
31ST

ANNUAL REPORT

2021-2022



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

31ST ANNUAL GENERAL MEETING

Day : Tuesday

Date : 27th September, 2022

Time : 12:00 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@nalinfm.co.in

www.nalinfm.co.in

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NALIN LEASE FINANCE LIMITED

NALIN LEASE FINANCE LIMITED
(CIN: L65910GJ1990PLC014516)

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

E-mail: info@nalinfm.co.in

Website: www.nalinfm.co.in

Phone: 02772-241264, 02772-242264

NOTICE OF THE 31ST ANNUAL GENERAL MEETING OF THE COMPANY

NOTICE is hereby given that the 31st Annual General Meeting of Members of Nalin Lease Finance Limited will be held on Tuesday, the 27th day of September, 2022 at 12:00 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, 2022 and the Reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of Mr. Harsh Dilipkumar Gandhi, (DIN: 03120638), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. PARESH THOTHAWALA & CO., Chartered Accountants (Firm Registration No. 114777W), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 (five) years from the conclusion of this Annual General Meeting of the Company for the financial year 2021-22 until the conclusion of 36th Annual General Meeting to be held for the financial year 2026-27 on such remuneration as may be determined by the Audit Committee/ Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013, the approval of the members be and are hereby accorded for the re-appointment of Mrs. Pallaviben Dilipkumar Gandhi (DIN: 00339639) as a Whole-Time Director of the Company for a period of five (5) years with effect from 01st August, 2022, liable to retire by rotation, on terms and conditions of appointment and remuneration as may be agreed to between the Board of Directors and Mrs. Pallaviben Dilipkumar Gandhi and power to the Board of Directors of the Company (including its committee constituted for the purpose) to grant increments and to alter and vary the terms and conditions of the said appointment so as the total remuneration payable to her shall not exceed the limit specified in Schedule V of the Companies Act, 2013 including any statutory modification or re-



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enactment thereof, for the time being in force and as agreed by and between the Board of Directors and Mrs. Pallaviben Dilipkumar Gandhi.

RESOLVED FURTHER THAT notwithstanding anything contained to the contrary in the Companies Act, 2013, wherein any financial year in the event of inadequacy or absence of profits, Mrs. Pallaviben Dilipkumar Gandhi, be paid the remuneration as agreed by and between the Board of Directors and Mrs. Pallaviben Dilipkumar Gandhi, as the Minimum Remuneration subject to the limits laid down in Schedule V of the Companies Act, 2013 and other provisions or any amendments, variations, modifications or re-enactment thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification by the Central Government in Schedule V of the Companies Act, 2013, the Board of Directors be and are hereby authorised to vary and alter the terms of appointment including salary, bonus, perquisites, allowances etc. payable to Mrs. Pallaviben Dilipkumar Gandhi within such prescribed limit or ceiling and as agreed by and between the Company and Mrs. Pallaviben Dilipkumar Gandhi without any further reference to the general meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors,

Dilipkumar N. Gandhi
Managing Director
DIN: 00339595

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

Date: 10.08.2022
Place: Himatnagar



NOTES:

- A. 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. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
- C. 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.
- D. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- E. 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 GANDHI NURSING HOME BLDG DR.NALINKANT GANDHI ROAD HIMATNAGAR 383001 GUJATAT INDIA.
- F. 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 and seeking appointment / re-appointment at the ensuing AGM are given in the Annexure to the Notice of the AGM.
- G. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:** In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 will also be available on the Company’s website www.nalinfin.co.in, websites of the Stock Exchanges, i.e., BSE Limited at www.bseindia.com.
- H. For receiving all communication (including Annual Report) from the Company electronically:



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- a) 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.
 - b) Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depository Participant.
- I. 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.
- J. **Procedure for Inspection of Documents:**
- a) 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.
 - b) 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, 20th September, 2022 through email on info@nalinfm.co.in. The same will be replied by the Company suitably.
- K. The details of unpaid and unclaimed dividends are available on the Company's website at www.nalinfm.co.in.
- L. **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.



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- 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, 24th September, 2022 at 09:00 a.m. and ends on Monday, 26th September, 2022 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, 20th September, 2022 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.
- M. Mr. 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.
- N. 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.
- O. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019. Accordingly, the Company / LI IPL have stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.
- P. 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



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details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.

- Q. 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. LIPL. In respect of shares held in electric/demat form, the nomination form may be filed with the respective Depository Participant.
- R. Non-Resident Indian members are requested to inform LIPL / respective DPs, immediately of:
- I. Change in their residential status on return to India for permanent settlement.
 - II. 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 ("LIPL") 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 .

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.



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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 created 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.



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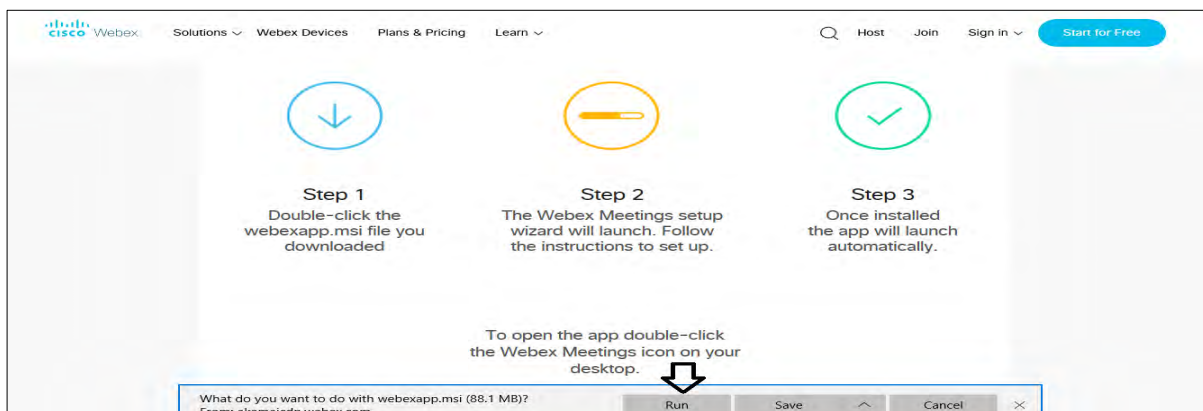
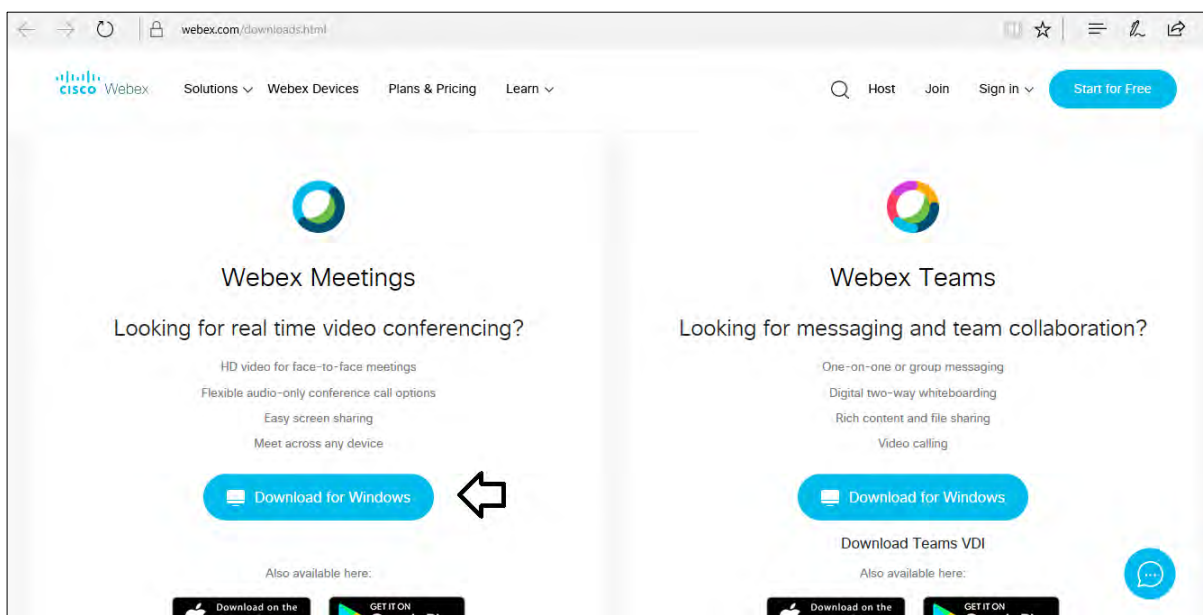
Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

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.

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 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 app will launch automatically.

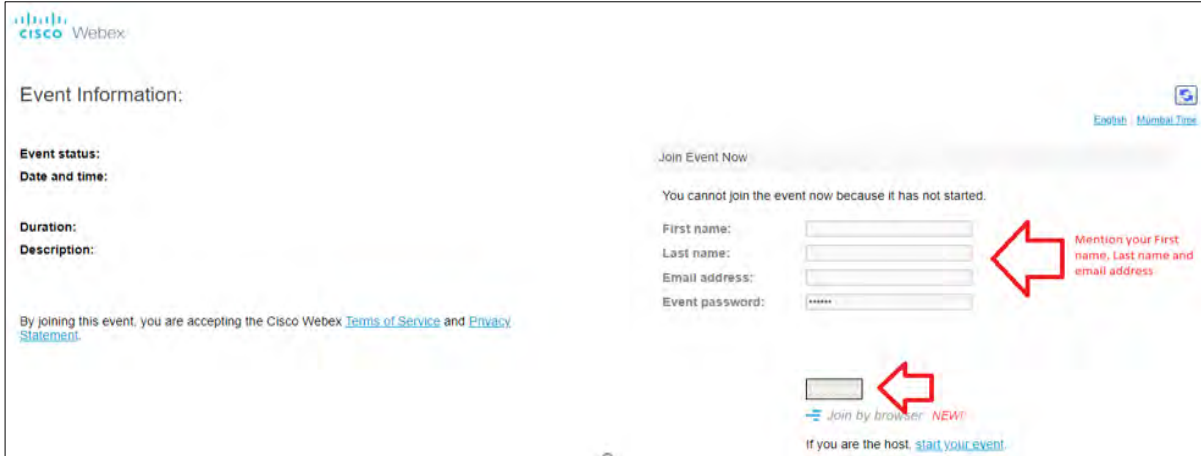
Step 1
Double-click the webexapp.msi file downloaded

Step 3
Once installed app will launch automatically.

or

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



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/IdeasDirectReq.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.



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<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ul style="list-style-type: none"> 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.
<p>Individual Shareholders (holding securities in Demat mode) & login through their depository participants</p>	<ul style="list-style-type: none"> 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.
<p>Individual Shareholders holding securities in Physical mode & Evoting service Provider is LINKINTIME.</p>	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: - <ol style="list-style-type: none"> User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. 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. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> 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). Click on ‘Login’ under ‘SHARE HOLDER’ tab.



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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:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o 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.



NALIN LEASE FINANCE LIMITED

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.

By Order of the Board of Directors,

Dilipkumar N. Gandhi
Managing Director
DIN: 00339595

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

Date: 10.08.2022
Place: Himatnagar



NALIN LEASE FINANCE LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES Act, 2013

Item No. 4

Looking to the vast experience and expertise, the Nomination and Remuneration Committee Meeting held on 29th July, 2022 recommended and the Board at its meeting held on the same day i.e. 29th July, 2022, have re-appointed Mrs. Pallaviben Dilipkumar Gandhi (DIN: 00339639) as a Whole-time Director of the Company subject to the approval of members in the ensuing general meeting for a period of five years with effect from 01st August, 2022 to 31st July, 2027, liable to retire by rotation, on the terms and conditions of appointment and remuneration as may be agreed to between the Board of Directors and Mrs. Pallaviben Dilipkumar Gandhi. The brief particulars of her remuneration are as mentioned herein below:

The terms and conditions are as follows:

1. Salary Rs. 100000 per month in the scale of 150000-10000-200000 and the perquisites will be provided as follow;
2. House Rent allowance at the rate of 25% of the salary per month.
3. The expenditure incurred on Gas Electricity water and furnishing shall be paid by the company shall not be exceed to 10% of salary.
4. The reimbursement of the medical expenses of self and her family subject the ceiling of one month's salary in a year or three months salary over a period of three years.
5. Leave Travel concession for self and family once in a year as per rules specified by the Company.
6. Fees of club and other admission and life membership fees maximum of two clubs.
7. Personal accident insurance premium not to excess Rs. 4,000/- per month.
8. Contribution to the Provident Fund, Super Annuation Fund, Annuity Fund as per the rules of the Company.
9. Gratuity not exceeding half a month salary for each completed year of service subject to a ceiling of Rs. 1000000/-.
10. A car with Chauffeur will be provided for the company's business.
11. Telephone facility shall be provided at residence.
12. Personal long distance calls on telephone and use of car for private purpose shall be borne by her.
13. The Whole -Time Director is appointed as a Director by virtue of her employment in the Company and her appointment shall be subject to the provisions of the Companies Act, 2013.

Mrs. Pallaviben Dilipkumar Gandhi in the capacity of Whole-Time Director will be entrusted with the powers, authorities, functions, duties, responsibilities etc. by Board of Directors of the company, from time to time.

In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mrs. Pallaviben Dilipkumar Gandhi, the payment of salary, perquisites and other allowances shall be governed by the limits as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

The Board recommends the Resolution set out at item No. 4 of the notice for approval of members by way of Special resolution.

She is holding 5,62,057 shares in the Company.

Mr. DILIPKUMAR NALINKANT GANDHI, Mrs. PALLAVIBEN DILIPKUMAR GANDHI and Mr. HARSH DILIPKUMAR GANDHI, Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the special resolution as set out at Item No. 4.

A brief profile of Mrs. Pallaviben Dilipkumar Gandhi is attached to this notice.



NALIN LEASE FINANCE LIMITED

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: 2

Name of the Director	Harsh Dilipkumar Gandhi
Date of Birth	15/05/1986
Date of Appointment	09/07/2010
DIN	03120638
Nationality	Indian
Qualifications	B.Com, M.B.A.
Brief Resume and Expertise in specific Functional areas	Having experience of more than 12 years in the management of the Company as Whole-time Director.
Terms and Conditions of Appointment / Re-appointment	Executive, Non-Independent Director, liable to retire by rotation
Details of remuneration sought to be paid	For remuneration details, please refer to the Board's Report.
Details of remuneration last drawn	For remuneration details, please refer to the Board's Report.
No. of Board Meetings attended	9 out of 9
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	9,72,632 (Nine Lakhs Seventy Two Thousand and Six Hundred and Thirty Two Only) Equity shares of Rs. 10/- (Rupees Ten Only)
Relationship with any Director of the Company	Son of Mr. DILIPKUMAR NALINKANT GANDHI, Managing director and Mrs. PALLAVIBEN DILIPKUMAR GANDHI, Whole-time director



NALIN LEASE FINANCE LIMITED

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: 4

Name of the Director	PALLAVIBEN DILIPKUMAR GANDHI
Date of Birth	06/09/1956
Date of Appointment	15/10/1992
DIN	00339639
Nationality	Indian
Qualifications	B.A.
Brief Resume and Expertise in specific Functional areas	Having experience of more than 25 years in the management of the Company as Whole-time Director.
Terms and Conditions of Appointment / Re-appointment	As per the resolution at Item No. 4 of the Notice convening this meeting read with explanatory statement thereto.
Details of remuneration sought to be paid	As per the resolution at Item No. 4 of the Notice convening this meeting read with explanatory statement thereto.
Details of remuneration last drawn	For remuneration details, please refer to the Board's Report.
No. of Board Meetings attended	9 out of 9
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	5,62,057 (Five Lakhs Sixty Two Thousand and Fifty Seven Only) Equity shares of Rs. 10/- (Rupees Ten Only)
Relationship with any Director of the Company	Wife of Mr. DILIPKUMAR NALINKANT GANDHI, Managing director



NALIN LEASE FINANCE LIMITED

BOARD'S REPORT

To,
The Members of Nalin Lease Finance Limited,
Your directors take pleasure in presenting their **31st Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the year ended **31st March, 2022**.

> HIGHLIGHTS OF PERFORMANCE

Total Revenue for the year increased to Rs. 5,67,76,649/- as compared to Rs. 4,89,37,461/- in the previous year.

> FINANCIAL HIGHLIGHTS

The financial summary, performance and highlight of operations/ state of affairs of your Company for the year are summarized below:

(Rupees in Thousands)

Particulars	Current Year ended 31 st March, 2022	Previous Year ended 31 st March, 2021
Income from Business Operations	55958.51	48889.22
Other income	818.14	48.24
Total income	56776.65	48937.46
Less: Expenditure except Depreciation	20711.07	14562.59
Profit before Depreciation and Tax	36065.58	34374.87
Less: Depreciation	992.19	1288.98
Profit before Tax	35073.39	33085.89
Less: Tax Expense	9068.55	7842.78
Net Profit after tax	26004.84	25243.11
Add: Other Comprehensive Income	-	-
Net Profit for the period	26004.84	25243.11
Earnings per share:		
Basic	3.97	3.85
Diluted	3.97	3.85

> STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

India is expected to witness a Gross Domestic Product ("GDP") growth of 7.2% in FY 2022-23. The Government's substantial capital spending program as envisaged in the Union Budget 2022 along with a healthy financial system is well positioned to attract private investment by reviving economic activity and boosting demand. Over the past few years, Non-Banking Financial Companies (NBFCs) have played a prominent role in the Indian financial system. They provide financial inclusion to the underserved section of the society that does not have easy access to credit. NBFCs have revolutionized the Indian lending system and have efficiently leveraged digitization to drive efficiency and provide customers with a quick and convenient financing experience. The plethora of services include vehicle financing, MSME financing, home financing, microfinance and other retail segments. The Government has consistently worked on the governance measures to strengthen the systemic importance of the NBFCs. As of January 31, 2022 there were approximately 9,495 NBFCs registered with Reserve Bank of India (RBI), of which 49 deposit accepting NBFCs.

The pandemic impacted the NBFCs operations, leading to decline in disbursements across the sectors. However, the support and focus of the Government through various liquidity measures such as repo rate cut, targeted long-term repo operations, special liquidity scheme and partial credit guarantee scheme, kept the sector afloat.

The outlook for FY 2022-23 looks promising especially in the retail segment, since macroeconomic indicators show that this segment is highly under penetrated. For e.g. mortgage to GDP ratio of India is hardly 10%. Our investment in digital and technology initiatives has enabled us to seamlessly conduct business in an uninterrupted manner even during lockdown periods. 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. We are well prepared to seize opportunities and manage risks at every stage of our value chain.



NALIN LEASE FINANCE LIMITED

All our businesses including Gold Loans, Vehicle Loans and Business Loans have seen good stability and reasonable profitability throughout the last financial year. The Company hopes to offer a full range of new services in the segment of Gold Loan, Vehicle Loans, Business Loan and the development work is continuing.

> CHANGES IN NATURE OF BUSINESS, IF ANY

There were no changes 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 of the Company.

> DIVIDEND

With the view to conserve the resources of company; the directors are not recommending any dividend for the Financial Year 2021-22.

> 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): 5200.97/-
- To General Reserve (Rupees in Thousands): 7500/-
- To Dividend (Rupees in Thousands): 3279.09/-

> 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 2021-22.

As on 31st March, 2022, 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

The Company was not requiring transferring any unclaimed dividend amount to investor education and protection fund as per the provisions of Section 125 of the Companies Act, 2013 during the Financial Year 2021-22.

> 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, 2022.

> 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, there were no changes in Directors/ Key managerial Personnel. In accordance with Section 152 of the Act, Mr. Harsh Dilipkumar Gandhi (DIN: 03120638) is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible has offered himself for re-appointment. The Board recommends the same for the approval of Shareholders.

> EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2022 is available on the Company's website.

> 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.

> CORPORATE GOVERNANCE REPORT

As per Regulation 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.'

> DEPOSITS

The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid / unclaimed deposits as on 31st March, 2022.

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

In the financial year 2021-22, 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 Form No- AOC-2 and the same forms part of this report.

> 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 regarding affirmation of Code of Conduct by CEO/ CFO that the Board Members and Senior Personnel have complied with the Code of Conduct is attached to this report.

> CEO/CFO CERTIFICATION

The Executive Director/ CEO and the Chief Financial Officer of the Company have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the SEBI (LODR) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended on 31st March, 2022. The said certificate attached to 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.



NALIN LEASE FINANCE LIMITED

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

> 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.

> 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 the 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 office 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 07th September 2021 to hold office upto the conclusion of the 31st Annual General Meeting of the Company.

Your Company has received a 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 36th Annual General Meeting of the Company to be held for the financial year 2026-27 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 office 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 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is attached to this report.



NALIN LEASE FINANCE LIMITED

The Secretarial Audit Report does contain qualifications which was suitably replied and complied by the management.

> 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.

> DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There was no fraud reported by the Auditors under Sub-Section (12) of Section 143 of the Companies Act, 2013 during the Financial Year 2021-22.

> PARTICULARS 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, No Application has been made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2021-22.

> 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 of 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 the elements 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 and Audit Committee of Directors of the Company periodically review the Risk of the Company so that the Management controls the risk through properly defined network. The Company has a system based approach to business risk management backed by strong internal control systems. A range of responsibilities from strategy to the operations is specified. A strong independent internal audit function at the corporate level carries out risk focused audits across all businesses enabling identification of areas where risk managements processes may need to be improved.

The Board reviews internal audit findings and provides strategic guidance on internal control, monitors internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The combination of policies and procedures adequately addresses the various risks associated with your company's businesses.

The Board of Directors oversees how management monitors compliance with the Company's risk management 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

During the period under review no employee was paid remuneration in excess of the limit specified under Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014. Disclosure pursuant to Section 197(12) of the Act forms part of Report. The Reports and Accounts are being sent to Members and other entitled thereto, excluding the information on employee's particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on any working day. If any member is interested in obtaining a copy thereof, such member may write to Compliance officer in this regard.

> 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 Financial Year 2021-22.

> 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 2022-23 has been paid by the Company.

> CHANGE IN SCRIP ID OF THE COMPANY ON BSE DURING THE FINANCIAL YEAR 2021-22

As per BSE Notice dated 02nd August, 2021; BSE approved the request of the Company to change its scrip id and abbreviated name of the Company on BSE for the bolt plus system.

Accordingly, the SCRIP ID and ABBREVIATED NAME of the Company for BOLT Plus SYSTEM changed as follows w.e.f. August 06, 2021:

SCRIP CODE	NAME OF THE COMPANY	SCRIP ID FOR BOLT PLUS SYSTEM	ABBREVIATED NAME ON BOLT PLUS SYSTEM
531212	NALIN LEASE FINANCE LIMITED	NLFL	NLFL



> 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.

> FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company has framed the policy for the Familiarization Programme for Independent Directors as per the Regulation 25(7) of SEBI (LODR) regulations, 2015.

The Company shall familiarise the independent directors through various programmes about the Company, including the nature of the industry in which the Company is being operated; business model of the Company; roles, rights, responsibilities of independent directors; a detailed presentation by senior management, visit to the Company office, etc.

The Weblink for the Familiarisation Programme of Independent Directors are available at www.nalinfm.co.in.

> COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

> 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.

> INDUSTRIAL RELATIONS/ PERSONNEL

Your Directors hereby place on record their appreciation for the services rendered by executives, staff and other employees 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.

> DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under the policy.

The following is a summary of sexual harassment complaints received and disposed-off during the year 2021-22:

- No. of complaints received: Nil
- No. of complaints disposed off: N.A.
- No. of complaints pending: Nil

The policy on Sexual Harassment at workplace is placed on the Company's website at www.nalinfm.co.in.



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> 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, 2022, 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, 2022 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: 10.08.2022
Place: Himatnagar

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDIAN ECONOMY OVERVIEW**

The Indian economy started FY 2021-22 with a sombre note owing to the spread of the delta variant which had a much sharper impact on the health of the population. The resultant restrictions, albeit localised, lowered the recovery pace during the first quarter of the financial year under review. After a de-growth of 6.6% in F.Y. 2020-21, the Indian economy reported a growth of 8.7%. The easing of COVID-related restrictions, accelerated vaccination campaign, and a strong policy response from the Government of India and the reserve bank were critical in ensuring this recovery. The RBI continued to maintain an accommodative stance throughout the year, aiding the recovery process. However, the growth stunted towards the second half of the year, largely driven by the global supply chain disruptions and an inflationary environment, driven by the steep increase in crude and other commodity prices.

Outlook

The fundamentals of India's economy remain robust and the service sector is catching up. This is further backed by the corporate sector's improved performance, as evidenced by the uptrend witnessed in the quarterly results. India is expected to witness a GDP growth of 7.2% in FY 2022-23. The Government's substantial capital spending program, as envisaged in the Union Budget 2022 along with a healthy financial system, is well-positioned to attract private investment by reviving economic activity and boosting demand. The Indian economy is buoyed by significant Foreign Exchange reserves which exceed its level of external debt, placing it favourably. Furthermore, with the central banks globally as well as in India engaging in gradual and calibrated withdrawal of liquidity, this would foster growth in a non-disruptive manner. However, the impacts of further outbreak of Covid-19 and its variants and the ongoing geopolitical crisis owing to the Russia-Ukraine war needs to be monitored closely. (Source: Economic Survey of FY 2021-22, RBI forecasts, MOSPI, IMF, World Bank).

INDUSTRY STRUCTURE AND DEVELOPMENTS**NBFC**

In the recent decade, Non-Banking Financial Companies (NBFCs) have emerged as one of the principal institutions in providing credit financing to the unorganized underserved sector. NBFCs have a systematically important role in the Indian financial system. They provide a means of financial inclusion for those who do not have easy access to credit. NBFCs have not only revolutionized the way the lending system operates in India over the last decade, but they have also merged digitization and technology to provide customers with a quick and convenient financing experience. Thus, accessing the large untapped demographic of the Indian subcontinent and setting the way for economic prosperity.

Focusing on the low-income groups and untapped segments of the society, the NBFCs provide a plethora of services, including MSME financing, Home Finance, Microfinance, Gold loan and other retail segments. With small-ticket loan forming the major chunk of the business, NBFCs have further integrated with Fintech and developed newer products of the technological age. Leveraging on the hybrid model of physical and digital delivery, NBFCs have unlocked vast opportunities for the decades to come. The Government has also shown major focus towards the development of these NBFCs and have been working on governance measures to strengthen the systemic importance of the NBFCs.

The effects of Covid-19 brought a huge slump to the NBFC industry in the previous fiscal year. The industry which was already undergoing a major crisis was further affected due to decline in disbursement. However, with the support and focus of the Government and various liquidity measures by The Reserve Bank of India (RBI) such as repo rate cut, Targeted Long-term Repo Operations, Special Liquidity Scheme and Partial Credit Guarantee Scheme, NBFCs surpassed their pre Covid-19 levels of disbursements in the Q4 of FY21. The total credit outstanding from the NBFCs segment in India for FY 2020-21 stood at Rs. 23.75 Trillion and is expected to grow by 6% to 7% in the FY 2021-22. This progress was mainly led by growth in the Housing, Auto, Gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the Q3 and Q4 of FY 2021-22, the trend is expected to continue in Q4 of FY 2021-22 due to the limited impact of the third wave of the pandemic. (Source: CRISIL NBFC Report 2021).

LIQUIDITY UPDATES

Liquidity for the industry has been adequate, in accordance with the trend witnessed over the last two years, with companies usually maintaining coverage of their upcoming three-month repayments. In addition, reduced AUM growth in FY 2021-22 necessitated a smaller incremental financing demand than originally expected. SCBs'



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financial exposure to NBFCs grew from 52.9% in March 2020 to 53.9% in March 2021. NBFC exposure in Mutual Funds (MFs) increased from 21.4% in March 2020 to 22% in March 2021. Alternatively, NBFCs and HFCs have got funds from banks through term loans, securitization, and assignment. To meet their growth targets in FY 2022-23, NBFCs and HFCs will require an extra ` 1.8-2.2 Trillion in fresh capital, assuming they maintain their liquidity buffers. (Sources: ICRA Research, RBI supervisory returns and staff calculations).

GOLD LOAN INDUSTRY

In the past few years, banks have become key players in the gold lending industry. During the same time period, the growth rate of new gold loans at banks has been higher than that of non-bank lenders. The assets under management (AUM) for gold loan industry has been organised, or serviced by banks, NBFCs, and cooperatives. However, the major share of gold loan stays with moneylenders and the informal sector. About just a third of India's US\$ 128 billion is under the organised sector.

Although private sector banks enjoy a cheaper cost of capital, structural restrictions such as restricted geographic distribution (gold loan enabled branches), gold assessment capabilities, and regulatory constraints make it difficult for them to compete with NBFCs.

Over the past two decades, NBFCs specialising in gold loans have developed extensive distribution networks and achieved great scale by offering consumers speed and convenience. NBFCs accounted for 26% of the industry and continue to expand at 1.5 times the market average in FY 2021. Gold Loan NBFCs showed AUM growth of 20.8% YoY as compared to 82% YoY growth in gold jewellery loans experienced by banks during FY 2021; such high outperformance by banks can be primarily attributable to relaxation in LTV limits for banks until March 2021 and increased attention on this sector by banks.

NBFCs experienced a decrease in revenue during the first quarter, which was caused by the implementation of lockdown procedures in response to the Covid-19 pandemic's new variants outbreak. However, demand for gold loans from micro enterprises and individuals - to fund working capital and personal requirements, respectively - has increased with the pick-up in economic activity and the onset of the festive season, which coincides with the easing of lockdown restrictions by several states. During FY 2022, the assets managed by NBFCs, whose primary business is to issue loans against gold, is expected increase by 18%-20% to a total of Rs. 1.3 Lakh crore, according to the CRISIL report

Competitive Strategies of Specialised Gold Loan NBFCs:

Banks have access to a substantial amount of low-cost funds, which keeps their cost of funds low. As a result, banks are able to offer gold loans at a cheaper rate of interest than NBFCs, which raises capital from a variety of different sources at a greater cost. Nevertheless, specialised gold loan NBFCs has implemented effective competitive strategies. Despite the higher interest rates that NBFCs demand on their products, customers have continued to patronise specialised gold loan NBFCs due to their competitive strategies.

OUTLOOK

Gold has the ability to support borrowers in the times of need being a secured asset class. This is going to keep the demand for gold buoyant going ahead. With the Gold loan sector undergoing continuous shift from unorganized to organized and from organized to digital and online means which are going to support the increased demand of gold financing going ahead. The increased uptick in the online Gold loan space in expected to drive the Gold loan book by 14% to 16% in FY 2021-22 and by 11% to 12% in FY 2022- 23. Specialized Gold loan NBFCs are expected to drive AUM growth based on their focused approach along with the new technological initiatives that allow customers to transact online with ease. (Source: Gold.org, IBEF, CRISIL NBFC Report 2021, BCG analysis)

AUTO INDUSTRY

Overall, the automobile sector witnessed a de-growth of 6% in FY 2022. All segments are facing supply-side challenges and the industry is yet to see complete recovery from the disruptions it has been facing since early 2020. Ongoing challenges due to the pandemic, supply chain disruptions and semi-conductor shortages are some of the reasons for the poor performance.

The domestic market for automobiles remained lacklustre during year, with some pockets of strengths in the passenger vehicles (PVs) and tractors segments. The outlook is positive for the forthcoming year, given the economic recovery, the opening up of schools and offices, and increasing consumer confidence from the vaccination drives.



The demand for Passenger Vehicle continues to remain strong as people prioritise safety and hence personal transport. However, the segment still faces supply issues due to semiconductor shortage. Commercial vehicle sales remain significantly below the pre-COVID levels, but there is momentum building up. The Union Budget 2022-23 stressed on developing 25,000 kms of new highways, which will further push infrastructure spending, thus resulting in an increase in the sale of commercial vehicles. Also, some traction is being witnessed in replacement demand after a period of two years.

The degrowth in the two-wheeler and three-wheeler market continued for the third straight year due to soft demand in rural India and high cost of ownership. Rural demand has generally been a key driver of the two-wheeler and entry-level PV segments. The Government's plan for Rs. 2.3 lakhs crore direct payments as minimum support price (MSP) to farmers may boost sales in the two-wheeler, tractor and entry level PV categories.

NBFCs are seeing a rise in demand for used vehicle financing amid Covid. The pandemic preference for owning second and third cars in households, upgrades by two-wheeler owners to preowned cars and lower cost of used vehicles are some of the drivers for the increase in demand for used vehicles. NBFCs offering loans for used vehicles are bullish about rapid growth in the financial year.

Outlook

Overall, vehicle financing is looking upbeat with good footfalls at dealerships; PV and CV financing volumes are picking up and as availability improves, loan disbursements will likely improve. Tractor financing is holding up, and assuming there is a normal monsoon in the coming year, the sales volume is expected to grow by 2-4%. Though supply of used vehicles remains an issue due to reduced availability as buyers await their new vehicles before replacement, this has led to improved resale pricing. In addition, the increase in commodity prices has also led to price increases by all OEMs resulting in value growth in financing.

While the third wave is largely behind us, the ongoing Russia-Ukraine war brings new challenges for auto retail, given the semiconductor shortage, supply side pressures and crude breaching US\$130 mark, which will negatively impact customer sentiment.

KEY GROWTH DRIVERS

- 1. Demand for Gold Jewellery:** Indians' long-standing and sentimental attachment to gold and the motivation to accumulate gold has been seen as the bedrock and the mainspring for the gold loan industry.
- 2. Digitalisation:** It has become essential for banks and NBFCs to step up digitalisation as customers become more and more technology-savvy.
- 3. Stagflation concerns:** Investing in gold jewellery looks increasingly interesting as a hedge against inflation in India and abroad.
- 4. Post -Pandemic Effects:** Gold loan fulfils the requirement for liquidity at a time when alternative sources of funding are less freely available and that could last for months until economic activity recovers to pre-Covid levels.

DIGITAL TRANSFORMATION

The Company has commenced an enterprise-wide digital transformation journey. The approach includes digitising operations for scalability, mobile interfaces for customer service and utilising new technologies for new businesses. The Company's lending operations are supported by an in-house information technology infrastructure that allows capturing pertinent customer information, authorising the loan and disbursing the funds. The Company's technological platform also manages internal auditing, risk monitoring, and credit and gold-related data management. The Company's employees receive frequent training on the examination of the value and authenticity of gold pledged.

COMPANY OVERVIEW

Nalin Lease Finance Limited (NLFL) is one of the prominent and reputable financial services company in 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 and Business Loans etc. NLFL (the



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'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 3074 customers across business segments in Gujarat. The Company has a substantial presence in rural and semi-urban areas of 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 3.02% YoY to Rs. 2,60,04,837/-.

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.

SEGMENT OVERVIEW

1. Gold Loan

The Indian gold loan market is divided into two segments - organised and unorganised. The organised gold loan market includes banks, NBFCs, and Nidhi companies, while the unorganised gold loan segment comprises individuals who provide secured loans to borrowers by keeping gold as collateral.

According to the national household survey of gold consumption by India Gold Policy Centre (IGPC), more than 75% of Indian households own gold in one form or another.

In addition, the majority of the gold consumption is concentrated among middle-income households, with 56% of total market demand.

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.

FY 2021-2022 under Review

The Company's business of gold loans faced certain peculiar challenges arising from the intense price competition among the NBFCs which prevailed for much of the FY 2022 thereby impacting profitability. 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. 13,28,98,428/- as against Rs. 12,61,07,305/- in the previous year.

Outlook post the pandemic

The Gold loan industry, despite being a secured product, used to compete with other substitute unsecured financial products in the pre-pandemic era. However, post the pandemic the lenders have become risk averse and this has reduced their focus on collateralized loans. This provides a huge opportunity for the untapped Gold loan industry in India. The overall Gold loan market in India stands at Rs. 12.3 Trillion. Only 35% of this market is through formal segment, while the remaining 65% is still served by the informal sources. According to CRISIL Research, Gold loan AUM is expected to grow at 12-18% in the next two fiscals, owing to its secured nature and minimum risk of default. With the economic revival, the Gold loan industry is experiencing an increased demand from small businesses. Leveraging on the advanced technological infrastructure, robust online platforms, and paperless loan processing, the Company is ready to tap the opportunities that are going to arise in the Gold loan sector going ahead.



2. Vehicle Finance

The automotive industry is considered to be one of the major drivers of economic growth due to its linkages with multiple industries. The growth of this sector benefits commodity sector as vehicle manufacturing requires steel, aluminium, plastic, etc. It also holds importance for the NBFC/Banks in form of vehicle finance.

The vehicle finance (VF) disbursements during the year were Rs. 7,84,02,419/- as against Rs. 7,70,67,701/- 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 an important part of the Company's business strategy, and it is smoothly incorporated into all of the Company's activities. The aim of the Company's framework is to optimize the risk-return equation while also ensuring strict adherence to all current laws, rules, and regulations that apply to all of the Company's business activities.

The Company strives to cultivate a strong and disciplined risk management culture across all of its business operations and at all levels of the organization. Under the Enterprise Risk Management (ERM) Framework, the Company adopts a comprehensive approach to risk management and implements an enterprise-wide risk management strategy. NLFL believes that ERM offers a solid framework for ensuring that risk-taking actions across the organization are consistent with the business plan, the Board's risk appetite, and regulatory requirements

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 FINANCIAL CONTROLS

The Company believes that strong internal control system and processes play a critical role in the health of the Company. The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations as well as protection of resources. Moreover, the Company continuously upgrades these processes and systems in line with the best available practices. The internal control system is supplemented by extensive internal audits, regular reviews by the management and standard policies and guidelines which ensure reliability of financial and all other records. The Internal Audit reports are periodically reviewed by the Audit Committee. The Company has, in material respect, an adequate internal financial control over financial reporting and such controls are operating effectively. The Company's Internal Auditor performed regular reviews of business processes to assess the effectiveness of internal controls. Internal Audits were carried out to review the adequacy of the internal control systems, compliance with policies and procedures. Internal Audit areas are planned based on inherent risk assessment, risk score and other factors such as probability, impact, significance and strength of the control environment. Further, each area processes/sub-processes risks were properly identified with mitigating controls. Its adequacy is assessed and the operating effectiveness was also tested. The Company has framed risk based internal audit policy as part of its oversight function. The objective of risk based internal audit review is to identify the key activities and



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controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide recommendations for business process and internal control improvement.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Important developments that could affect the Company's operations include a downtrend in the financial services industry, global or domestic or both, significant changes in the political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other factors. Actual results might differ substantially or materially from those expressed or implied. This report should be read in conjunction with the financial statements included herein and the notes thereto.

OUTLOOK

With the effects of the Covid-19 pandemic weaning off the economy has moved into a revival mode. The impacts of the second wave are less than expected and with vast inoculations around the country, the economic morale has risen and consumer spending has increased. With safety measures in place, the growth momentum for the economy looks optimistic going ahead. However, with the rising crude price, the Ukraine crisis and potential future Covid-19 outbreak, uncertainty still looms.

Different sectors in the economy are undergoing different modes of revival. Some are rebuilding and others are expanding. However, there is one thing common. It is the need of financing. Like all other sectors, NBFCs also took a hit due to the Covid-19 pandemic. Leveraging on successful co-lending associations, NBFC's superior customer service expertise and digital capabilities, the NBFCs have a bright future ahead. AUM growth and collection efficiency are already above pre-pandemic levels. Asset quality is expected to revive in the next fiscal year.

Gold loans, Vehicle loans and Business loans are expected to perform better than the other segments. Owing to its secured nature, Gold loan is experiencing increased demand from the individuals and small business. And owing to its extensive reach, NBFCs are best placed to tap these opportunities. The Government through its various measures like Housing for All, Credit Linked Scheme (CLSS), and Production Linked Incentive Schemes (PLI) across sectors, as well as financial inclusion paint a brighter future. Over the years, the Company has made investments in people, processes and technology to deliver a superior customer experience. The Company is better placed to tap the upcoming opportunities and face challenges leveraging on its digital infrastructure, a healthy balance sheet and zeal to grow.

**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. 2021-22.

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.

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.

BOARD OF DIRECTORS (the Board)

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, 2022, there were six directors comprising Two (2) Whole-time Directors and Three (3) Non-Executive Independent directors. During the Financial Year 2021-22, 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, 2022, 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, 2022 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 - Non-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. 2021-22.

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 Nine (9) times. The dates on which the meetings were held are as follows:

- April 30, 2021
- May 17, 2021
- June 28, 2021
- August 02, 2021
- September 23, 2021
- October 27, 2021
- November 12, 2021
- January 31, 2022
- March 07, 2022

The maximum gap between two consecutive meetings was as stipulated under Section 173(3) of the Companies Act, 2013 and Regulation 17(2) of the SEBI (LODR) Regulation, 2015. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned Directors who could not attend the respective Meetings.

- **Annual General Meeting**

The last Annual General Meeting of the Company was held on September 07, 2021.

Category and attendance of each of the Directors at the Board Meetings held during 2021-22 and the last Annual General Meeting, Number of directorships in other companies and Membership/Chairmanship in the committees of other companies are given below:



NALIN LEASE FINANCE LIMITED

Name of Director	Category	Number of Board Meetings attended during F.Y. 2021-22	Whether attended last AGM held on September 07, 2021	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	9	Yes	-	-	-	-	-
Dilipkumar Nalinkant Gandhi	Non-Independent Executive Director	9	Yes	-	-	-	-	-
Pallaviben Dilipkumar Gandhi	Non-Independent Executive Director	9	Yes	-	-	-	-	-
Harsh Dilipkumar Gandhi	Non-Independent Executive Director	9	Yes	-	-	-	-	-
Navinchandra Chandulal Soni	Independent Non-Executive Director	9	Yes	-	-	-	-	-
Samirkumar Kantilal Shah	Independent Non-Executive Director	9	Yes	-	-	-	-	-

Notes:

1. * The Directorship held by the Directors, as mentioned above, excludes directorship in the Company, directorships in foreign companies, companies under Section 8 of the Companies Act, 2013 and private companies which are not the subsidiaries of Public Limited Companies.

2. In above table, Membership / Chairmanship of two Committees only viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Companies have been considered for committee positions.



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3. As on 31st March, 2022, the Non-Executive Directors hold equity shares of the Company are as follows:

- i. Narendrakumar Dalsukhdas Shah: 2550
- ii. Navinchandra Chandulal Soni: Nil
- iii. Samirkumar Kantilal Shah: Nil

- **Separate Meeting of Independent Directors:**

The Separate Meeting of Independent Directors was held on 21st March, 2022 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.

D. Disclosure regarding Directors retiring by rotation and being re-appointed:

Mr. Harsh Dilipkumar Gandhi, Whole-time Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

A brief resume and the profile of Mr. Harsh Dilipkumar Gandhi, Whole-time Director retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting of the Company are given in the Notice of the Annual General Meeting, annexed to this Annual Report.

E. DECLARATION FROM THE INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations to the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

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

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.

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.

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.

The previous Annual General Meeting (AGM) of the Company was held on September 07, 2021 and was attended by Mr. Navinchandra Soni, Chairperson along with other two members of Audit Committee.



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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.

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

Four Audit Committee meetings were held during the Financial Year 2021-22 on 17/05/2021, 02/08/2021, 12/11/2021 and 31/01/2022.

The necessary quorum was present for all the meetings.

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to: (a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report (b) Changes, if any, in accounting policies and practices and reasons for the same; (c) Major accounting entries involving estimates based on the exercise of judgment by management; (d) Significant adjustments made in the financial statements arising out of audit findings; (e) Compliance with legal requirements relating to financial statements; (f) Disclosure of any related party transactions; and (g) Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of internal auditors and 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 and/or auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors / auditors / agencies 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 the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- To review the follow up action on the audit observations of the C&AG audit.
- To review the follow up action taken on there commendations of Committee on Public Undertakings (COPU) of the Parliament.



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- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.
- Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- Consider and review the following with the independent auditor and the management : (i) The adequacy of internal controls including computerized information (ii) system controls and security, and Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- Consider and review the following with the management, internal auditor and the independent auditor: (i) Significant findings during the year, including the status of previous audit recommendations (ii) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

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

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management;
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration shall be subject to review by the audit committee.
6. Statement of deviations:
 - i. quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations.
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document prospectus/notice in terms of Listing Regulations.

Audit & other duties

1. 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.
2. Discussion with Internal Auditors of any significant findings and follow up there on.
3. 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.
4. To recommend to the Board the remuneration of the Statutory Auditors and Internal Auditors.
5. 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

The Company has constituted the Stakeholders' Relationship Committee in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015.

The terms of reference of Stakeholders' Relationship Committee are as under:-

1. Resolving the grievances of the security holders of the listed entity, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.



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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.

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

Four Stakeholders' Relationship Committee meetings were held during the year 2021-22 on 17/05/2021, 02/08/2021, 12/11/2021 & 31/01/2022.

The necessary quorum was present for all the meetings.

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

Details of investor complaints received and redressed during the year 2021-22 are as follows:

No. of Complaints pending as on 01.04.2021	No. of Complaints received during the year 2021-22	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 31.03.2022
NIL	0	0	NIL	NIL

C) Nomination & Remuneration Committee

In compliance with the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015; the Board of Directors has constituted the "Nomination and Remuneration Committee" in its meeting. The Company has formulated the Nomination and Remuneration Policy, which was approved by the Nomination and Remuneration Committee followed by the approval of the Board of Directors.

Nomination and Remuneration Committee has been constituted to recommend the remuneration package of Directors and KMPs based on the performance and defined criteria.

The terms of reference of Nomination and Remuneration Committee are as under:-

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;



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- 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 their appointment and removal.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

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)	1	1
2	Narendrakumar Shah	Member	Independent (Non-Executive Director)	1	1
3	Samir Shah	Member	Independent (Non-Executive Director)	1	1

During the Financial Year 2021-22, the Nomination & Remuneration Committee meeting was held on 17.05.2021.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy is available at the Company's web site www.nalinfm.co.in

The details of remuneration paid to the Executive Directors are as under:

Name	Salary (Rs. in thousands)	Perquisites & Retirement benefits	Commission Payable	Total (Rs. in thousands)
Dilipkumar Nalinkant Gandhi	1,990	Perquisites & Retirement benefits as per terms of appointment and subject to overall ceiling of the Companies Act, 2013.	-	1,990
Pallaviben Dilipkumar Gandhi	1,630		-	1,630
Harsh Dilipkumar Gandhi	1,510		-	1,510

There is no payment towards Bonus, Stock Options, Pension or any other to above said Executive Directors.

The details of remuneration paid to Non-Executive Directors are as under:

Name	Sitting Fees for 2021-22		Commission on Annual basis for the year 2021-22	Total (Rs.)
	Board Meeting	Committee Meeting		
Navinchandra Soni	-	-	-	-
Narendrakumar Shah	-	-	-	-
Samir Shah	-	-	-	-



PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. During the first Board Meeting attended, each newly appointed Independent Director is taken through a formal induction program, including the presentation from the Whole-time Director on the Company's manufacturing, marketing, finance and other important aspects. The Compliance officer briefs the Director about their legal and regulatory responsibilities as a Director. The Familiarization Programme for Independent Directors includes a detailed presentation by Business and Functional Heads, visit to the manufacturing site, etc. The Familiarisation Programme of Independent Directors is available at the Company's web site www.nalinfin.co.in.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interests of the Company. Transactions with related parties are disclosed in the notes to accounts to the financial statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at www.nalinfin.co.in.

DISCLOSURES

During last three years, there was neither non-compliance made by the Company nor any penalty or strictures imposed on the Company by any Stock Exchange(s) or the SEBI or any other statutory authority, on any matter related to capital markets.

COMPLIANCE WITH ACCOUNTING STANDARDS

In the preparation of the financial statements, the Company has followed the Indian Accounting Standards as notified by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

INTERNAL CONTROLS

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory/regulatory compliances. The Company's business process has a strong monitoring and reporting process resulting in financial discipline and accountability.

CODE OF CONDUCT

i) For prevention of Insider Trading:

The Company has a comprehensive code of conduct for its management, staff and directors for prevention of insider trading. The code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequences of non-compliances. The Compliance Officer is responsible for adherence to "Code for Prevention of Insider Trading".



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ii) For Board of Directors (including Independent Directors) and Senior Management

The Board of Directors of the Company has laid down a "Code of Conduct" for all Board Members including Independent Directors and Members of Senior Management of the Company. The Code of Conduct is posted on the website of the Company www.nalinfin.co.in. The Board Members (including Independent Directors) and Senior Management Personnel have affirmed compliance with the "Code of Conduct" for the year ended on 31st March, 2022.

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended 31st March, 2022.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy. The Company takes cognizance of complaints made and suggestions given, if any, by the employees and others. No employee of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is available at the Company's web site www.nalinfin.co.in.

GENERAL BODY MEETING

1. Annual General Meeting ("AGM"):

The location, date and time of the last three Annual General Meetings held are as under:

Financial Year	Date	Venue	Time	Whether any Special Resolution passed
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	Meeting conducted through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") pursuant to MCA circulars	01:00 P.M.	03
2020-21	07 th Day of September, 2021	Meeting conducted through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") pursuant to MCA circulars	04:00 P.M.	00

2. No Extraordinary General Meeting of Members was held during the year under review.

3. No Postal Ballot was conducted during the year under review.

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.

AGM THROUGH VC

Pursuant to MCA Circulars, the Company will provide video conferencing facility to the members for participating in the 31st AGM. Please refer the Notice of the 31st AGM for more details, which is hosted on the website of Link-Intime at <https://instavote.linkintime.co.in> and on website of the company at <https://www.nalinfin.co.in>.

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 Link-Intime, the authorised agency for this purpose, to facilitate such e-voting to its members.



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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 20th September, 2022 and the remote e-voting shall be open for a period of 3 (three) days, between Saturday, 24th September, 2022 at 09:00 a.m. and ends on Monday, 26th September, 2022 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 31st AGM and is also placed on the Company's website at www.nalinfco.in.

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

DISCLOSURE

- a. 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.

- b. During last three year under review, the company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.
- c. 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.
- d. The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- e. 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.
- f. 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.

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:

- a. 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;
- b. Companies whose equity share capital is listed exclusively on the SME Exchange.



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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. 24,69,10,539/- as on 31st March, 2022, 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.

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

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and amendments thereof, the shares on which dividend has not been claimed for seven consecutive years or more, then such shares are required to be transferred to Investor Education and Protection Fund (IEPF), a fund constituted by the Government of India under Section 125 of the Companies Act, 2013.

During the Financial Year 2021-22, the company was not required to transfer any amount towards IEPF Authority.

RISK MANAGEMENT

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

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:

- a. NARENDRAKUMAR DALSUKHDAS SHAH
- b. NAVINCHANDRA CHANDULAL SONI
- c. SAMIRKUMAR KANTILAL 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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.

COMPLIANCE CERTIFICATION

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



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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.

MARKET PRICE DATA- HIGH, LOW DURING EACH MONTH OF THE FINANCIAL YEAR 2021-22:

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 '2021	18.65	23.65	18.00	21.75	2,866	57	57,589
May '2021	21.75	25.55	20.00	24.90	24,901	164	5,74,554
June '2021	24.90	34.00	23.95	33.40	46,429	324	14,13,568
July '2021	31.80	33.30	23.75	27.45	36,904	274	9,84,410
August '2021	28.75	34.20	24.00	31.95	66,701	663	19,53,931
September '2021	33.00	35.55	26.25	31.05	49,294	685	15,35,727
October '2021	31.05	38.10	27.95	29.30	43,506	861	14,30,956
November '2021	29.65	35.00	27.10	30.10	21,897	529	6,64,567
December '2021	30.70	34.00	26.15	31.90	38,351	382	11,41,590
January '2022	31.90	41.00	27.50	35.70	1,88,013	1,290	68,40,899
February ' 2022	33.30	37.10	27.25	28.20	88,519	851	28,40,892
March '2022	30.00	38.50	28.10	32.95	28,354	387	9,07,218

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2022:

SHAREHOLDING OF NOMINAL VALUE OF RS. 10/-	NUMBER OF SHAREHOLDERS	% OF TOTAL SHARE-HOLDERS	NO. OF SHARES HELD	% OF ISSUED CAPITAL
1- 500	1208	84.4165	213717	3.2588
501- 1000	91	6.3592	73031	1.1136
1001-2000	43	3.0049	61870	0.9434
2001-3000	18	1.2579	46356	0.7068
3001-4000	4	0.2795	14537	0.2217
4001-5000	7	0.4892	33416	0.5095
5001-10000	19	1.3277	140808	2.1471
Above 10001	41	2.8651	5974445	91.0991
TOTAL	1431	100.0000	6558180	100



NALIN LEASE FINANCE LIMITED

CATEGORIES WISE SHAREHOLDING SUMMARY OF EQUITY SHAREHOLDERS AS ON 31ST MARCH, 2022:

Category	Demat Securities	Demat Holders	Physical Securities	Physical Holders	Total Securities	Total Holders	%-Issued Capital
Clearing Members	74	3	0	0	74	3	0.0011
Other Bodies Corporate	38321	7	0	0	38321	7	0.5843
Hindu Undivided Family	19586	13	0	0	19586	13	0.2986
Non Resident Indians	2485	4	0	0	2485	4	0.0379
Non Resident (Non Repatriable)	3500	2	0	0	3500	2	0.0534
Public	1714615	937	159800	457	1874415	1394	28.5813
Promoters	4573701	5	0	0	4573701	5	69.7404
Promoters - HUF	41098	2	0	0	41098	2	0.6267
Body Corporate - Ltd Liability Partnership	5000	1	0	0	5000	1	0.0762
TOTAL :	6398380	974	159800	457	6558180	1431	100

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.

ELECTRONIC CLEARING SERVICE

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

As a part of Green Initiative, the members who wish to receive the annual report(s), notice(s) and other communications/ benefits through electronic mode, may kindly visit the weblink provided by the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited at https://www.linkintime.co.in/EmailReg/Email_Register.html and upload the 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 communications in future.

DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The details of number of complaints filed and disposed of during the year and pending as on 31st March, 2022 are given in the Boards' report.

The Company has not raised any funds through preferential allotment or qualified institutions placement.

During the year under review, the Board of Directors confirms that it has accepted all recommendations received from all its Committees.

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).



NALIN LEASE FINANCE LIMITED

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, 2022.

Particulars	No. of Shares of Rs. 10/- each at the end of the quarter 31.03.2022	% of Total Issued Capital
Issue Capital	65,58,180	100%
Held in dematerialized form in CDSL	4928819	75.16%
Held in dematerialized form in NSDL	1469561	22.41%
Physical	159800	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 2022-23 have been paid to BSE.

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



NON-MANDATORY REQUIREMENTS

1) AUDIT QUALIFICATIONS

The Financial Statements of the Company for the Financial Year ended on 31st March, 2022 are with unmodified audit opinion.

2) REPORTING OF INTERNAL AUDITOR

The Internal Auditors of the Company are permanent invitees to the Audit Committee Meeting and regularly attend the Meeting for reporting their findings of the internal audit to the Audit Committee Members.



NALIN LEASE FINANCE LIMITED

Annexure to the 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 2021-22. 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	30.04.2021	NIL

For NALIN LEASE FINANCE LIMITED

Date: 10.08.2022
Place: Himatnagar

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

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



NALIN LEASE FINANCE LIMITED

Annexure to the Board's Report

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of the Schedule V of the SEBI (LODR) Regulations, 2015, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed Compliance with the Code of Conduct for the year ended on 31st March, 2022.

For and on behalf of the Board

Date: 10.08.2022
Place: Himatnagar

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

Sd/-
Nikul Kumar Patel
Chief Financial Officer
PAN: AUZPP8360K



NALIN LEASE FINANCE LIMITED

Annexure to the Board's Report

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

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

We, the undersigned, in our respective capacities as Executive Director and Chief Financial Officer of Nalin Lease Finance Limited ("the Company") to the best of our knowledge and belief, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended 31.03.2022 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.

(b) to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31.03.2022, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) 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.

(d) We have indicated to the auditors and the Audit Committee:-

i) there are no significant changes in internal control over financial reporting during the financial year ended on 31.03.2022;

ii) there are no significant changes in accounting policies during the financial year ended on 31.03.2022; and

iii) there are no instances of significant fraud of which the Management have become aware and the involvement, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Date: 10.08.2022
Place: Himatnagar

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

Sd/-
Nikul Kumar Patel
Chief Financial Officer
PAN: AUZPP8360K



NALIN LEASE FINANCE LIMITED

Annexure to the Board's Report

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, 2022 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

Sd/-
AMRISH N GANDHI
Company Secretary in Practice
M. No: 8193 | CP No: 5656
Peer Review Cert. No: 586/2019
UDIN: F008193D000514701

Date: 21.06.2022
Place: Ahmedabad



NALIN LEASE FINANCE LIMITED

Annexure to the Board's Report

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, 2022** as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

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 in respect of investor grievance received during the year ended on 31st March, 2022, no investor grievance is pending against the Company as per the records maintained by the Company and presented by the Stakeholders' Relationship Committee of the Company.

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

Sd/-
AMRISH N GANDHI
Company Secretary in Practice
M. No: 8193 | CP No: 5656
Peer Review Cert. No: 586/2019
UDIN: F008193D000775146

Date: 10.08.2022
Place: Ahmedabad



NALIN LEASE FINANCE LIMITED

Annexure to the Board's Report

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended March 31, 2022

[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, 2022, 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 2022 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; **(As informed to us, there were no FDI transaction in the Company during the year under review.)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993; **(Not applicable during the period under review)**
 - (c) 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;
 - (d) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
(Not applicable during the period under review)

(g) The Securities and Exchange Board of India (Depositories and participants) Regulations, 2018;

(vi) **We further report that** there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:

(a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

(vii) As informed to us, there are following laws which have specific applicability to the Company and as examined by us other than general laws applicable to industry generally.

(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 Agreements entered into by the Company with BSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.



NALIN LEASE FINANCE LIMITED

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.

For Amrish Gandhi & Associates

Sd/-
AMRISH N GANDHI
Company Secretary in Practice
M. No: 8193 | CP No: 5656
Peer Review Cert. No: 586/2019
UDIN: F008193D000775113

Date: 10.08.2022
Place: Ahmedabad

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



NALIN LEASE FINANCE LIMITED

"ANNEXURE A" 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. 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, 2022. 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.
3. 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.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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.
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

Sd/-
AMRISH N GANDHI
Company Secretary in Practice
M. No: 8193 | CP No: 5656
Peer Review Cert. No: 586/2019
UDIN: F008193D000775113

Date: 10.08.2022
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 2022, 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, 2022, 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
a) Impairment of financial assets (expected credit losses) (as described in note 3.4 of the Ind AS financial statements)	



NALIN LEASE FINANCE LIMITED

<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>
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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 2021-22, 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



NALIN LEASE FINANCE LIMITED

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, 2020 ("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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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:



NALIN LEASE FINANCE LIMITED

- (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.
- (iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

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

Paresh K Thothawala
Partner
Membership No. 048435

UDIN: 22048435AJSUWF8735

Place: Ahmedabad
Date: 27-05-2022



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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) Property, Plant and Equipment 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.
- (d) The Company does not held any immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee)
- (e) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March, 2022.
- (f) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories except except stationery & Adhesive Stamp and, accordingly, the requirements under clause 3(ii)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crore in aggregate from banks during the year on the basis of security of current assets of the Company, accordingly, the requirements under clause 3(ii)(b) of the Order are not applicable to the Company.
- (iii) During the year, the Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:
- (a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The investments made and the terms and conditions of the grant of all the loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans and advances in the nature of loans (together referred to as "loan assets"), the schedule of repayment of principal and payment of interest has been stipulated. Note 3.4 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. Disclosures in respect of such loans have been provided in Note 25 to 27 to the Financial Statements.
- (d) The total amount overdue for more than 180 days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 4434.40 thousands. Reasonable steps are been taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.



NALIN LEASE FINANCE LIMITED

- (e) The Company's principal business is to give loans , and hence reporting under clause 3(iii)(e) of the Order is not applicable.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to information and explanation given to us, the Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Act. Hence reporting under paragraph 3(iv) of the Order is not applicable.
- (v) 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. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax (GST), Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of GST , Provident Fund , Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (c) There were no dues referred in sub clause (a) above which have not been deposited on account of disputes as at March 31, 2022.
- (viii) According to the information and explanations given to us, no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
- (ix) According to the information and explanations given to us, in respect of borrowings:
- (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.



NALIN LEASE FINANCE LIMITED

- (f) The Company does not have any subsidiary or associate or joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.
- (xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are applicable to the Company and we report that the Company has registered as required.
- (b) The Company has conducted Non-Banking Financial activities obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. 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.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company. Hence, reporting under clause 3(xviii) of the Order is not applicable.



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(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) Corporate Social Responsibility (CSR) clause as per Companies Act, 2013 is not applicable to the company. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

(xxi) According to the information and explanations given to us, the Company does not have subsidiary, associate and joint venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

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

Paresh K Thothawala
Partner
Membership No. 048435

UDIN: 22048435AJSUWF8735

Place: Ahmedabad
Date: 27-05-2022



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 2022 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:



NALIN LEASE FINANCE LIMITED

- (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 2022, 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: 22048435AJSUWF8735

Place: Ahmedabad
Date: 27-05-2022

**NALIN LEASE FINANCE LIMITED****NALIN LEASE FINANCE LIMITED****CIN:L65910GJ1990PLC014516****BALANCE SHEET AS AT 31st MARCH, 2022**

(` in thousands)

Particulars	Note No.	As at	As at
		March 31, 2022	March 31, 2021
Assets			
1. Financial Assets			
(a) Cash and Cash Equivalents	4	4,551.86	2,734.44
(b) Bank balance other than (a) above	5	80.22	-
(c) Investments	6	10,150.00	7,679.90
(d) Loans	7	231,712.34	212,816.12
2. Non Financial Assets			
(a) Inventories	8	949.08	619.88
(b) Current Tax Assets (Net)		7,722.11	8,026.46
(c) Deferred Tax Assets (Net)	9	229.74	586.83
(d) Property, Plant & Equipment	10	5,169.26	2,425.06
(e) Other Non Financial Assets	11	388.38	250.24
Total Assets		260,953.00	235,138.93
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		-	-
(c) Borrowings (Other than debt securities)	12	4,491.79	1,622.11
(d) Other financial Liabilities	13	881.61	677.12
2. Non-financial Liabilities			
(a) Current Tax Liabilities (net)		8,638.06	8,623.91
(b) Provisions	14	31.00	31.00
3. Equity			
(a) Equity Share Capital	15	65,581.80	65,581.80
(b) Other Equity	16	181,328.74	158,602.99
Total Liabilities and Equity		260,953.00	235,138.93
Statement of Significant Accounting Policies	1 to 3		
See accompanying notes forming part of the financial statements	4 to 56		

In terms of our report of even date attached

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 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 - DirectorParesh K Thothawala
Partner
Membership No. 048435(N.K.PATEL)
Chief Financial Officer

UDIN: 22048435AJSUWF8735

Date: 27-05-2022
Place: AhmedabadDate: 27-05-2022
Place: Himantnagar

**NALIN LEASE FINANCE LIMITED**NALIN LEASE FINANCE LIMITEDCIN:L65910GJ1990PLC014516STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2022

(₹ in thousands)

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operations			
(i) Interest Income	17	52,314.16	45,754.29
(ii) Other revenue from operations	18	3,644.34	3,134.93
(I) Total revenue from operations		55,958.51	48,889.22
(II) Other income	19	818.14	48.24
(III) Total Income (I+II)		56,776.65	48,937.46
Expenses			
(i) Finance Cost	20	956.71	933.25
(ii) Impairment on financial instruments	21	4,377.06	(195.49)
(iii) Employee Benefits Expenses	22	7,862.12	6,920.98
(iv) Depreciation, amortization and impairment	10	992.19	1,288.98
(v) Other expenses	23	7,515.18	6,903.84
(IV) Total expenses		21,703.26	15,851.57
(V) Profit before tax (III-IV)		35,073.39	33,085.89
(VI) Tax expense:			
Current tax		8,638.06	8,623.91
Deferred tax		357.08	(310.82)
Provision for taxes related to earlier periods		73.41	(470.31)
Total tax expenses	9	9,068.55	7,842.78
(VII) Profit for the period (V-VI)		26,004.84	25,243.11
(VIII) Other Comprehensive Income		-	-
(IX) Total Comprehensive Income for the year (VII+VIII)		26,004.84	25,243.11
(X) Earnings per equity share			
Basic	24	3.97	3.85
Diluted		3.97	3.85
Statement of Significant Accounting Policies	1 to 3		
See accompanying notes forming part of the financial statements	4 to 56		

In terms of our report of even date attached

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 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 - DirectorParesh K Thothawala
Partner
Membership No. 048435(N.K.PATEL)
Chief Financial Officer

UDIN: 22048435AJSUWF8735

Date: 27-05-2022
Place: AhmedabadDate: 27-05-2022
Place: Himantnagar



STATEMENT OF CHANGE IN EQUITY

A. EQUITY SHARE CAPITAL

(` in thousands)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	65,582	65,582
Change in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the year	65,582	65,582
Changes in equity share capital during the year [refer note no. 15.3]	-	-
Balance at the end of the year	65,582	65,582

B. OTHER EQUITY

For the year ended March 31, 2022

(` in thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Statutory Reserve	General Reserve	Total Other equity
Balance as at April 1, 2021	16	20,798.90	28,533.92	31,128.19	78,141.98	158,602.99
Changes in accounting policy or prior period errors		-	-	-	-	-
Restated balance as at April 1, 2021		20,798.90	28,533.92	31,128.19	78,141.98	158,602.99
Profit after tax			26,004.84			26,004.84
		20,798.90	54,538.76	31,128.19	78,141.98	184,607.83
Transfer to Statutory reserve from retained earnings			(5,200.97)	5,200.97		-
Transfer to General Reserve			(7,500.00)		7,500.00	-
Transfer to Dividend			(3,279.09)			(3,279.09)
Balance as at March 31, 2022	16	20,798.90	38,558.70	36,329.16	85,641.98	181,328.74

For the year ended March 31, 2021

(` in thousands)

Particular	Note No.	Reserves and surplus				
		Securities Premium	Retained earnings	Statutory Reserve	General Reserve	Total Other equity
Balance as at April 1, 2020	16	20,798.90	15,839.43	26,079.57	70,641.98	133,359.88
Changes in accounting policy or prior period errors		-	-	-	-	-
Restated balance as at April 1, 2021		20,798.90	15,839.43	26,079.57	70,641.98	133,359.88
Profit after tax			25,243.11			25,243.11
		20,798.90	41,082.54	26,079.57	70,641.98	158,602.99
Transfer to Statutory reserve from retained earnings			(5,048.62)	5,048.62		-
Transfer to General Reserve			(7,500.00)		7,500.00	-
Balance as at March 31, 2021	16	20,798.90	28,533.92	31,128.19	78,141.98	158,602.99

In terms of our report of even date attached

For Paresh Thothawala & Co.
Chartered Accountants
Firm Registration No: 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
Membership No. 048435

(N.K.PATEL)
Chief Financial Officer

UDIN: 22048435AJSUWF8735

Date: 27-05-2022
Place: Ahmedabad

Date: 27-05-2022
Place: Himantnagar



NALIN LEASE FINANCE LIMITED

NALIN LEASE FINANCE LIMITED
CIN:L65910GJ1990PLC014516

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2022
(Pursuant to the Listing Agreement with Stock Exchange)

(₹ in thousands)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	35,073.39	33,085.89
Adjustments for :		
Depreciation and amortisation	992.19	1,288.98
Interest income	(52,314.16)	(45,754.29)
Finance cost	956.71	933.25
Impairment on financial instruments	(3,053.84)	(1,038.87)
Profit on sale of property, plant and equipment	(557.55)	-
Operating profit before working capital changes	(18,903.26)	(11,485.02)
Adjustment for Changes in Working Capital:		
(Increase) / decrease in loans	(15,842.39)	(3,158.62)
(Increase) / decrease in other bank balances	(80.22)	-
(Increase) / Decrease in inventories	(329.20)	(246.10)
(Increase) / Decrease in right to use assets	-	266.98
(Increase) / Decrease in other non financial assets	(138.14)	222.59
Increase / (Decrease) in financial liabilities	124.27	421.80
Increase / (Decrease) in provisions	-	(37.80)
Increase / (Decrease) in other non financial liabilities	-	(429.22)
Cash generated from operations	(35,168.94)	(14,445.39)
Interest income received	52,314.16	45,754.29
Finance cost paid	(956.71)	(933.25)
Income tax paid (net)	(8,392.97)	(9,452.20)
Net cash generated from operating activities (A)	7,795.54	20,923.45
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,819.84)	(533.73)
Proceeds from sale of property, plant and equipment	641.00	-
Purchase of Investment	(2,470.10)	(7,679.90)
Net cash used in investing activities (B)	(5,648.94)	(8,213.63)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(3,198.87)	-
Borrowings other than debt securities	2,869.68	(42,146.87)
Net cash generated from financing activities (C)	(329.19)	(42,146.87)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,817.42	(29,437.06)
Cash and cash equivalent at the beginning of the year	2,734.44	32,171.50
Cash and cash equivalent at the end of the year	4,551.86	2,734.44

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.

In terms of our report of even date
attached

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

Paresh K Thothawala
Partner
Membership No. 048435

UDIN: 22048435AJSUWF8735

Date: 27-05-2022
Place: Ahmedabad

For and on behalf of the board

(S.N.PARIKH)
Company Secretary

(N.K.PATEL)
Chief Financial Officer

D.N.Gandhi Managing Director
H.D.Gandhi - Director
P.D.Gandhi - Director

Date: 27-05-2022
Place: Himantnagar



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 27 May 2022, 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 financial statement of the company are prepared and presented as per Schedule III (Division III) of the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"), as notified by the MCA. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Company classifies its assets and liabilities as financial and non-financial and presents them in the order of liquidity. An analysis regarding expected recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in notes to the financial statements. Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties



NALIN LEASE FINANCE LIMITED

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



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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. 25.

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.



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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.



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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. 26.

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.

3.18 : Segments:

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, in India. All other activities of



the Company revolve around the main business. This in the context of Ind AS 108 - Operating Segments reporting is considered to constitute one reportable segment.

3.19 : Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 24, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013 effective from April 01, 2021. Amendments relating to Division III which relate to NBFCs whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, have been complied with. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



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NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2022

Note 4: Cash and cash equivalents (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
Cash on hand	1,126.41	982.18
Balance with banks in current accounts	3,425.45	1,752.26
	4,551.86	2,734.44
Note 5: Bank balance other than note 4 above (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
<u>Earmarked balances with banks</u>		
Unclaimed dividend on equity shares	80.22	-
	80.22	-
Note 6: Investments (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
	Fair Value through P&L	Fair Value through P&L
Investments in Mutual Funds	-	7,679.90
Investments in Debt Securities	8,150.00	-
P2P Investments	2,000.00	-
	10,150.00	7,679.90
<u>i) Investments outside India</u>	-	-
<u>ii) Investments in India</u>	10,150.00	7,679.90
	10,150.00	7,679.90
Note 7: Loans (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
	At amortised cost	At amortised cost
A) Secured		
i) Vehicle Loan	78,402.42	77,067.70
ii) Gold Loan	132,898.43	126,107.31
Total (A) Gross	211,300.85	203,175.01
Less: Impairment loss allowance	2,014.34	5,087.47
Total (A) - Net	209,286.51	198,087.54
B) Unsecured		
i) Business Loan	22,482.04	14,765.50
ii) Other Loan	-	-
Total (B) Gross	22,482.04	14,765.50
Less: Impairment loss allowance	56.21	36.91
Total (B) - Net	22,425.84	14,728.58
Total (A+B) - Net	231,712.34	212,816.12
C) Out of above		
I) Loans in India		
i) Public sectors	-	-
ii) Others	233,782.89	217,940.50
II) Loans outside India	-	-
Total (C) Gross	233,782.89	217,940.50
Less: Impairment loss allowance	2,070.55	5,124.38
Total (C) - Net	231,712.34	212,816.12
	231,712.34	212,816.12



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Note 8: Inventories (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
Sp. Adhesive Stamp	949.08	586.38
Stationery Stock	-	33.50
	949.08	619.88
Note 9: Deferred Tax Assets (Net)		
Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
Profit before tax	35,073.39	33,085.89
At corporate tax rate of 25.168%	8,827.27	8,327.06
Impact of taxes of earlier years	73.41	(470.31)
Others	167.87	(13.96)
Tax expenses	9,068.55	7,842.78
Effective tax rate	25.86%	23.70%
Deferred tax assets (net) recorded in Balance Sheet (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
Deferred tax to the following:		
Deferred tax assets		
Disallowance u/s 37 of the Income Tax Act, 1961	(66.84)	218.06
Impairment on financial instruments	-	67.19
Financial instruments measured at EIR	-	2.71
Depreciation and amortisation	296.58	409.60
Gross deferred tax assets (a)	229.74	697.57
Deferred tax liabilities		
Other temporary differences	-	110.74
Gross deferred tax liabilities (b)	-	110.74
Deferred tax assets/(liabilities), net (a-b)	229.74	586.83
	229.74	586.83
Changes in deferred tax assets recorded in profit or loss (` in thousands)		
Particulars	Year ended	
	31/03/2022	31/03/2021
Deferred tax relates to the following:		
Disallowance u/s 37 of the Income Tax Act, 1961	284.90	(153.58)
Impairment on financial instruments	67.19	155.63
Financial instruments measured at EIR	2.71	33.52
Depreciation and amortisation	113.02	(89.90)
Other temporary differences	(110.74)	(256.48)
	357.08	(310.82)
Note 11: Other Non-financial Assets (` in thousands)		
Particulars	As at	
	31/03/2022	31/03/2021
Security Deposits	19.02	19.02
Other Receivables	369.37	231.22
	388.38	250.24



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Note 12: Borrowings (Other than debt securities)		(` in thousands)	
Particulars	As at		
	31/03/2022	31/03/2021	
	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)	260.30	1,622.11	
ii) from financial institutions			
Over Draft* (Secured by Director's Mutual Funds)	4,231.49	-	
Total (A)	4,491.79	1,622.11	
Borrowings in India	4,491.79	1,622.11	
Borrowings outside India	-	-	
Total (B)	4,491.79	1,622.11	
	4,491.79	1,622.11	

* Note: Cash credit / short term loans from Bank of Baroda 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. Dilipkumar Nalinkant Gandhi, Mr. Harsh Dilipkumar Gandhi and Mrs. Pallaviben Dilipkumar Gandhi. Over draft facility from financial institutions (Bajaj Finance Ltd and Aditya Biral Finance Ltd) are secured by Mutual funds of Mr. Dilipkumar Nalinkant Gandhi and Mr. Harsh Dilipkumar Gandhi (Director of the company).

The Company has not defaulted in repayment of principal and interest to its lenders.

a) Loans repayable on demand (Cash credit from banks)

As at March 31, 2022

Terms of repayment

(` in thousands)

Particulars	Rate of Interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	9.40 % to 11.35%	260.30
Total		260.30

As at March 31, 2021

Terms of repayment

(` in thousands)

Particulars	Rate of Interest	Amount
Secured by hypothecation of specific assets covered under hypothecation loan agreements	9.40 % to 11.35%	1,622.11
Total		1,622.11

b) Loans repayable on demand (Over Draft Facility from financial institutions)

As at March 31, 2022

Terms of repayment

(` in thousands)

Particulars	Rate of Interest	Amount
Secured by director's mutual funds	8.50 % to 9.00%	4,231.49
Total		4,231.49

Note 13: Other Financial Liabilities

(` in thousands)

Particulars	As at	
	31/03/2022	31/03/2021
Unclaimed Dividend	80.22	-
Other Payables	801.39	677.12
	881.61	677.12

Note 14: Provisions

(` in thousands)

Particulars	As at	
	31/03/2022	31/03/2021
Other Provisions	31.00	31.00



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Note 15: Equity Share Capital

15.1 The reconciliation of equity shares outstanding at the beginning and at the end of the

(₹ in thousands)

Particulars	As at	
	31/03/2022	31/03/2021
Authorised Capital		
93,50,000 Equity shares of ₹ 10/-each	93,500.00	93,500.00
Issued & Subscribed and Paid up		
65,58,180 Equity shares of ₹ 10/-each	65,581.80	65,581.80
	65,581.80	65,581.80

15.2 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.

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

(₹ in thousands)

Particulars	In Numbers	Amount
As at 01 April, 2021	6,558,180	65,581.80
Share issued during the year	-	-
As at 31 March, 2022	6,558,180	65,581.80
Particulars	In Numbers	Amount
As at 01 April, 2020	6,558,180	65,581.80
Share issued during the year	-	-
As at 31 March, 2021	6,558,180	65,581.80

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

Particulars	31/03/2022	31/03/2021
	No. of Shares held	
Dilipkumar Nalinkant Gandhi	2,840,970	2,814,470
Pallaviben Dilipkumar Gandhi	562,057	562,057
Rupalben Dilipkumar Gandhi	-	523,560
Urviben Dilipkumar Gandhi	-	353,953
Harsh Dilipkumar Gandhi	972,632	-
	% holding in the class	
Dilipkumar Nalinkant Gandhi	43.32%	42.92%
Pallaviben Dilipkumar Gandhi	8.57%	8.57%
Rupalben Dilipkumar Gandhi	0.00%	7.98%
Urviben Dilipkumar Gandhi	0.00%	5.40%
Harsh Dilipkumar Gandhi	14.83%	0.00%

15.5 Details of shareholding of Promoters

Equity Shares held by promoters at the end of the 31.03.2022				% change during the year
Sr No.	Promotor Name	No. of Share	% of total shares	
1	Dilipkumar Nalinkant Gandhi	2,840,970	43.32%	0.40%
2	Harsh Dilipkumar Gandhi	972,632	14.83%	13.60%
3	Pallaviben Dilipkumar Gandhi	562,057	8.57%	0.00%
4	Manali Harshkumar Gandhi	173,542	2.65%	0.00%
5	Falguniben Krishnakant Shah	24,500	0.37%	0.00%
6	Dilipkumar Nalinkant Gandhi HUF	27,000	0.41%	0.00%
7	Harsh Dilipkumar Gandhi HUF	14,098	0.21%	0.21%



Note 16: Other Equity		(` in thousands)	
Particulars	As at		
	31/03/2022	31/03/2021	
(A) SECURITIES PREMIUM	20,798.90	20,798.90	
TOTAL (A)	20,798.90	20,798.90	
(B) GENERAL RESERVE			
Opening Balance	78,141.98	70,641.98	
Add: Profit transferred from Profit & Loss for the year	7,500.00	7,500.00	
TOTAL (B)	85,641.98	78,141.98	
(C) STATUTORY RESERVE (U/S 45 IC of RBI ACT)			
Opening Balance	31,128.19	26,079.57	
Add: Profit transferred from Profit & Loss for the year	5,200.97	5,048.62	
TOTAL (C)	36,329.16	31,128.19	
(D) RETAINED EARNINGS			
Opening Balance	28,533.92	15,839.43	
Add: Profit for the year	26,004.84	25,243.11	
Less: Transfer to General Reserve	7,500.00	7,500.00	
Less: Transfer to Compulsory Reserve	5,200.97	5,048.62	
Less: Transfer to Dividend	3,279.09	-	
TOTAL (D)	38,558.70	28,533.92	
TOTAL (A+B+C+D)	181,328.74	158,602.99	

16.1 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



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Note 10: Property, Plant & Equipments

For the financial year 2021-22

(₹ in thousands)

Particulars	Gross Block				Accumulated Depreciation			Net Block		
	Balance as at 1 April 2021	Additions	Disposals	Balance as at 31 March 2022	Balance as at 1 April 2021	Depreciation charge for the year	Adjustments	Balance as at 31 March 2022	Balance as at 31 March 2022	Balance as at 31 March 2021
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Property, Plant & Equipments										
Air Conditioner	798.55	75.97	-	874.52	542.88	77.44	0.00	620.32	254.20	255.67
Furniture & Fixtures	2,155.84	-	-	2,155.84	1,440.82	165.20	0.00	1,606.01	549.83	715.03
Office Equipment	3,061.60	43.84	-	3,105.43	2,421.27	342.83	0.00	2,764.10	341.34	640.33
Computers	1,939.96	20.98	-	1,960.94	1,325.19	254.49	(0.00)	1,579.68	381.26	614.77
Vehicles	1,669.11	3,679.05	1,669.11	3,679.05	1,469.83	152.23	1,585.65	36.41	3,642.64	199.27
Grand Total	9,625.05	3,819.84	1,669.11	11,775.78	7,199.99	992.19	1,585.66	6,606.52	5,169.26	2,425.06

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 01 April 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



NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2022

Note 17: Revenue from Operations (` in thousands)

Particulars	Year ended	
	31/03/2022	31/03/2021
Finance Activity:		
Interest Income		
Interest Income on Vehicle Loan	23,293.61	21,625.42
Interest Income on Gold Loan	26,104.67	22,439.66
Interest received on Business & Other Loans	2,915.88	1,689.21
	52,314.16	45,754.29

Note 18: Other revenue from operations (` in thousands)

Particulars	Year ended	
	31/03/2022	31/03/2021
Miscellaneous Charges and receipts	535.17	781.45
Late Fees Charges	1,488.36	2,291.03
Bad Debt recovered	1,620.81	62.45
	3,644.34	3,134.93

Note 19: Other Income (` in thousands)

Particulars	Year ended	
	31/03/2022	31/03/2021
Other Interest income	143.75	48.24
Interest Income on IT Refund	-	-
Profit on sale of PPE	557.55	-
Profit on sale of Mutual Funds	116.84	-
	818.14	48.24

Note 20: Finance Cost (` in thousands)

Particulars	Year ended	
	31/03/2022	31/03/2021
On financial liabilities measured at amortised cost		
Bank Interest & Charges	230.46	597.57
Other Interest Cost	721.53	53.55
Loan Processing Charges	4.72	271.35
Interest on lease liability	-	10.78
	956.71	933.25

Note 21: Impairment on Financial Instruments (` in thousands)

Particulars	Year ended	
	31/03/2022	31/03/2021
On financial instruments measured at amortised cost:		
Bad Debts & Written off	7,430.90	576.40
Loan assets	(3,053.84)	(1,038.87)
Other assets	-	266.98
	4,377.06	(195.49)



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Note 22: Employee Benefit Expense (` in thousands)		
Particulars	Year ended	
	31/03/2022	31/03/2021
Salary & Conveyance	2,645.50	2,037.00
Staff Welfare Expense	86.62	83.98
Director Remuneration	5,130.00	4,800.00
	7,862.12	6,920.98
Note 23: Other Expenses (` in thousands)		
Particulars	Year ended	
	31/03/2022	31/03/2021
Advertisement & Marketing Expense	398.47	384.57
Audit Fees	150.00	150.00
Amalgamation Expense	-	1,110.99
CIBIL Charges	157.80	93.05
Cash Back to Customer (Advance Interest Payment)	50.90	-
Computer & Software Expense	54.60	98.00
Demate Charges & Stock Exchange Listing Fee	510.96	427.80
Donation Expense	-	21.00
Electricity Expense	301.85	307.60
GST Expense	420.06	374.88
Insurance Expense	341.82	314.12
Kasar & Round off	7.98	1.53
Legal & Professional Fees	324.70	400.40
Loss on sale of Gold auction	687.83	51.86
Membership & Subscription Expense	11.80	5.92
Office & General Expense	63.89	153.87
Professional Tax	1.07	10.62
Postage & Courier Expense	559.13	216.10
Rent Expense	2,619.98	2,016.66
Repairs & Annual Maintenance Expense	99.29	124.39
Sp Adhesive Stamp Expense	117.30	124.90
Stationery & Printing Expense	214.40	257.37
Telephone Expense	159.77	163.26
Vehicle & Travelling Expense	261.58	94.95
	7,515.18	6,903.84
Payment to Auditor (` in thousands)		
Particulars	Year ended	
	31/03/2022	31/03/2021
Statutory Audit	70.00	70.00
Tax Audit	40.00	40.00
Limited Review	40.00	40.00
	150.00	150.00
Note 24: Earning per Share (` in thousands)		
Particulars	Year ended	
	31/03/2022	31/03/2021
i: Net Profit for the year	26,004.84	25,243.11
ii: Basic No of Equity Share	6,558,180	6,558,180
iii: Basic & Diluted Earnings per Share	3.97	3.85
iv: Face Value per Equity Share	10	10



Note 25 : 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.



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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	
	31/03/2022	31/03/2021
Vehicle Loan	78,402.42	77,067.70
Gold Loan	132,898.43	126,107.31
Business Loan	22,482.04	14,765.50
Other loan	-	-
	233,782.89	217,940.50

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	Standard	0.25%	0-180 Days
Stage-2			
Stage-3	Sub-Standard	10.00%	180+ days
	Doubtful	20.00%	
	Loss	100.00%	



Movement of ECL (₹ in thousands)		
Particulars	31/03/2022	31/03/2021
Opening Provision of ECL	5,124.38	6,163.25
Addition during the year	-	-
Utilization / Reversal during the year	3,053.84	1,038.87
Closing provision for ECL	2,070.55	5,124.38

ECL sensitivity to future economic conditions (₹ in thousands)		
Particulars	31/03/2022	31/03/2021
Gross carrying amount of loans	233,782.89	217,940.50
Reported ECL	2,070.55	5,124.38
Reported ECL coverage	0.89%	2.35%

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. 0.90 crore and Over draft limit available to the company is Rs. 1.25 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.



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Note 26 : 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, 2022			
Financial Assets			
Cash and Cash Equivalents	4,551.86	-	-
Bank Balance other than Cash and Cash Equivalents	80.22	-	-
Investments	-	-	10,150.00
Loans	231,712.34	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	4,491.79	-	-
Other financial Liabilities	881.61	-	-
As at March 31, 2021			
Financial Assets			
Cash and Cash Equivalents	2,734.44	-	-
Investments	-	-	7,679.90
Loans	212,816.12	-	-
Financial Liabilities			
Borrowings (Other than debt securities)	1,622.11	-	-
Other financial Liabilities	677.12	-	-

b) Fair value of financial assets and financial liabilities: (₹ in thousands)

Particulars	31/03/2022		31/03/2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and Cash Equivalents (at amortised cost)	4,551.86	4,551.86	2,734.44	2,734.44
Bank Balance other than Cash & Cash Equivalents (at amortised cost)	80.22	80.22	-	-
Investments (at Fair Value through P&L)	10,150.00	10,150.00	7,679.90	7,679.90
Loans* (at amortised cost)	231,712.34	231,712.34	212,816.12	212,816.12
	246,494.42	246,494.42	223,230.46	223,230.46
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	4,491.79	4,491.79	1,622.11	1,622.11
Other financial Liabilities (at amortised cost)	881.61	881.61	677.12	677.12
	5,373.40	5,373.40	2,299.23	2,299.23

Note: Carrying amounts of cash and cash equivalents, borrowings and other financial liabilities as at March 31, 2022 and March 31, 2021 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:

(` in thousands)

Particulars	Fair Value			
	Level 1	Level 2	Level 3	Total
As at March 31, 2022				
Financial Assets				
Loans (at amortised cost)	-	-	231,712.34	231,712.34
Investments (at Fair Value through P&L)	10,150.00	-	-	10,150.00
	10,150.00	-	231,712.34	241,862.34
Financial Liabilities				
Borrowings (Other than debt securities) (at amortised cost)	-	-	4,491.79	4,491.79
Other financial Liabilities (at amortised cost)	-	-	881.61	881.61
	-	-	5,373.40	5,373.40
As at March 31, 2021				
Financial Assets				
Loans (at amortised cost)	-	-	212,816.12	212,816.12
Investments (at Fair Value through P&L)	7,679.90	-	-	7,679.90
	7,679.90	-	212,816.12	220,496.02
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

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, 2022

(` in thousands)

Particulars	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and Cash Equivalents	4,551.86	-	4,551.86
Bank Balance other than Cash & Cash Equivalents	80.22	-	80.22
Investments	10,150.00	-	10,150.00
Loans	190,667.07	41,045.28	231,712.34
Non Financial Assets			
Inventories	949.08	-	949.08
Current Tax Assets (Net)	7,722.11	-	7,722.11
Deferred Tax Assets (Net)	-	229.74	229.74
Property, Plant & Equipments	-	5,169.26	5,169.26
Other Non Financial Assets	388.38	-	388.38
Total	214,508.72	46,444.28	260,953.00
Financial Liabilities			
Borrowings (Other than debt securities)	4,491.79	-	4,491.79
Other financial Liabilities	881.61	-	881.61
Non Financial Liabilities			
Current Tax Liabilities (net)	8,638.06	-	8,638.06
Provisions	31.00	-	31.00
Total	14,042.46	-	14,042.46

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
Investments	7,679.90	-	7,679.90
Loans	172,862.90	39,953.22	212,816.12
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
Property, Plant & Equipments	-	2,425.06	2,425.06
Other Non Financial Assets	250.24	-	250.24
Total	192,173.82	42,965.11	235,138.93
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
Total	10,954.14	-	10,954.14



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Note 27 : 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	229,348.49	1,627.11	227,721.38	1,627.11	-
Non-Performing Assets Sub Standard	Stage 3	4,434.40	443.44	3,990.96	443.44	-
Doubtful Assets	Stage 3	-	-	-	-	-
Loss Assets	Stage 3	7,430.90	7,430.90	-	7,430.90	-
Total	Stage 1	229,348.49	1,627.11	227,721.38	1,627.11	-
	Stage 3	11,865.30	7,874.34	3,990.96	7,874.34	-
	Total	241,213.79	9,501.44	231,712.34	9,501.44	-

Note 28 : Disclosure required as per Reserve Bank of India Notification No. DNBS.CC.PD.NO. 265/03.10.01/2011-12 dated March 21, 2012:

(` in thousands)

Particulars	31/03/2022	31/03/2021
Gold Loans granted against collateral of gold jewellery (principal portion)	129,995.89	122,436.18
Total assets of the Company	260,953.00	235,138.93
Percentage of Gold Loans to Total Assets	49.82%	52.07%

Note 29 : Disclosure required as per Reserve Bank of India for Special Mention Accounts (SMA) with the three sub-categories as given in the table below:

(` in thousands)

SMA Sub-Categories	Basis of Classification	31/03/2022	31/03/2021
SMA-0	Principal or interest not overdue for more than 30 days but account showing signs of incipient stress	38,473.64	31,167.60
SMA-1	Principal or interest payment overdue between 31-60 days	13,310.06	10,600.35
SMA-2	Principal or interest payment overdue between 61-180 days	11,241.88	9,855.29

Note 30 : 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 0.06 as at March 31, 2022 (as at March 31, 2021 is 0.05)

Note 31 : Estimation uncertainty relating to COVID-19 global health pandemic:

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).



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 32 : 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 33 : 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	31/03/2022	31/03/2021
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 34 : Contingent liabilities and commitments:

Particulars	31/03/2022	31/03/2021
Contingent Liabilities	-	-

Note 35 : Expenditure in foreign currency & unhedged exposure:

Particulars	31/03/2022	31/03/2021
Foreign Currency Expenditure	-	-
Unhedged Foreign Currency Exposure	-	-

Note 36 : Contribution to political parties during the year 2021-22 is Rs. NIL

Note 37 : There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2022



Note 38 : 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, 2022 (₹ in thousands)

Nature of Transaction with Related Parties (Excluding Reimbursement)	2021-22		2020-21	
	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	1,990.00		1,880.00	
Rent	2,619.98		2,186.66	
Interest	548.61		36.16	
Loan taken	22,750.00	-	4,000.00	-
Loan repaid	23,298.61		4,036.16	
<u>Mrs. Pallaviben Dilipkumar Gandhi</u>				
Director remuneration	1,630.00	-	1,520.00	-
<u>Mr. Harsh Dilipkumar Gandhi</u>				
Director remuneration	1,510.00		1,400.00	
Rent	-		270.00	
Interest	75.39		17.38	
Loan taken	8,500.00	-	2,400.00	-
Loan repaid	8,575.39		2,417.38	

Note 39 : Events after the reporting period:

There have been no events after the reporting date that require disclosure in the financial statements.

Note 40 : 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 41 : The Company does not hold any immovable property as on 31 March 2022 and 31 March 2021. All the lease agreements are duly executed in favour of the Company for properties where the Company is the lessee.

Note 42 : No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at 31 March 2022 and 31 March 2021.

Note 43 : The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.



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Note 44 : The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2022 and 31 March 2021.

Note 45 : Analytical Ratios

Ratio	Numerator	Denominator	Current year	Previous year
Capital to risk-weighted assets ratio (CRAR) (times)	Tier 1 Capital + Tier 2 Capital	Risk weighted assets	1.34	1.37
Tier I CRAR (times)	Core Capital	Risk weighted assets	1.34	1.37
Tier II CRAR*	Supplementary Capital	Risk weighted assets	NA	NA
Liquidity Coverage Ratio (%)**	Stock of high quality liquid assets	Total net cash outflows over the next 30 calendar days	272.03%	446.92%

Tier-II CRAR* ratio is not applicable to the company because the company does not have supplementary capital.

Variance in Liquidity Coverage Ratio (%) ** is more than 25% due to reason that in the current year company has obtained additional overdraft facility from financial institution.

Note 46 : The Company has borrowings from banks and financial institutions on the basis of security of current assets and the quarterly returns filed by the Company with the banks and financial institutions are in accordance with the books of accounts of the Company for the respective quarters.

Note 47 : The Company has taken borrowings from banks and financial institutions and utilised them for the specific purpose for which they were taken as at the Balance sheet date.

Note 48 : There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended 31 March 2022 and 31 March 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended 31 March 2022 and 31 March 2021.

Note 49 : As a part of normal lending business, the company grants loans and advances on the basis of security / guarantee provided by the Borrower/ co-borrower. These transactions are conducted after exercising proper due diligence.

Note 50 : The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31 March 2022 and 31 March 2021.

Note 51 : Derivatives: There are no derivative instruments in the Company for the year ended 31 March 2022 and 31 March 2021.

Note 52 : Registration of charges or satisfaction with Registrar of Companies (ROC): All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. No charges or satisfactions are yet to be registered with ROC beyond the statutory period.

Note 53 : Compliance with number of Layers of companies: The Company has not violated with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended March 31, 2022 and March 31, 2021.

Note 54 : Miscellaneous

Registration obtained from other financial sector regulators

The Company is registered with RBI and has all its operations in India, it has not obtained registration from any other financial sector regulators during the year.

Group structure: Not Applicable. The Company does not have any holding, subsidiary or associate company.

Net Profit or Loss for the period, prior period items and changes in accounting policies: The Company does not have any prior period items / change in accounting policies during the current year other than disclosed in financials.



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Revenue Recognition: There have been no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

Consolidated Financial Statements (CFS): The Company does not have any subsidiary, associate or joint venture accordingly CFS is not applicable.

Note 55 : There were no instances of fraud reported during the year ended 31 March 2022 and 31 March 2021.

Note 56 : Figures of previous year have been reworked/regrouped/reclassified wherever necessary.

In terms of our report of even date attached

For Paresh Thothawala & Co.
Chartered Accountants

Firm Registration No: 114777W

Paresh K Thothawala
Partner
Membership No. 048435

UDIN: 22048435AJSUWF8735

Date: 27-05-2022
Place: Ahmedabad

(S.N.PARIKH)
Company Secretary

(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

Date: 27-05-2022
Place: Himantnagar

NALIN LEASE FINANCE LIMITED

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