of Relationship	Duration of the Arrangements	Salient terms of the Arrangements	Date of approval by the Board/ EGM	Amount paid as advances, if any
1	Mr. Dilipkumar Nalinkant Gandhi	Rent	1 Year	As per Rent Agreement entered between the Company and premise owner Mr. Dilipkumar Nalinkant Gandhi	08.05.2020	NIL
		Interest	1 Year	Company has paid interest on Unsecured Loan	08.05.2020	NIL
2	Mr. Harsh Dilipkumar Gandhi	Rent	1 Year	As per Rent Agreement entered between the Company and Mr. Harsh Dilipkumar Gandhi	08.05.2020	NIL
		Interest	1 Year	Company has paid interest on Unsecured Loan	08.05.2020	NIL

For and on behalf of the Board
For NALIN LEASE FINANCE LIMITED

SD/-
Dilipkumar N. Gandhi
Managing Director
DIN: 00339595

SD/-
Harsh D. Gandhi
Whole Time Director
DIN: 03120638

Date: 17-05-2021
Place: Himatnagar



Annexure IV of Board's Report
Form No. MR-3
Secretarial Audit Report

For The Financial Year Ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Nalin Lease Finance Limited
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nalin Lease Finance Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March 2021 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable during the period under review)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 1. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 2. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the period under review)**
 3. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993; **(Not applicable during the period under review)**



4. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
5. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
6. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
8. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable during the period under review)**

(vi) The other laws as applicable specifically to the Company and as examined by us are stated hereunder:

(a) The Trade Marks Act, 1999

(b) The Reserve Bank of India Act, 1934;

(c) Master Direction – Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

(d) Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016;

(e) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;

(f) Guidelines on "Fair Practice Code" issued by Reserve Bank of India.

(viii) We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreement entered into by the Company with BSE Limited for listing its equity shares.

(viii) Based on the information and explanation provided to us, the Company had **no transactions** during the period covered under the Audit requiring the compliance of the provisions of:

(a) Foreign Direct Investment and Overseas Direct Investment;

(b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;



During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors and Key Managerial personnel of the Company that took place during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes. There were no dissenting members' views required to be captured in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As per the management's representation, majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that during the audit period, the following specific events / actions had/shall have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

i. During the period under review, the under mentioned new securities of Nalin Lease Finance Ltd (Scrip Code: 531212) were listed and permitted for trading on the Exchange with effect from Tuesday, June 16, 2020.

Security Details	3296180 equity shares of Rs. 10/- each issued pursuant to the Scheme of Amalgamation of Ameer Finance Ltd, Gandhi Shroff Services Private Ltd, Nalin Services Ltd and Nalin Consultancy Services Ltd with Nalin Lease Finance Ltd. These shares are ranking pari-passu with the existing equity shares of the company.
ISIN	INE606C01012
Dist. Nos.	3262001 to 6558180
Date of Allotment	31/01/2020

For **Amrish Gandhi & Associates**
Company Secretaries

SD/-

Amrish Gandhi

M. No: 8193, CP No: 5656
Peer Review No.586/2019

Place: Ahmedabad
Date: 26th July, 2021
UDIN: F008193C000688521

*This Report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.*



"ANNEXURE 1" TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To,
The Members,
Nalin Lease Finance Limited
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to restrictions on movement of people amid COVID-19 pandemic, we had to conduct our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the Company. We state that we have not done a physical verification of the original documents and records. The management has confirmed that the records provided to us for audit through electronic mode are final, true and correct.
2. During the audit, we have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the financial year ended on 31 March, 2021. Our report does not include those statutory compliances, the filing dates for which were extended by Ministry of Corporate Affairs / Securities Exchange Board of India / Reserve Bank of India, as the case may be, from time to time and accordingly such extended time limits remain beyond the date of our audit report.
4. Subject to the above, we have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. Further, our review of the compliance of the Act, Regulations, Directions specifically applicable with respect to the business of the Company being a Non-Deposit Accepting/Holding – Non-Systemically Important – Non-Banking Financial Company as stated in Para (vi) of the report is limited to corporate governance compliances and filing of periodic forms and returns. Adequacy and correctness of the contents of these forms and returns is the responsibility of the management.



7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Amrish Gandhi & Associates**
Company Secretaries

SD/-

Amrish Gandhi

M. No: 8193, CP No: 5656

Peer Review No.586/2019

Place: Ahmedabad

Date: 26th July, 2021

UDIN: F008193C000688521



Annexure V of Board's Report

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The remuneration of each Director/ KMP of the Company for the financial year 2020-21 is specified herewith:

Sr. No.	Name of Director/KMP	Total Remuneration paid by the company for FY 2020-21 (In Rs -Per Annum)	% increase or decrease in remuneration paid in FY 2020-21 as compared to F.Y 2019-20	Ratio of remuneration of each Directors to the median remuneration of the employee*
1.	NARENDRAKUMAR DALSUKHDAS SHAH Chairman, Independent Director	NIL	NA	NA
2.	DILIPKUMAR NALINKANT GANDHI Managing Director	18,80,000/-	6.82	10.44 Times
3.	PALLAVIBEN DILIPKUMAR GANDHI Whole-Time Director	15,20,000/-	8.57	8.44 Times
4.	HARSH DILIPKUMAR GANDHI Whole-Time Director	14,00,000/-	9.375	7.77 Times
5.	NAVINCHANDRA CHANDULAL SONI Whole-Time Director	NIL	NA	NA
6.	SAMIRKUMAR KANTILAL SHAH Whole-Time Director	NIL	NA	NA
7.	SWATI AJAY SHAH Company Secretary	1,20,000/-	NIL	NA
8.	NIKULKUMAR KANTIBHAI PATEL Chief Financial Officer	2,20,000/-	1.85	NA

*Ratio of remuneration of each Director to the median remuneration of the employee is calculated on basis of gross salary.



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2. There were 13 employees (other than directors) on the rolls of Company as on 31st March, 2021.
3. It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy adopted /amended by the company. The Policy is placed on the website of the company www.nalinfin.co.in.
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year - The average percentile increase made in the salaries of employees other than the managerial personnel is 15.89% as of year ended on March, 2021 compared to year ended on March, 2020 (calculated on basis of gross salary)
5. Increase in the managerial remuneration and justification thereof - The managerial remuneration is increased in the Financial year 2020-21. The managerial remuneration paid to the Director/ Directors is as per section 197 and Schedule V of the Companies act 2013 and amendments thereon as approved by Board of Directors and shareholders of the company.

For **Nalin Lease Finance Limited**

Date: May 17, 2021
Place: Himatnagar

Narendrakumar D. Shah
Chairman
DIN: 00314044



Annexure VI of Board's Report
Certificate to the Board of Directors under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby certify to the Board of Directors that:

We have reviewed financial statements and the cash flow statement for the year ended 31.03.2021 and that to the best of our knowledge and belief:

- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:-

- i) Significant changes in internal control over financial reporting during the year;
- ii) That the Company has adopted Indian Accounting Standards (Ind AS) from FY 2020-21 and hence Significant Accounting policies have been re-drafted in accordance with requirements of Ind AS; and
- iii) That there are no instances of significant fraud of which we have become aware of during FY 2020-21.

SD/-
(Dilipkumar Gandhi)
Managing Director

SD/-
(Nikul Kumar Patel)
Chief Financial Officer



Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management' for the financial year ended on March 31, 2021."

SD/-
(Dilipkumar Gandhi)
Managing Director



Annexure VII

CORPORATE GOVERNANCE REPORT

Corporate Governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of NALIN LEASE FINANCE LIMITED (the 'Company') for F.Y. 2020-21.

This Report states compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations, as applicable to the Company. The Company's corporate governance practices and disclosures have gone well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company follows the highest standards of governance and disclosure. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected Company in the financial services space in India. Since inception, the Promoters have demonstrated exemplary track record of governance and utmost integrity. The Company is in compliance with the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Corporate Governance and Disclosure norms for Non-Banking Financial Companies issued by Reserve Bank of India. With the implementation of stringent employee code of conduct policy and adoption of a Whistle Blower Policy, the Company has moved ahead in its pursuit of excellence in corporate governance.

Your Company is committed to practice good Corporate Governance in all its activities and processes. The Directors' endeavour is to create an environment of fairness, equity and transparency with the underlying objective of securing long-term shareholder value, while, at the same time, respecting the rights of all stakeholders.

II. BOARD OF DIRECTORS

The Board of Directors ("Board") of the Company has an optimum combination of executive and non-executive directors (including one Woman Whole time Director) in line with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and RBI Master Directions.

The Board provides leadership, strategic guidance and discharges its fiduciary duties of safeguarding the interest of the Company and its stakeholders.

A. Composition & Category of the Board of Directors and attendance of each director at the meeting of the board of directors and the last annual general meeting

In terms of Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

As on March 31, 2021, there were six Directors comprising Two Whole Time Director and Three Non-Executive Independent Directors. During the Financial Year 2020-21, there were no changes in the composition of the Board of Directors of the Company.



The Board consists of eminent persons with considerable professional experience in business, industry, finance, audit and law. All the members have made disclosures regarding their directorship and memberships in various committees.

As on 31st March, 2021, the composition of Board of Directors is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013.

The composition of Board of Directors as on March 31, 2021 was as follows:

Sr. No.	Name of Directors	Designation
1.	Narendrakumar Dalsukhdas Shah	Chairman and Non-Executive (Independent Director)
2.	Dilipkumar Nalinkant Gandhi	Managing Director and Key Managerial Personnel
3.	Pallaviben Dilipkumar Gandhi	Whole-time Director and Key Managerial Personnel
4.	Harsh Dilipkumar Gandhi	Whole-time Director and Key Managerial Personnel
5.	Navinchandra Chandulal Soni	Non-Executive (Independent Director)
6.	Samirkumar Kantilal Shah	Non-Executive (Independent Director)

Your Company has under the RBI's Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, formulated a Fit and Proper Policy for ascertaining the fit and proper status of the directors of the Company. The Nomination and Remuneration Committee of the Company has in terms of the said policy ascertained the Functional and Independent Directors as fit and proper to hold the office of Director on the Board of the Company for the F.Y. 2020-21.

Further, pursuant to the requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has obtained declarations from all the directors that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of company by the Board/ Ministry of Corporate Affairs or any such statutory authority.

- **Board Meetings**

The meetings of the Board are generally held at the registered office of the company and are scheduled well in advance. The Board meets regularly. The meetings of Board are governed by a structured agenda and any member of the Board is free to recommend inclusion of any subject matter in the agenda for deliberations. Your Company follows Secretarial Standard-1 on Meetings of the Board of Directors as issued by Institute of Company Secretaries of India in its true letter and spirit.

During the year under review, the Board of Directors met Six (6) times. The dates on which the meetings were held are as follows:

(i) May 08, 2020

(ii) July 30, 2020



(iii) August 31, 2020

(iv) November 10, 2020

(v) February 06, 2021 and

(vi) March 15, 2021

• **Annual General Meeting**

The last Annual General Meeting of the Company was held on September 30, 2020.

Category and attendance of each of the Directors at the Board Meetings held during 2020-21 and the last Annual General Meeting, Number of directorships in other companies and Membership/Chairmanship in the committees of other companies are given below:

Name of Director	Category	Number of Board Meetings attended during F.Y. 2020-21	Whether attended last AGM held on September 30, 2020	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Narendrakumar Dalsukhdas Shah	Independent Non-Executive Director	6	Yes	-	-	-	-	-
Dilipkumar Nalinkant Gandhi	Non-Independent Executive Director	6	Yes	-	-	-	-	-
Pallaviben Dilipkumar Gandhi	Non-Independent Executive Director	6	Yes	-	-	-	-	-
Harsh Dilipkumar Gandhi	Non-Independent Executive Director	6	Yes	-	-	-	-	-
Navinchandra Chandulal Soni	Independent Non-Executive Director	6	Yes	-	-	-	-	-
Samirkumar Kantilal Shah	Independent Non-Executive Director	6	Yes	-	-	-	-	-



- **Separate Meeting of Independent Directors**

The Separate Meeting of Independent Directors was held on 15th march, 2021 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 All the Independent Directors attended the said Meeting.

B. None of the director holds office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies.

C. None of the directors was a member in more than ten committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

III. COMMITTEES OF THE BOARD

In terms of the regulatory requirements and in order to facilitate expeditious consideration and focused decision making on the affairs of the company, the Board has constituted Board level committees with distinct role, accountability and authority. The board had accepted the recommendations of committees of the board which is mandatorily required, in the relevant financial year.

In terms of the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and RBI Master Directions, the Board of Directors has constituted various Committees. The composition of the various Committees along with their terms of reference is as under

- A) Audit Committee
- B) Stakeholder Relationship and Shareholders'/ Investors' Grievance Committee
- C) Nomination and Remuneration Committee

A. Audit Committee

i. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of Companies Act, 2013 and RBI's Corporate Governance norms.

ii. The term of reference of the Audit Committee is as per Part C of Schedule II of the SEBI (LODR) Regulations, 2015 and provisions of Companies Act 2013.

iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.

iv. The previous Annual General Meeting (AGM) of the Company was held on 30th September, 2020 and was attended by Mr. Navinchandra Soni, Chairperson along with other two members of Audit Committee.

v. The Audit Committee of the company constituted by the Board comprises of two Independent Directors and one Executive (Managing) Director. The meetings of the committee, during the year, were chaired by an Independent Director.

vi. The composition of the Audit Committee and the details of meetings attended by its members are given below:



Sr. No	Name of the Members	Category	Designation	No. Of Committee Meeting held	No. Of Committee Meeting Attended
1	Navinchandra Soni	Chairman	Independent (Non-Executive Director)	4	4
2	Narendrakumar Shah	Member	Independent (Non-Executive Director)	4	4
3	Dilipkumar Gandhi	Member	Managing (Executive) Director	4	4

vii. Four Audit Committee meetings were held during the Financial Year 2020-21 on 30/07/2020, 31/08/2020, 10/11/2020 and 06/02/2021.

viii. The necessary quorum was present for all the meetings.

ix. The role of the **audit committee** includes the following:

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditor;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - 1) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - 2) changes, if any, in accounting policies and practices and reasons for the same;
 - 3) major accounting entries involving estimates based on the exercise of judgment by management;
 - 4) significant adjustments made in the financial statements arising out of audit findings;
 - 5) compliance with listing and other legal requirements relating to financial statements;
 - 6) disclosure of any related party transactions;
 - 7) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing and monitoring the auditor's independence & performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment after assessing the qualification, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

x. The audit committee shall **mandatorily** review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
- Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration shall be subject to review by the audit committee.

xi. **Audit & other duties**

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Discussion with Internal Auditors of any significant findings and follow up there on.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Internal Auditors considering their independence and effectiveness and their replacement and removal.
- To recommend to the Board the remuneration of the Statutory Auditors and Internal Auditors.
- To grant approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.



B. Stakeholders' Relationship Committee/ Investors' Grievance Committee

i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015 and RBI's Corporate Governance norms, the Board has constituted Stakeholders' Relationship Committee to specifically look into the mechanism of Redressal of grievances of shareholders and other security holders, headed by Mr. Navinchandra Soni, the Non-Executive Independent Director.

ii. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Sr. No.	Name of the Members	Category	Designation	No. Of Committee Meeting held	No. Of Committee Meeting Attended
1	Navinchandra Soni	Chairman	Independent (Non-Executive Director)	4	4
2	Narendrakumar Shah	Member	Independent (Non-Executive Director)	4	4
3	Dilipkumar Gandhi	Member	Managing (Executive) Director	4	4

iii. Four Stakeholders' Relationship Committee meetings were held during the year 2020-21 on 30/07/2020, 31/08/2020, 10/11/2020 & 06/02/2021. The necessary quorum was present for all the meetings.

iv. Functions and Terms of Reference:

The Committee considers and resolves the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

The functioning and broad terms of reference of the Stakeholders' Relationship Committee of the Company are as under:

- To consider and resolve the grievance of security holders of the Company.
- To review important circulars issued by SEBI/ Stock Exchanges
- To take note of compliance of Corporate Governance during the quarter/year.
- To approve request for Share Transfer and Transmissions.
- To approve request pertaining to Demat of shares/sub-division/ consolidation/ issue of renewed/ duplicate share certificate etc.

v. Name, designation and address of Compliance Officer:

Name	NIKULKUMAR KANTIBHAI PATEL
Designation	Chief Financial Officer & Compliance officer
Address	Nalin Lease Finance Limited Gandhi Nursing Home Bldg, Dr. Nalinkant Gandhi Road, Himatnagar -383001 Telephone: (02772)241264, 242264



vi. Details of investor complaints received and redressed during the year 2020-21 are as follows:

No. of Complaints pending as on 01.04.2020	No. of Complaints received during the year 2020-21	No. of Complaints resolved during the year	No. of Complaints not resolved during the year to the satisfaction of shareholders	No. of Complaints pending as on 31.03.2021
NIL	0	0	NIL	NIL

C. Nomination & Remuneration Committee

i. Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015, the Board has duly constituted the Nomination & Remuneration Committee, with all members being Non-Executive Independent Directors and Independent Director as Chairperson. The composition of Nomination & Remuneration Committee is as follows:

Sr. No.	Name of the Members	Category	Designation	No. Of Committee Meeting held	No. Of Committee Meeting Attended
1	Navinchandra Soni	Chairman	Independent (Non-Executive Director)	2	2
2	Narendrakumar Shah	Member	Independent (Non-Executive Director)	2	2
3	Samir Shah	Member	Independent(Non-Executive Director)	2	2

ii. During the Financial Year 2020-21, the Nomination & Remuneration Committee meetings were held on 08/05/2020 and 30/07/2020.

iii. **The terms of reference of the committee are as follows:**

- Formulation of the criteria for determining qualification, positive attributes and independence of a director and to recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.



- The remuneration policy as adopted by the company envisages the payment of remuneration according to qualification, experience and performance at different levels of the organization.

IV. GENERAL BODY MEETING

➤ **Annual General Meeting ("AGM"):**

Financial Year	Date	Venue	Time	Whether any Special Resolution passed
2017-18	14 th Day of August, 2018	GANDHI NURSING HOME BLDG, DR. NALINKANT GANDHI ROAD, HIMATNAGAR 383001	04.00 P.M.	00
2018-19	30 th Day of September, 2019	GANDHI NURSING HOME BLDG, DR. NALINKANT GANDHI ROAD, HIMATNAGAR 383001	03:30 P.M.	02
2019-20	30 th Day of September, 2020	GANDHI NURSING HOME BLDG, DR. NALINKANT GANDHI ROAD, HIMATNAGAR 383001 (VC/OVAM)	01:00 P.M.	03

- No Extraordinary General Meeting of Members was held during the year under review.
- No Postal Ballot was conducted during the year under review.

V. MEANS OF COMMUNICATION

Quarterly/ Half Yearly/ Annual Financial Results notice, advertisement and other official news are published both in vernacular language newspapers and English National newspapers regularly. The said results are also displayed/ uploaded on the Company's website i.e. www.nalinfin.co.in.

VI. AGM THROUGH VC

Pursuant to MCA Circulars, the Company will provide video conferencing facility to the members for participating in the 30th AGM. Please refer the Notice of the 30th AGM for more details, which is hosted on the website of LinkIntime at <https://instavote.linkintime.co.in> and on website of the company at <https://www.nalinfin.co.in>.

VII. VOTING THROUGH ELECTRONIC MEANS

Pursuant to Section 108 of the Companies Act, 2013 and rules made thereunder and Provisions of SEBI Listing Regulations, Every listed company require to provide its member the facility to exercise their right to vote at General meeting by electronic means.

The Company has entered into arrangement with LinkIntime, the authorised agency for this purpose, to facilitate such e-voting to its members.

The Shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of AGM through such e-voting method. The Company will provide facility to members attending the AGM through VC or OAVM to vote at the meeting in accordance with the Companies (Management and Administration) Rules, 2014 and MCA Circulars for conducting AGM through VC or OAVM.



Shareholders who are attending the meeting through VC or OAVM and who have not already cast their votes by remote e-voting shall be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, is 31st August, 2021 and the remote e-voting shall be open for a period of 3 (three) days, between Saturday, 4th September, 2021 at 09:00 a.m. and ends on Monday, 6th September, 2021 at 5:00 p.m.

The Board has appointed M/s. Amrish Gandhi & Associates, Practicing Company Secretary, as Scrutinizer for the e-voting process.

Detailed procedure is given in the Notice of the 30th AGM and is also placed on the Company's website at www.nalinfm.co.in.

Shareholders may get in touch with the Company at info@nalinfm.co.in for further assistance.

IX. DISCLOSURE

- I. There have been no materially significant related party transactions which may have potential conflict with the interests of the Company at large.

Accordingly, the disclosure of Related Party Transactions as required under section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is attached with the Directors' Report.

- II. During last three year under review, the company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.

- III. The Company has in place vigil mechanism and whistle blower policy under which employees can report any violation of applicable laws and regulations and the Code of Conduct of the Company. Vigil Mechanism of the Company provides adequate safeguards against victimization of persons who use such mechanism and no personnel have been denied access to the Audit Committee.

- IV. The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

- V. A certificate from M/s. Amrish Gandhi & Associates, Company Secretary in practice that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board, Ministry of Corporate Affairs or any such statutory authority, forms part of this report as **Annexure VIII**.

- VI. There were no instances where the Board has not accepted any recommendation of any committee of the board which was mandatorily required during the financial year in concern.

X. As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V shall not apply to the following class of Companies:



- I. The listed companies having paid up equity share capital not exceeding Rs. 10 Cr. and Net worth not exceeding Rs. 25 Cr., as on the last day of the previous Financial Year;
- II. Companies whose equity share capital is listed exclusively on the SME Exchange.

As per Balance sheet of the Company the paid up Equity Share capital of **NALIN LEASE FINANCE LIMITED** is Rs. 6,55,81,800/- and Net Worth is Rs. 22,41,84,793/- as on **31st March, 2021**, as the Company falls in the ambit of aforesaid exemption (a); hence compliance with the Corporate Governance provisions specified in aforesaid Regulations shall not applicable to the Company.

XI. DISCLOSURE REGARDING SHARES IN SUSPENSE ACCOUNT

- A.** Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL
- B.** Number of shareholders who approached issuer for transfer of shares from suspense account during the year: NIL
- C.** Number of shareholders to whom shares were transferred from suspense account during the year: NIL
- D.** Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL
- E.** That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

XII. RISK MANAGEMENT

As per Regulation 21 of SEBI Regulations, 2015, the Company is not required to constitute Risk Management Committee.

XIII. INDEPENDENT DIRECTORS

The Board of the Company has been duly constituted with an optimum combination of Executive Directors, Non-Executive and Independent Directors. All the members are financially literate and possess sound knowledge of accounts, audit, finance, law, etc. Presently, the Board of the Company comprises of following 03 (Three) Independent Directors:

- Narendrakumar Shah
- Navinchandra Soni
- Samir Shah

Meeting of Independent Directors

As required by the Code of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a meeting of the Independent Directors of the Company was convened during the year to oversee and review the performance of Non-Independent Directors and of the Board as a whole.

XIV. MANAGEMENT DISCUSSION AND ANALYSIS

A separate chapter on Management Discussion and Analysis is given in this Annual Report.



XV. CEO/CFO CERTIFICATION

The Chief Financial Officer of the Company has furnished a certificate relating to financial statements and internal control systems as per the format prescribed under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and the Board took the same on record.

XVI. COMPLIANCE CERTIFICATION

Compliance Certificate for Corporate Governance obtained from M/s. Amrish Gandhi & Associates, Company Secretaries is annexed herewith as **Annexure IX**.

XVII. CODE FOR PREVENTION OF INSIDER TRADING

In pursuance of Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, your Company has reviewed the comprehensive Code to preserve the confidentiality and to prevent misuse of un-published price sensitive information. All Designated Employees and other Connected Persons have a duty to safeguard the confidentiality of all such information obtained in the course of his or her assignment at the company and not to misuse his or her position or information to gain personal benefit or to provide benefit to any third party. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the securities of the Company and the consequences of non-compliance. The Compliance Officer is responsible for ensuring adherence of the said Code.

In line with the requirement of the said Code, trading window was closed from time to time, whenever some price sensitive information was submitted to the Board. The Compliance Officer notified the closure of trading window well in advance restraining all the employees and other connected person not to deal in the securities of the Company when the trading window is closed.

XVIII. COMPLIANCE WITH APPLICABLE LAWS

The company has a robust Compliance monitoring system in place. The Board periodically reviews the status of compliances to ensure proper compliance of all laws applicable to the company.

XIX. MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH OF THE FINANCIAL YEAR 2020-21:

The Market price data of BSE is given in the table mentioned below:

(In Rupees)

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover
April '2020	22.95	24.35	22.6	24.35	29559	75	693453
May '2020	23.15	24.15	14.15	14.15	5831	33	121075
June '2020	13.45	14.11	12.79	12.79	3591	19	48798
July '2020	13.42	13.42	11.57	13.39	8339	22	108153
August '2020	14	23	14	22.8	7980	45	155122
September '2020	22.8	24.45	21	21	3537	21	77013
October '2020	21	22.05	20.85	21	1453	20	30752
November '2020	20.95	20.95	19	19.45	3051	61	60098
December '2020	19.45	20	14.6	15.35	35994	77	539320
January '2021	16.1	22.95	16.1	21.8	71911	121	1416208
February ' 2021	21.8	22.85	19	20.05	45979	76	942601
March '2021	19.35	23.2	17.8	18.65	26580	93	534605



XX. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2021:

SHAREHOLDING OF NOMINAL VALUE OF RS. 10/-	NUMBER OF SHAREHOLDERS	% OF TOTAL SHARE-HOLDERS	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1- 500	818	80.6706	187626	2.8609
501- 1000	74	7.2978	60101	0.9164
1001-2000	37	3.6489	54763	0.8350
2001-3000	11	1.0848	26837	0.4092
3001-4000	4	0.3945	13900	0.2119
4001-5000	9	0.8876	42712	0.6513
5001-10000	14	1.3807	99418	1.5159
Above 10001	47	4.6351	6072823	92.5992
TOTAL	1014	100.0000	6558180	100

XXI. CATEGORIES WISE SHAREHOLDING SUMMARY OF EQUITY SHAREHOLDERS AS ON 31ST MARCH, 2021:

Category	Demat Securities	Demat Holders	Physical Securities	Physical Holders	Total Securities	Total Holders	%- Issued Capital
Clearing Members	449	2	0	0	449	2	0.0068
Other Bodies Corporate	44219	5	0	0	44219	5	0.6743
Hindu Undivided Family	12868	11	0	0	12868	11	0.1962
Non Resident Indians	3352	3	0	0	3352	3	0.0511
Non Resident (Non Repatriable)	500	1	0	0	500	1	0.0076
Public	1750338	523	160300	459	1910638	982	29.1337
Promoters	4586154	10	0	0	4586154	10	69.9303
TOTAL	6397880	555	160300	459	6558180	1014	100

XXII. OUTSTANDING GDR AND ADR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

No GDR and ADR Warrants/Convertible Instruments have been issued by the Company.

XXIII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The shares of the Company are in the compulsory dematerialized segment and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Share Capital Audit Report regarding reconciliation of the total issued, listed and capital held by depositories in a dematerialized form with respect to the Equity Share



Capital of the Company was obtained from the Practicing Company Secretary for each quarter during the year and submitted to the Stock Exchanges within the stipulated time.

Number of shares held in dematerialized and physical mode as on **31st March, 2021**.

Particulars	No. of Shares of Rs. 10/- each at the end of the quarter 31.03.2021	% of Total Issued Capital
Issue Capital	65,58,180	100%
Held in dematerialized form in CDSL	5,87,237	8.95%
Held in dematerialized form in NSDL	58,10,643	88.61%
Physical	1,60,300	2.44%
Total No. of Shares	65,58,180	100.00%

ISIN of the Company: INE606C01012

The names and addresses of the depositories are as under:

1. National Securities Depository Limited
Trade World, A-Wing, 4th & 5th Floors,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai – 400013

2. Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor,
NM Joshi Marg, Lower Parel, Mumbai 400013

The details of Registrars and Transfer Agents are as under:

Name: LINK INTIME INDIA PRIVATE LIMITED.
Address: C-101,247 Park, LBS Marg,
Vikhroli west, Mumbai 400083
Tel. No: +91-22-49186000
Fax: +91-22 49186060, E-mail: mumbai@linkintime.co.in

The details of Stock Exchanges are as under:

Name: BSE Limited,
Address: 25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001
Scrip Code: 531212
Stock Code (ISIN): INE606C01012

The annual listing fees for the FY 2021-22 have been paid to BSE.



XXVII. COMPANY DETAILS:

Name of the Company	Nalin Lease Finance Limited
Registered Office	Ground Floor, Gandhi Nursing Home Building, Dr. Gandhi Road, Sabarkantha, Himatnagar , Gujarat, 383001
Address for communication	Same as Registered Office
Telephone Number	(02772)241264, 242264
Fax No.	-
E-mail id	info@nalinfm.co.in
Website	www.nalinfm.co.in



Annexure VIII
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
NALIN LEASE FINANCE LIMITED
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **NALIN LEASE FINANCE LIMITED (CIN: L65910GJ1990PLC014516)** and having registered office at Gandhi Nursing Home Bldg, Dr. Nalinkant Gandhi Road, Himatnagar 383001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment
1	NARENDRAKUMAR DALSUKHDAS SHAH	00314044	13/12/1994
2	DILIPKUMAR NALINKANT GANDHI	00339595	01/08/2005
3	PALLAVIBEN DILIPKUMAR GANDHI	00339639	15/10/1992
4	HARSH DILIPKUMAR GANDHI	03120638	09/07/2010
5	NAVINCHANDRA CHANDULAL SONI	03123355	09/07/2010
6	SAMIRKUMAR KANTILAL SHAH	07215030	15/04/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Amrish Gandhi & Associates**
Company Secretary

SD/-
Amrish Gandhi

M. No: 8193, CP No: 5656
UDIN: F008193C000688686

Place: Ahmedabad
Date: 26th July, 2021



Annexure IX
COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE
(In terms of Regulation 34(3) and Schedule V (E) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
NALIN LEASE FINANCE LIMITED
Gandhi Nursing Home Bldg,
Dr. Nalinkant Gandhi Road,
Himatnagar 383001

We have examined the report of Corporate Governance presented by the Board of Directors of **NALIN LEASE FINANCE LIMITED (CIN: L65910GJ1990PLC014516)** for the year ended **31st March, 2021** as stipulated in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V of the same.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and according to the information and explanation given to us, the Company has taken required steps to comply with the conditions of corporate governance, to the extent applicable and as stipulated in the aforesaid SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

We state that no investor grievance is pending for the period exceeding one month against the Company as per records maintained by the Stakeholders' Relationship Committee together with the status of Investor Grievance as on SEBI SCORES Portal.

We further state that such compliance is neither any assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Amrish Gandhi & Associates
Company Secretary

SD/-
Amrish N. Gandhi
C. P. No. 5656
M. No. 8193
UDIN: F008193C000688620

Date: 26th July, 2021
Place: Ahmedabad



INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF,
NALIN LEASE FINANCE LIMITED
Himatnagar
CIN -L65910GJ1990PLC014516

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **NALIN LEASE FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016;

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2.3 to the standalone Ind AS financial statements, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matter
<p>a) Impairment of financial assets (expected credit losses) <i>(as described in note 3.4 of the Ind AS financial statements)</i></p> <p>Ind AS 109 requires the Company to recognise impairment loss allowance towards its financial assets (designated at amortised cost) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including:</p> <ul style="list-style-type: none"> • unbiased, probability weighted outcome under various scenarios; • time value of money; • impact arising from forward looking macro-economic factors and; • availability of reasonable and supportable information without undue costs. <p>Applying these principles involves significant estimation in various aspects, such as:</p> <ul style="list-style-type: none"> • grouping of borrowers based on homogeneity by using appropriate statistical techniques; • staging of loans and estimation of behavioral life; • determining macro-economic factors impacting credit quality of receivables; • estimation of losses for loan products with no/minimal historical defaults. <p>Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.</p>	<p>We read and assessed the Company’s accounting policies for impairment of financial assets and their compliance with Ind AS 109.</p> <p>We tested the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3 and vice versa.</p> <p>We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.</p> <p>Tested the ECL model, including assumptions and underlying computation.</p> <p>Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.</p> <p>Audited disclosures included in the Ind AS financial statements in respect of expected credit losses.</p>

Other Matters

Further to the continuous spreading of COVID – 19 across India, this has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered



Accountants of India (ICAI). As a result of the above, the entire audit was carried out based on remote access of the data as provided by the management of the company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid – 19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, and reliable and are directly generated by the accounting system of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

Our audit opinion is not modified in respect of the above.

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Overview, Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance in the Annual Report of the Company for the financial year 2020-21, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related



to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure - A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report that:-

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, Except Ind AS-19 on retirement benefits as provision for gratuity is not based on actuarial valuation but on other rational basis while provision for other benefits such as leave encashment has not been made, the effect of the same cannot be quantified, to that extent profit for the year and balance of Profit & Loss account is overstated.



(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure - B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position in its Standalone Ind AS financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 114777W

Paresh K Thothawala
Partner
Membership No. 048435
UDIN: 21048435AAAADV6431

Place: Ahmedabad
Date: 17-05-2021



Annexure-A to Independent Auditors' Report
Annexure A referred to in paragraph (1) under the heading 'Report on other legal and regulatory requirements' of our report of even date

(1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the Management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the Management, the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the Company.

(2) The Company's business does not involve inventories except except stationery & Adhesive Stamp and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.

(4) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(5) In our opinion and according to the information and explanations given to us, the Company being a non-banking financial company registered with the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company. We are informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

(6) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(7) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to the Company were outstanding, at the year end, for a period of more than six months from the date they became payable.



(8) In our opinion and according to the information and explanations given by the Management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.

(9) According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of cash credit were applied for the purpose for which those were raised.

(10) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(11) According to the information and explanations given by the Management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(12) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(13) According to the information and explanations given by the Management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(14) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(15) According to the information and explanations given by the Management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(16) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 114777W

Paresh K Thothawala
Partner
Membership No. 048435
UDIN: 21048435AAAADV6431
Date: 17-05-2021
Place: Ahmedabad



Annexure-B to Independent Auditors' Report

Annexure B referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Report on Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of Nalin Lease Finance Ltd. (the 'Company') as of 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures



selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements

A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 114777W

Paresh K Thothawala
Partner
Membership No. 048435
UDIN: 21048435AAAADV6431

Date: 17-05-2021
Place: Ahmedabad



NALIN LEASE FINANCE LIMITED
CIN:L65910GJ1990PLC014516

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in thousands)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
1. Financial Assets			
(a) Cash and Cash Equivalents	4	2,734.44	32,171.50
(b) Current Investments	5	7,679.90	-
(c) Loans	6	2,12,816.12	2,08,618.63
2. Non Financial Assets			
(a) Inventories	7	619.88	373.78
(b) Current Tax Assets (Net)		8,026.46	5,802.94
(c) Deferred Tax Assets (Net)	8	586.83	276.01
(d) Right of Use Assets	9	-	266.98
(e) Property, Plant & Equipments	10	2,425.06	3,180.32
(f) Other Non Financial Assets	11	250.24	472.83
Total Assets		2,35,138.93	2,51,162.99
Liabilities and Equity			
Liabilities			
1. Financial Liabilities			
(a) Trade Payables			
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		-	-
(b) Debt Securities		-	-
(c) Borrowings (Other than debt securities)	12	1,622.11	43,768.98
(d) Other financial Liabilities	13	677.12	255.32
2. Non-financial Liabilities			
(a) Current Tax Liabilities (net)		8,623.91	7,699.00
(b) Provisions	14	31.00	68.80
(c) Other Non-financial Liabilities	15	-	429.22
3. Equity			
(a) Equity Share Capital	16	65,581.80	65,581.80
(b) Other Equity	17	1,58,602.99	1,33,359.88
Total Liabilities and Equity		2,35,138.93	2,51,162.99
Statement of Significant Accounting Policies	1 to 3 4 to 43		
See accompanying notes forming part of the financial statements			

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretary

For and on behalf of the board
D.N.Gandhi Managing Director
H.D.Gandhi Director
P.D.Gandhi Director

Paresh K. Thothawala
Partner
M.No. 048435

(N.K.Patel)
Chief Financial Officer

UDIN: 21048435AAAADV6431
Place: Himantnagar
Date: 17.05.2021

Place: Himantnagar
Date: 17.05.2021



NALIN LEASE FINANCE LIMITED
CIN:L65910GJ1990PLC014516

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2021

(₹ in thousands)

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from operations			
(i) Interest Income	18	45,754.29	45,153.52
(ii) Sale of services	19	-	1,195.53
(iii) Other revenue from operations	20	3,134.93	3,451.94
(I) Total revenue from operations		48,889.22	49,800.99
(II) Other income	21	48.24	3,012.68
(III) Total Income (I+II)		48,937.46	52,813.67
Expenses			
(i) Finance Cost	22	933.25	7,516.37
(ii) Impairment on financial instruments	23	(195.49)	4,577.73
(iii) Employee Benefits Expenses	24	6,920.98	6,500.71
(iv) Depreciation, amortization and impairment	10	1,288.98	1,142.45
(v) Other expenses	25	6,903.84	5,402.10
(IV) Total expenses		15,851.57	25,139.35
(V) Profit before tax (III-IV)		33,085.89	27,674.32
(VI) Tax expense:			
Current tax		8,623.91	7,699.00
Deferred tax		(310.82)	(28.05)
Provision for taxes related to earlier periods		(470.31)	109.39
Total tax expenses	8	7,842.78	7,780.33
(VII) Profit for the period (V-VI)		25,243.11	19,893.99
(VIII) Other Comprehensive Income		-	-
(IX) Total Comprehensive Income for the year (VII+VIII)		25,243.11	19,893.99
(X) Earnings per equity share			
Basic	26	3.85	3.03
Diluted		3.85	3.03
Statement of Significant Accounting Policies	1 to 3		
See accompanying notes forming part of the financial statements	4 to 43		

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretary

For and on behalf of the board
D.N.Gandhi Managing Director
H.D.Gandhi Director
P.D.Gandhi Director

Paresh K. Thothawala
Partner
M.No. 048435

(N.K.Patel)
Chief Financial Officer

UDIN: 21048435AAAADV6431
Place: Himantnagar
Date: 17.05.2021

Place: Himantnagar
Date: 17.05.2021



STATEMENT OF CHANGE IN EQUITY

EQUITY SHARE CAPITAL

(₹ in thousands)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	65,582	65,582
Changes in equity share capital during the year [refer note no. 16.1]	-	-
Balance at the end of the year	65,582	65,582

OTHER EQUITY

For the year ended March 31, 2021

(₹ in thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Reserve fund as per RBI Act	General Reserve	Total Other equity
Balance as at March 31, 2020	17	20,798.90	15,839.43	26,079.57	70,641.98	1,33,359.88
Profit after tax			25,243.11			25,243.11
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934		20,798.90	41,082.54	26,079.57	70,641.98	1,58,602.99
Transfer to General Reserve			(5,048.62)	5,048.62		-
Transfer to General Reserve			(7,500.00)		7,500.00	-
Balance as at March 31, 2021	17	20,798.90	28,533.92	31,128.19	78,141.98	1,58,602.99

For the year ended March 31, 2020

(₹ in thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Reserve fund as per RBI Act	General Reserve	Total Other equity
Balance as at March 31, 2019	17	20,798.90	7,424.24	22,100.77	63,141.98	1,13,465.89
Profit after tax			19,893.99			19,893.99
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934		20,798.90	27,318.23	22,100.77	63,141.98	1,33,359.88
Transfer to General Reserve			(3,978.80)	3,978.80		-
Transfer to General Reserve			(7,500.00)		7,500.00	-
Balance as at March 31, 2020	17	20,798.90	15,839.43	26,079.57	70,641.98	1,33,359.88

As Per Our Report on Even Date
 For Paresh Thothawala & Co.
 Chartered Accountant
 FRN: 114777W

(S.N.Parikh)
 Company Secretary

For and on behalf of the board
D.N.Gandhi Managing Director
H.D.Gandhi Director
P.D.Gandhi Director

Paresh K. Thothawala
 Partner
 M.No. 048435

(N.K.Patel)
 Chief Financial Officer

UDIN: 21048435AAAADV6431
 Place: Himantnagar
 Date: 17.05.2021

Place: Himantnagar
 Date: 17.05.2021



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021
(Pursuant to the Listing Agreement with Stock Exchange)

(₹ in thousands)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	33,085.89	27,674.32
Adjustments for :		
Depreciation and amortisation	1,288.98	1,142.45
Interest income	(45,754.29)	(45,153.52)
Finance cost	933.25	7,516.37
Impairment on financial instruments	(1,038.87)	3,474.22
Profit on sale of property, plant and equipment	-	(2,068.33)
Operating profit before working capital changes	(11,485.02)	(7,414.50)
Adjustment for Changes in Working Capital:		
(Increase) / decrease in loans	(3,158.62)	17,411.58
(Increase) / Decrease in inventories	(246.10)	(194.00)
(Increase) / Decrease in right to use assets	266.98	800.93
(Increase) / Decrease in other non financial assets	222.59	(379.37)
Increase / (Decrease) in financial liabilities	421.80	17.80
Increase / (Decrease) in provisions	(37.80)	(52.80)
Increase / (Decrease) in other non financial liabilities	(429.22)	(1,189.75)
Cash generated from operations	(14,445.39)	8,999.90
Interest income received	45,754.29	45,153.52
Finance cost paid	(933.25)	(7,516.37)
Income tax paid (net)	(9,452.20)	(6,310.88)
Net cash generated from operating activities (A)	20,923.45	40,326.17
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase / sale of property, plant and equipment	(533.73)	1,481.10
Bank Deposits not considered as cash and cash equivalents	-	3,446.23
Investment in MF	(7,679.90)	-
Net cash used in investing activities (B)	(8,213.63)	4,927.33
C CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings other than debt securities	(42,146.87)	(17,702.66)
Net cash generated from financing activities (C)	(42,146.87)	(17,702.66)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(29,437.06)	27,550.83
Cash and cash equivalent at the beginning of the year	32,171.50	4,620.67
Cash and cash equivalent at the end of the year	2,734.44	32,171.50

The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

Components of cash and cash equivalents are disclosed in note no. 4.

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretary

Paresh K. Thothawala
Partner
M.No. 048435

(N.K.Patel)
Chief Financial Officer

For and on behalf of the board
D.N.Gandhi Managing Director
H.D.Gandhi Director
P.D.Gandhi Director

UDIN: 21048435AAAADV6431
Place: Himantnagar
Date: 17.05.2021

Place: Himantnagar
Date: 17.05.2021



NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2021

Notes to Financial Statements for the Year Ended on March 31, 2021

Note 1 : Corporate Information:

Nalin Lease Finance Limited ('NLFL' or 'the company') was incorporated on October 11, 1990 in Himatnagar, Gujarat. The company is Non-Systemically Important Non-Deposit taking non-banking financing company (NBFC) registered with Reserve Bank of India ("RBI") with Registration no. 01.00242. The company provides a wide range of fund based services including gold loans, vehicle loans, business loans etc.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 17 May 2021, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

Note 2 :Basis of preparation and presentation

2.1 : Statement of Compliance:

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013 along with other relevant provisions of the Act, and the Master Direction - Non-Banking Financial Companies - Non-Deposit taking company (Reserve Bank) Directions, 2016 ("the NBFC Master Directions") issued by RBI In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

2.2 : Basis of preparation:

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the valuation of assets or liabilities



2.3 : Presentation of financial statements::

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest thousands, except when otherwise indicated.

Critical accounting estimates and judgments

The preparation of the Company's financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those based on Management's estimates. Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- # Business model assessment [Refer note no. 3.4(i)(a)]
- # Fair value of financial instruments [Refer note no. 3.14, and 28]

- # Effective interest rate (EIR) [Refer note no. 3.1(i)]
- # Impairment of financial assets [Refer note no. 3.4(i), and 27]

- # Provisions and contingent liabilities [Refer note no. 3.10 and 37]

- # Provision for tax expenses [Refer note no. 3.6]
- # Residual value, useful life and indicators of impairment and recoverable value of property, plant and equipment [Refer note no. 3.7 and 3.9]

Estimation of impairment allowance on financial assets amidst COVID-19 pandemic

Estimates and associated assumptions, especially for determining the impairment allowance for Company's financial assets, are based on historical experience and other emerging factors on account of the pandemic which may also have an effect on the expected credit loss. The Company believes that the factors considered are reasonable under the current circumstances. The Company has used early indicators of moratorium and delayed repayment metrics observed along with an estimation of potential stress on probability of default and exposure at default due to COVID-19 situation in developing the estimates and assumptions to assess the expected credit losses on loans. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic.



Note 3 : Summary of significant accounting policies:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 : Revenue recognition:

i) Interest Income

The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 3.4(i)] regarded as 'stage 3', the Company recognises interest income on the amortised cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 3.4(i)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non payment of contractual cashflows is recognised on realisation.

ii) Dividend income

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

iii) Other revenue from operations

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Fees and commission

The Company recognises service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognised on rendering of services and products to the customer.

Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf



of other entities subject to there being no significant uncertainty of its recovery.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognised on realisation.

Late Fees charges are collected from loan customers for late payment of loan instalment and are recognised on realisation.

Cheque return charges are collected from loan customers for cheque return of loan instalment and are recognised on realisation.

Postage charges are collected from loan customers for postage and courier expenses and recognised on realisation.

(b) Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets for a fee is retained, recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognised as service income and any decrease is recognised as an expense in the period in which it occurs. The embedded interest component in the service asset is recognised as interest income in line with Ind AS 109 'Financial instruments'.

Other revenues on sale of services are recognised as per Ind AS 115 'Revenue From Contracts with Customers' as articulated above in 'other revenue from operations'.

(c) Recoveries of financial assets written off

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

iv) Taxes

Incomes are recognised net of the Goods and Services Tax, wherever applicable.

3.2 : Expenditures:

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR [refer note no. 3.1(i)].

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Taxes

Expenses are recognised net of the Goods and Services Tax except where credit for the input tax is not statutorily permitted.



3.3 : Cash and cash equivalents:

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.4 : Financial instruments:

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

a) Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio, and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.



The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and/or infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). For further details, refer note no. 3.1(i). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

b) Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Derecognition

The Company derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at Fair value through profit and loss.

Overview of the Expected Credit Loss (ECL) model

Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

At an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

At an amount equal to 12-month expected credit losses, if the credit risk on a financial instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset.

12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within the 12 months after the reporting date.



The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorises its loans into three stages as described below:

For non-impaired financial assets

Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk (SICR) since initial recognition. A 12-month ECL provision is made for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12 months ECL provision.

For impaired financial assets:

Financial assets are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial assets.

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- # Contractual payments of either principal or interest are past due for more than 180 days;
- # The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months–post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognised by applying the EIR to the net amortised cost amount i.e. gross carrying amount less ECL allowance.

The Company recognises loss allowance for ECLs on Loans and advances to customers as per Income recognition, Asset Classification and Provisioning (IRACP) norms notified by RBI.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 27.



Estimation of Expected Credit Loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, vehicles, etc. However, the fair value of collateral affects the calculation of ECL. The collateral is majorly the property for which the loan is given. The fair value of the same is based on data provided by third party or management judgements.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings.



Initial measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, and other borrowings.

Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR [Refer note no. 3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

3.5 : Investments in Subsidiaries, Associates and Joint Ventures:

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of shares granted to employees of subsidiary under a group share based payment arrangement.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

3.6 : Taxes:

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date



Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.7 : Property, plant and equipment:

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset,



beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation on Property, Plant and Equipment is calculated using Straight line method (SLM) to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Nature of Assets	Useful life in years
Computer Equipment	3
Office Equipment*	3
Buildings	60
Furniture & Fixtures	10
Vehicles	8
Electrical installations	10

*The company has estimated useful life which is different from schedule II useful life based on technical advice obtained by the management.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.8 : Intangible assets and amortisation thereof :

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.9 : Impairment of non-financial assets:

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

3.10 : Provisions and contingent liabilities:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.



A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.11 : Foreign currency translation:

The Company's financial statements are presented in Indian Rupee, which is also the Company's functional currency.

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss.

3.12 : Retirement and other employee benefits:

(i) Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits: (a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

The Company has adopted the policy of accounting for retirement & other employee benefits on actual payment basis. As explained by the Company, PF & ESIC is not applicable to the Company.

3.13 : Leases:

With effect from 1 April 2019, the Company has applied Ind AS 116 'Leases' for all long term and material lease contracts covered by the Ind AS. The Company has adopted modified retrospective approach as stated in Ind AS 116 for all applicable leases on the date of adoption.

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments discounted using the Company's incremental cost of borrowing



and directly attributable costs. Subsequently, the lease liability is –

- (i) increased by interest on lease liability;
- (ii) reduced by lease payments made; and
- (iii) remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'Right-of-use assets' as present value of all lease payments discounted using the Company's incremental cost of borrowing w.r.t said lease contract. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability specified in Ind AS 116 'Leases'.

Depreciation on 'Right-of-use assets' is provided on straight line basis over the lease period.

3.14 : Fair value measurement:

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 28.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.



3.15 : Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- (i) changes during the period in operating receivables and payables transactions of a non-cash nature
- (ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
- (iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

3.16 : Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.17 : Operating cycle for current and non-current classification:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



NALIN LEASE FINANCE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2021

Note 4: Cash & Cash Equivalent

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Cash on hand	982.18	935.81
Balance with banks in current accounts	1,752.26	31,235.69
	2,734.44	32,171.50

Note 5: Current Investments

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
	Fair Value through P&L	Fair Value through P&L
ICICI prudential MF	2,080.18	-
HDFC Ultra Short term fund	5,599.72	-
	7,679.90	-

Note 6: Loans

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
	At amortised cost	At amortised cost
A) Secured		
i) Vehicle Loan	77,067.70	81,168.26
ii) Gold Loan	1,26,107.31	1,14,109.08
Total (A) Gross	2,03,175.01	1,95,277.34
Less: Impairment loss allowance	5,087.47	6,114.49
Total (A) - Net	1,98,087.54	1,89,162.85
B) Unsecured		
i) Business Loan	14,765.50	19,504.54
ii) Other Loan	-	-
Total (B) Gross	14,765.50	19,504.54
Less: Impairment loss allowance	36.91	48.76
Total (B) - Net	14,728.58	19,455.78
Total (A+B) - Net	2,12,816.12	2,08,618.63
C) Out of above		
I) Loans in India		
i) Public sectors	-	-
ii) Others	2,17,940.50	2,14,781.88
II) Loans outside India	-	-
Total (C) Gross	2,17,940.50	2,14,781.88
Less: Impairment loss allowance	5,124.38	6,163.25
Total (C) - Net	2,12,816.12	2,08,618.63
	2,12,816.12	2,08,618.63

Note 7: Inventories

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Sp. Adhesive Stamp	586.38	351.28
Stationery Stock	33.50	22.50
	619.88	373.78



Note 8: Deferred Tax Assets (Net)

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate		
Particulars	31/03/2021	31/03/2020
Profit before tax	33,085.89	27,674.32
At corporate tax rate of 25.168% (Previous year 27.82%)	8,327.06	7,699.00
Impact of taxes of earlier years	(470.31)	109.39
Others	(13.96)	(28.05)
Tax expenses	7,842.78	7,780.33
Effective tax rate	23.70%	28.11%

Deferred tax assets (net) recorded in Balance Sheet

Deferred tax to the following:		
Particulars	31/03/2021	31/03/2020
Deferred tax assets		
Disallowance u/s 37 of the Income Tax Act, 1961	218.06	64.49
Impairment on financial instruments	67.19	222.82
Financial instruments measured at EIR	2.71	36.24
Depreciation and amortisation	409.60	319.70
Gross deferred tax assets (a)	697.57	643.24
Deferred tax liabilities		
Other temporary differences	110.74	367.22
Gross deferred tax liabilities (b)	110.74	367.22
Deferred tax assets/(liabilities), net (a-b)	586.83	276.01
	586.83	276.01

Changes in deferred tax assets recorded in profit or loss

Deferred tax relates to the following:		
Particulars	31/03/2021	31/03/2020
Disallowance u/s 37 of the Income Tax Act, 1961	(153.58)	56.04
Impairment on financial instruments	155.63	24.67
Financial instruments measured at EIR	33.52	44.18
Depreciation and amortisation	(89.90)	(161.72)
Other temporary differences	(256.48)	8.78
	(310.82)	(28.05)

Note 9: Right to use Assets

Gross carrying amount (A)		
Particulars	31/03/2021	31/03/2020
Opening gross carrying amount	3,470.70	3,470.70
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
Closing gross carrying amount	3,470.70	3,470.70
Accumulated depreciation (B)		
Opening accumulated depreciation	3,203.73	2,402.79
Add: Depreciation and impairment	266.98	800.93
Less: Deductions during the year	-	-
Closing accumulated depreciation	3,470.70	3,203.73
Total C = (A-B)	-	266.98
	-	266.98

Note 11: Other Non-financial Assets

Particulars		
	31/03/2021	31/03/2020
Security Deposits	19.02	18.49
Other Receivables	231.22	454.34
	250.24	472.83

Note 12: Borrowings (Other than debt securities)

Particulars		
	31/03/2021	31/03/2020
	At amortised cost	At amortised cost
a) Loans repayable on demand		
i) from banks		
Cash credit* (Secured by paripassu floating charge on current assets, book debts, Loans & advances)	1,622.11	43,768.98
Total (A)	1,622.11	43,768.98
Borrowings in India	1,622.11	43,768.98
Borrowings outside India	-	-
Total (B)	1,622.11	43,768.98
	1,622.11	43,768.98

* Note: Cash credit / short term loans from banks are secured by hypothecation of movable assets of the Company and goods covered under hypothecation ("HP") agreements / Loan cum HP agreements and relative book debts, receivables, loans and advances and entire portfolio outstanding and equitable mortgage by deposit of title deeds on some of the Director's immovable properties, as collateral security. The loans are also guaranteed by Mr. Diiipkumar Nalinkant Gandhi, Mr. Harsh Dilipkumar Gandhi and Mrs. Pallaviben Dilipkumar Gandhi. The Company has not defaulted in repayment of borrowings and interest.



Note 13: Other Financial Liabilities (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
Other Payables	677.12	255.32
	677.12	255.32

Note 14: Provisions (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
Other Provisions	31.00	68.80
	31.00	68.80

Note 15: Other Non-financial Liabilities (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
Lease Liability gross	429.22	1,618.97
Less : Current Year adjustment	429.22	1,189.75
Lease Liability net	-	429.22
	-	429.22

Note 16: Equity Share Capital

16.1 The reconciliation of equity shares outstanding at the beginning and at the end of the period

Note 16: Equity Share Capital (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
<u>Authorised Capital</u>		
93,50,000 Equity shares of ` 10/-each	93,500.00	93,500.00
<u>Issued & Subscribed and Paid up</u>		
65,58,180 Equity shares of ` 10/-each (Refer Note No.32)	65,581.80	65,581.80
	65,581.80	65,581.80

16.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10/- per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting. The Company declares and pays dividends in Indian rupees. The interim dividend is declared and approved by Board of Directors. The final dividend proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Note 16: Equity Share Capital (₹ in thousands)		
Particulars	In Numbers	Amount
As at 01 April, 2020	65,58,180	65,581.80
Share issued during the year	-	-
As at 31 March, 2021	65,58,180	65,581.80

16.4 Details of Equity shareholders holding more than 5% shares in the company

Particulars	31/03/2021	31/03/2020
	No. of Shares held	
Dilipkumar Nalinkant Gandhi	28,14,470	28,14,470
Pallaviben Dilipkumar Gandhi	5,62,057	5,62,057
Rupalben Dilipkumar Gandhi	5,23,560	5,23,560
Urviben Dilipkumar Gandhi	3,53,953	3,53,953
% holding in the class		
Dilipkumar Nalinkant Gandhi	42.92%	42.92%
Pallaviben Dilipkumar Gandhi	8.57%	8.57%
Rupalben Dilipkumar Gandhi	7.98%	7.98%
Urviben Dilipkumar Gandhi	5.40%	5.40%



Note 17: Other Equity		(₹ in thousands)
Particulars	31/03/2021	31/03/2020
(A) SECURITIES PREMIUM	20,798.90	20,798.90
TOTAL (A)	20,798.90	20,798.90
(B) GENERAL RESERVE		
Opening Balance	70,641.98	63,141.98
Add: Profit transferred from Profit & Loss for the year	7,500.00	7,500.00
TOTAL (B)	78,141.98	70,641.98
(C) STATUTORY RESERVE (U/S 45 IC of RBI ACT)		
Opening Balance	26,079.57	22,100.77
Add: Profit transferred from Profit & Loss for the year	5,048.62	3,978.80
TOTAL (C)	31,128.19	26,079.57
(D) RETAINED EARNINGS		
Opening Balance	15,839.43	7,424.24
Add: Profit for the year	25,243.11	19,893.99
Less: Transfer to General Reserve	7,500.00	7,500.00
Less: Transfer to Compulsory Reserve	5,048.62	3,978.80
TOTAL (D)	28,533.92	15,839.43
TOTAL (A+B+C+D)	1,58,602.99	1,33,359.88

17.1 Nature and purpose of reserve

Securities Premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

Statutory Reserve (u/s 45 IC of RBI Act)

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

General Reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of profit for the period at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings

This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.



Note 10 : Property, Plant & Equipments

For the financial year 2020-21

(₹ in thousands)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 April 2020	Additions	Disposals	Balance as at 31 March 2021	Balance as at 1 April 2020	Depreciation charge for the year	Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021	Balance as at 31 March 2020
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Property, Plant & Equipments										
Air Conditioner	798.55	-	-	798.55	467.01	75.86	-	542.88	255.67	331.53
Furniture & Fixtures	2,055.20	100.64	-	2,155.84	1,261.04	179.78	-	1,440.82	715.03	794.17
Office Equipment	2,826.71	234.88	-	3,061.60	1,809.55	611.71	-	2,421.27	640.33	1,017.16
Computers	1,741.75	198.20	-	1,939.96	1,101.78	223.41	-	1,325.19	614.77	639.98
Vehicles	1,669.11	-	-	1,669.11	1,271.63	198.21	-	1,469.83	199.27	397.48
Grand Total	9,091.32	533.73	-	9,625.05	5,911.01	1,288.98	-	7,199.99	2,425.06	3,180.32

For the financial year 2019-20

(₹ in thousands)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	Depreciation charge for the year	Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 01 April 2019
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Property, Plant & Equipments										
Air Conditioner	798.55	-	-	798.55	391.15	75.86	-	467.01	331.53	407.39
Furniture & Fixtures	2,055.20	-	-	2,055.20	1,080.66	180.38	-	1,261.04	794.17	974.55
Office Building	381.50	-	381.50	-	144.92	1.51	146.43	-	-	236.59
Office Equipment	2,537.28	289.44	-	2,826.71	1,183.08	626.48	-	1,809.55	1,017.16	1,354.20
Computers	1,546.88	547.66	352.80	1,741.75	1,379.76	60.01	338.00	1,101.78	639.98	167.12
Vehicles	1,669.11	-	-	1,669.11	1,073.42	198.21	-	1,271.63	397.48	595.69
Grand Total	8,988.51	837.10	734.30	9,091.32	5,252.98	1,142.45	484.43	5,911.01	3,180.32	3,735.53



**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON
MARCH 31, 2021**

Note 18 : Revenue from Operations

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Finance Activity:		
Interest Income		
Interest Income on Hire Purchase	21,625.42	20,542.68
Interest Income on Gold Loan	22,439.66	20,866.41
Interest received on Business & Other Loans	1,689.21	3,744.43
	45,754.29	45,153.52

Note - 19 Sales of services

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Insurance Business related Income	-	119.64
Consultancy Fees Income	-	588.64
Testing Fees Income	-	487.25
	-	1,195.53

Note - 20 Other revenue from operations

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Miscellaneous Charges and receipts	781.45	728.90
Late Fees Charges	2,291.03	2,565.12
Bad Debt recovered	62.45	157.93
	3,134.93	3,451.94

Note - 21 Other Income

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Other Interest income	48.24	914.49
Interest Income on IT Refund	-	4.86
Profit on Sale of property, plant and equipment	-	2,068.33
Other Refund Income	-	25.00
	48.24	3,012.68

Note 22: Finance Cost

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
On financial liabilities measured at amortised cost		
Interest on Unsecured Loan	53.55	462.77
Bank Interest & Charges	597.57	6,266.09
Loan Processing Charges	271.35	657.26
Interest on lease liability	10.78	130.25
	933.25	7,516.37

Note 23 : Impairment on Financial Instruments

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
On financial instruments measured at amortised cost:		
Bad Debts & Written off	576.40	302.58
Loan assets	(1,038.87)	3,474.22
Other assets	266.98	800.93
	(195.49)	4,577.73



Note 24 : Employee Benefit Expense (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
Salary & Conveyance	2,037.00	1,917.50
Staff Welfare Expense	83.98	143.21
Director Remuneration	4,800.00	4,440.00
	6,920.98	6,500.71
Note 25 : Other Expenses (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
Advertisement & Marketing Expense	384.57	284.36
Audit Fees	150.00	150.00
Amalgamation Expense	1,110.99	216.80
CIBIL Charges	93.05	334.18
Computer & Software Expense	98.00	76.14
Demate Charges & Stock Exchange Listing Fee	427.80	487.98
Donation Expense	21.00	15.00
Electricity Expense	307.60	371.47
GST Expense	374.88	201.42
Insurance Expense	314.12	375.79
Kasar & Round off	1.53	4.25
Legal & Professional Fees	400.40	537.50
Loss on sale of Gold auction	51.86	-
Membership & Subscription Expense	5.92	12.79
Office & General Expense	153.87	232.99
Professional Tax	10.62	-
Rent Expense	2,016.66	349.20
Repairs & Annual Maintenance Expense	124.39	110.64
Sp Adhesive Stamp Expense	124.90	155.00
Stationery, Printing & Postage Expense	473.48	904.75
Telephone Expense	163.26	474.17
Vehicle & Travelling Expense	94.95	107.67
	6,903.84	5,402.10
Payment to Auditor (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
Statutory Audit	70.00	70.00
Tax Audit	40.00	40.00
Limited Review	40.00	40.00
	150.00	150.00
Note 26 : Earning per Share (₹ in thousands)		
Particulars	31/03/2021	31/03/2020
i: Net Profit for the year	25,243.11	19,894
ii: Basic No of Equity Share	65,58,180	65,58,180
iii: Basic & Diluted Earnings per Share	3.85	3.03
iv: Face Value per Equity Share	10	10



**Note 27 : Disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”:
Financial risk management**

The Company’s principal financial liabilities comprise borrowings and other financial liabilities . The main purpose of these financial liabilities is to finance the Company’s operations and to support its operations. The Company’s financial assets include loan and advances, cash and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company’s board of directors has an overall responsibility for the establishment and oversight of the Company’s risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company’s risk management policies. The committee reports regularly to the board of directors on its activities.

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company’s risk management committee oversees how management monitors compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The major risks are summarised below:

1- Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party to financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company’s major income generating activity is gold loan, vehicle loan, business loans and others. Therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers that are an asset position. The Company considers all elements of credit risk exposure such as counterparty default risk, risk of not taking collateral against loans, geographical risk and sector risk for risk management purposes.

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, financial statements, credit agency information, industry information etc.

Policies and procedure for credit risk for different products

The Company addresses credit risk by following different processes for different product:

Gold Loan

a) Credit risk on Gold loan is considerably reduced as collateral is in the form of Gold ornaments which can be easily liquidated and there is only a distant possibility of losses due to adequate margin of 25% or more retained while disbursing the loan. Credit risk is further reduced through a quick but careful collateral appraisal and loan approval process. Hence overall, the Credit risk is normally low.



b) Sanctioning powers for Gold Loans is delegated to Manager of the company. Sanctioning powers is used only for granting loans for legally permitted purposes. The maximum Loan to Value stipulated by the Reserve Bank of India does not exceed under any circumstances.

c) Gold ornaments brought for pledge is the primary responsibility of Manager. Extra care is taken if the gold jewellery brought for pledge by any customer at any one time or cumulatively is more than 20 gm. Manager records the questions asked to the customer for ascertaining the ownership of the gold jewellery and also the responses given by the customer in a register for future reference.

d) Auctions are conducted as per the Auction Policy of the Company and the guidelines issued by Reserve Bank of India. Auction is generally conducted before loan amount plus interest exceeds realizable value of gold. After reasonable time is given to the customers for release after loan becomes overdue and exhausting all efforts for persuasive recovery, auction is resorted to as the last measure in unavoidable cases. Loss on account of auctions are recovered from the customer. Any excess received on auctions are refunded to the customer.

Vehicle Loan

The credit risk management policy of the Group seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements:

- i) Standardize the process of identifying new risks and designing appropriate controls for these risks
- ii) Minimize losses due to defaults or untimely payments by borrowers
- iii) Maintain an appropriate credit administration and loan review system
- iv) Design appropriate credit risk mitigation techniques

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ in thousands)

Particulars	Gross Carrying Amount	
	31/03/2021	31/03/2020
Vehicle Loan	77,067.70	81,168.26
Gold Loan	1,26,107.31	1,14,109.08
Business Loan	14,765.50	19,504.54
Other loan	-	-
	2,17,940.50	2,14,781.88

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the loan receivables are categorised into Company's based on days past due. Each Company is then assessed for impairment using the ECL model as per the provisions of Ind AS 109 - financial instruments.



The Company recognises loss allowance for ECLs on Loans and advances to customers as per Income recognition, Asset Classification and Provisioning (IRACP) norms notified by RBI.

Staging:

As per the provision of Ind AS 109 general approach all financial instruments are allocated to stage 1 on initial recognition. However, if a significant increase in credit risk is identified at the reporting date compared with the initial recognition, then an instrument is transferred to stage 2. If there is objective evidence of impairment, then the asset is credit impaired and transferred to stage 3.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 180 days past due on its contractual payments.

Stage	Assets	% of Provision	Ageing
Stage-1 Stage-2	Standard	0.25%	0-180 Days
Stage-3	Sub-Standard	10.00%	180+ days
	Doubtful	20.00%	
	Loss	100.00%	

Movement of ECL

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Opening Provision of ECL	6,163.25	2,689.03
Addition during the year	-	3,474.22
Utilization / Reversal during the year	1,038.87	-
Closing provision for ECL	5,124.38	6,163.25

ECL sensitivity to future economic conditions

(₹ in thousands)

Particulars	31/03/2021	31/03/2020
Gross carrying amount of loans	2,17,940.50	2,14,781.88
Reported ECL	5,124.38	6,163.25
Reported ECL coverage	2.35%	2.87%

2- Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company manages its liquidity requirement by analysing the maturity pattern of the Company's cash flow of financial assets and financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through unutilised cash credit facility and cash and cash equivalents. The total cash credit limit available to the Company is Rs. 7.50 crore. The utilization level is maintained in such a way that ensures sufficient liquidity on hand.



3- Market rate risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. In the case of the Company, market risk primarily impacts financial instruments measured at fair value through profit or loss. Market risk includes interest rate risk and foreign currency risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

b) Foreign currency risk

The Company does not have any instrument denominated or traded in foreign currency. Hence, such risk does not affect the Company.

4- Price risk

For Gold Loan

Sudden fall in the gold price and fall in the value of the pledged gold ornaments can result in some of the customers to default if the loan amount and interest exceeds the market value of gold. This risk is in part mitigated by a minimum 25% margin retained on the value of jewellery for the purpose of calculation of the loan amount. Further, we appraise the jewellery collateral solely based on the weight of its gold content, excluding weight and value of the stone studded in the jewellery. In addition, the sentimental value of the gold jewellery to the customers may induce repayment and redemption of the collateral even if the value of gold ornaments falls below the value of the repayment amount. An occasional decrease in gold prices will increase price risk significantly on account of our adequate collateral security margins. However, a sustained decrease in the market price of gold can additionally cause a decrease in the size of our loan portfolio and our interest income.

5- Prepayment risk

Prepayment risk is the risk that the Company will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate loans like ours when interest rates fall.



Note 28 : Other disclosure pursuant to Ind AS 107 “Financial Instruments: Disclosures”:

a) Category-wise classification for applicable financial assets and financial liabilities:

(₹ in thousands)

Particulars	Amortised Cost	Fair Value through OCI	Fair Value through P&L
As at March 31, 2021			
Financial Assets			
Cash and Cash Equivalents	2,734.44	-	-
Current Investments	-	-	7,679.90
Loans	2,12,816.12	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	1,622.11	-	-
Other financial Liabilities	677.12	-	-
As at March 31, 2020			
Financial Assets			
Cash and Cash Equivalents	32,171.50	-	-
Current Investments	-	-	-
Loans	2,08,618.63	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	43,768.98	-	-
Other financial Liabilities	255.32	-	-



b) Fair value of financial assets and financial liabilities:

Particulars	31/03/2021		31/03/2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents (at amortised cost)	2,734.44	2,734.44	32,171.50	32,171.50
Current Investments (at Fair Value through P&L)	7,679.90	7,679.90	-	-
Loans* (at amortised cost)	2,12,816.12	2,12,816.12	2,08,618.63	2,08,618.63
	2,23,230.46	2,23,230.46	2,40,790.13	2,40,790.13
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	1,622.11	1,622.11	43,768.98	43,768.98
Other financial Liabilities (at amortised cost)	677.12	677.12	255.32	255.32
	2,299.23	2,299.23	44,024.30	44,024.30

Note: Carrying amounts of cash and cash equivalents, borrowings and other financial liabilities as at March 31, 2021 and March 31, 2020 approximate the fair value because of their short term nature. The carrying amounts of loans given and borrowings taken for short term are considered to be close to the fair value.

* In the absence of unobservable market for these loan assets, the fair value have been determined from the perspective of the Company's asset considering the changes in performance and risk indicators (including delinquencies and interest rate)



c) Fair value hierarchy of financial assets and financial liabilities:

Particulars	Fair Value			
	Level 1	Level 2	Level 3	Total
As at March 31, 2021				
Financial Assets				
Loans (at amortised cost)	-	-	2,12,816.12	2,12,816.12
Current Investments (at Fair Value through P&L)	7,679.90	-	-	7,679.90
	7,679.90	-	2,12,816.12	2,20,496.02
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	-	-	1,622.11	1,622.11
Other financial Liabilities (at amortised cost)	-	-	677.12	677.12
	-	-	2,299.23	2,299.23
As at March 31, 2020				
Financial Assets				
Loans (at amortised cost)	-	-	2,08,618.63	2,08,618.63
Current Investments (at Fair Value through P&L)	-	-	-	-
	-	-	2,08,618.63	2,08,618.63
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	-	-	43,768.98	43,768.98
Other financial Liabilities (at amortised cost)	-	-	255.32	255.32
	-	-	44,024.30	44,024.30

The Company has not disclosed the fair values for cash and cash equivalents and Bank balances other than cash and cash equivalents as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).



The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

d) Maturity profile of assets and liabilities:

as at March 31, 2021

(₹ in thousands)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	2,734.44	-	2,734.44
Current Investments	7,679.90	-	7,679.90
Loans	1,72,862.90	39,953.22	2,12,816.12
Non Financial Assets			
Inventories	619.88	-	619.88
Current Tax Assets (Net)	8,026.46	-	8,026.46
Deferred Tax Assets (Net)	-	586.83	586.83
Right of use assets	-	-	-
Property, Plant & Equipments	-	2,425.06	2,425.06
Other Non Financial Assets	250.24	-	250.24
Total	1,92,173.82	42,965.11	2,35,138.93
Financial Liabilities			
Borrowings (Other than debt securities)	1,622.11	-	1,622.11
Other financial Liabilities	677.12	-	677.12
Non Financial Liabilities			
Current Tax Liabilities (net)	8,623.91	-	8,623.91
Provisions	31.00	-	31.00
Other Non-financial Liabilities	-	-	-
Total	10,954.14	-	10,954.14



as at March 31, 2020

(₹ in thousands)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	32,171.50	-	32,171.50
Current Investments	-	-	-
Loans	1,62,327.97	46,290.66	2,08,618.63
Non Financial Assets			
Inventories	373.78	-	373.78
Current Tax Assets (Net)	5,802.94	-	5,802.94
Deferred Tax Assets (Net)	-	276.01	276.01
Right of use assets	-	266.98	266.98
Property, Plant & Equipments	-	3,180.32	3,180.32
Other Non Financial Assets	472.83	-	472.83
Total	2,01,149.02	50,013.97	2,51,162.99
Financial Liabilities			
Borrowings (Other than debt securities)	43,768.98	-	43,768.98
Other financial Liabilities	255.32	-	255.32
Non Financial Liabilities			
Current Tax Liabilities (net)	7,699.00	-	7,699.00
Provisions	68.80	-	68.80
Other Non-financial Liabilities	429.22	-	429.22
Total	52,221.31	-	52,221.31

Note 29 : Loss Allowances (Provisions) as required under Ind AS 109:

(₹ in thousands)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5) = (3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
Performing Assets						
Standard	Stage 1	2,10,011.99	4,131.60	2,05,880.39	4,131.60	-
Non-Performing Assets						
Sub Standard	Stage 3	5,929.21	592.92	5,336.29	592.92	-
Doubtful Assets	Stage 3	1,999.30	399.86	1,599.44	399.86	-
Loss Assets	Stage 3	576.40	576.40	-	576.40	-
Total	Stage 1	2,10,011.99	4,131.60	2,05,880.39	4,131.60	-
	Stage 3	8,504.91	1,569.18	6,935.73	1,569.18	-
	Total	2,18,516.90	5,700.78	2,12,816.12	5,700.78	-



Note 30 : Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012:

Particulars	(₹ in thousands)	
	31/03/2021	31/03/2020
Gold Loans granted against collateral of gold jewellery (principal portion)	1,22,436.18	1,06,212.77
Total assets of the Company	2,35,138.93	2,51,162.99
Percentage of Gold Loans to Total Assets	52.07%	42.29%

Note 31 : Capital Management:

The objective of the Company's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of its subsidiaries. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated. The debt equity ratio is 0.05 as at March 31, 2021 (as at March 31, 2020 is 0.26)

Note 32 : Moratorium in accordance with the Reserve Bank of India (RBI) guidelines:

The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the company has proposed to offer a moratorium of six months on the payment of instalments falling due between March 1, 2020 and August 31, 2020 to eligible borrowers. For all such accounts classified as standard and overdue as on February 29, 2020, where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the policy).

Note 33 : Estimation uncertainty relating to COVID-19 global health pandemic:

In assessing the recoverability of loans, receivables, intangible assets (including goodwill) and investments, the company and industry reports up to the date of approval of these consolidated financial statements. The Company has considered internal and external sources of information, including credit reports, economic forecasts performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions. The Company has developed estimates and applied management overlays for the purpose of determination of the provision for impairment of financial assets.

Note 34 : Segment Reporting:

The Company is engaged primarily on the business of "Financing" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India Accordingly, there are no separate reportable segments as per Ind AS 108 - "Operating segments".



Note 35 : Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.

The disclosure as required by section 22 of MSMED Act has been given below:

Particulars	31/03/2021	31/03/2020
Principal amount payable to suppliers as at year-end	-	-
Interest due thereon as at year end	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-
Amount of delayed payment actually made to suppliers during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

Note 36 : Contingent liabilities and commitments:

Particulars	31/03/2021	31/03/2020
Contingent Liabilities	-	-

Note 37 : Expenditure in foreign currency & unhedged exposure:

Particulars	31/03/2021	31/03/2020
Foreign Currency Expenditure	-	-
Unhedged Foreign Currency Exposure	-	-

Note 38 : Contribution to political parties during the year 2020-21 is Rs. NIL

Note 39 : There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2021



Note 40 : Related Party Disclosure:

Related party disclosures as required by Ind AS 24 - Related Party Disclosures.

A) Name of the related party and description of the relationship with whom transaction taken place:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Dilipkumar Nalinkant Gandhi Mrs. Pallaviben Dilipkumar Gandhi Mr. Harsh Dilipkumar Gandhi
Note: Related parties have been identified by the Management.	

Details of related party transactions during the year ended 31 March, 2021

(₹ in thousands)

Nature of Transaction with Related Parties (Excluding Reimbursement)	2020-21		2019-20	
	Transaction Value	Outstanding amount carried in the Balance Sheet	Transaction Value	Outstanding amount carried in the Balance Sheet
<u>Mr. Dilipkumar Nalinkant Gandhi</u>				
Director remuneration	1,880.00		1,760.00	
Rent	2,186.66		1,320.00	
Interest	36.16		54.56	
Loan taken	4,000.00	-	4,000.00	-
Loan repaid	4,036.16		4,080.86	
<u>Mrs. Pallaviben Dilipkumar Gandhi</u>				
Director remuneration	1,520.00	-	1,400.00	-
<u>Mr. Harsh Dilipkumar Gandhi</u>				
Director remuneration	1,400.00		1,280.00	
Rent	270.00		270.00	
Interest	17.38		408.21	
Loan taken	2,400.00	-	17,631.00	-
Loan repaid	2,417.38		20,042.91	



Note 41 : Events after the reporting period:

There have been no events after the reporting date that require disclosure in the financial statements.

Note 42 : In the opinion of the Board of Directors, the Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the foregoing Balance Sheet and adequate provision for all known liabilities on the Company has been made.

Note 43 : Figures of previous year have been reworked/regrouped/reclassified wherever necessary.

As Per Our Report on Even Date
For Paresh Thothawala & Co.
Chartered Accountant
FRN: 114777W

(S.N.Parikh)
Company Secretary

For and on behalf of the board
D.N.Gandhi Managing Director
H.D.Gandhi Director
P.D.Gandhi Director

Paresh K. Thothawala
Partner
M.No. 048435

(N.K.Patel)
Chief Financial Officer

UDIN: 21048435AAAADV6431
Place: Himantnagar
Date: 17.05.2021

Place: Himantnagar
Date: 17.05.2021



NALIN LEASE FINANCE LTD.
CIN: L65910GJ1990PLC014516
GROUND FLOOR, GANDHI NURSING HOME BLDG., DR.NALINKANT GANDHI ROAD,
HIMATNAGAR, SABARKANTHA, GUJARAT – 383001.
TEL NO.: +91 2772 241264, 242264
Web: www.nalinfin.co.in, E-mail: info@nalinfin.co.in

ANNEXURE TO THE NOTICE FOR THE 30TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 07TH DAY OF SEPTEMBER, 2021

1	Name of the sole/first named member:	
2	Address of sole/first named member:	
3	Name (s) of joint member(s) if any:	
4	Registered folio no. /DP ID No. /Client ID NO.	
5	Number of shares held:	

Subject: - Process and manner for availing E-voting facility

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and **Regulation 44 of SEBI (LODR) Regulations, 2015**, the business to be transacted at the Annual General Meeting of the company to be held on Tuesday, September 07, 2021 at 04.00 p.m. may be transacted through electronic voting system and the company is providing facility for voting by electronic means. The Company has engaged the services of Link Intime India Private Limited (InstaVOTE) to provide e-voting facilities. The e-voting facility is available at the link <https://instavote.linkintime.co.in>.

The electronic voting particulars are set out below:

EVEN E-VOTING EVENT NUMBER	USER ID	PASSWORD / PIN
210192		

The e-voting facility will be available during the following voting period:

COMMENCEMENT OF REMOTE E-VOTING	END OF REMOTE E-VOTING
04 th September, 2021 (9.00 a.m. onwards)	06 th September, 2021 (5.00 p.m. onwards)

E-voting shall not be allowed beyond 5:00 p.m. of 06th September, 2021. During the e-voting period, shareholders of the company holding shares either in physical form or in dematerialized form, as on cut – off date may cast their vote electronically. The Company has fixed 31st August, 2021 as the cut-off date for determining voting rights of shareholders entitled to participating in the e-voting process.

Please read the instructions mentioned in the Notice of Annual General Meeting.

These details and instructions from internal part of the Notice for the Annual General Meeting to be held on **07th Day of September, 2021**

NALIN LEASE FINANCE LIMITED

REGD. OFFICE: GANDHI NURSING HOME BLDG, DR.NALINKANT
GANDHI ROAD, HIMATNAGAR, GUJARAT, INDIA – 383001

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