



## NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Nalin Lease Finance Limited will be held on Monday, the 15th July, 2013 at 11.00 a.m. at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar- 383 001, to transact the following businesses:-

### ORDINARY BUSINESS

1. To receive, consider, approve and adopt the audited Balance Sheet as at 31st March, 2013, Profit & Loss Account for the year ended on that date together with the Report of Board of Director & Auditors thereon.
2. To appoint an independent director in place of Shri Navinchandra C. Soni who retires by rotation and being eligible offers himself for reappointment
3. To appoint Auditors of the Company who shall hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

### Registered Office

Ground floor,  
Gandhi Nursing Home Bldg.  
Dr. Nalinkant Gandhi Road,  
Himatnagar-383001.  
Dated: June 25th 2013

### By order of the Board of Directors

(N. D. Shah)  
Chairman

### Notes:-

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxies need not be a member of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. All documents referred to in the accompanying notice are open for inspection at the registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.
3. Members are requested to send their queries, if any, at least 10 days before the date of meeting so that the information can be made available at the meeting.
4. The Register of Members and the Share Transfer Books will remain closed from Friday, 12th July, 2013 to Monday, 15th July, 2013 (both days inclusive).



## **DIRECTORS' REPORT**

To,  
The Members,  
Nalin Lease Finance Limited

Your Directors have pleasure in presenting to you the 22nd Annual Report together with the audited statement of the Accounts for the year ended 31st March, 2013.

### **FINANCIAL RESULTS**

	<b>(Rs. in Lacs)</b>	
	<b>2011-2012</b>	<b>2012-2013</b>
Gross Profit (PBDT)	83.53	96.36
Less:-Depreciation	3.93	4.17
Profit Before Tax (PBT)	79.60	92.18
Less:-Provision for Taxation & FBT	26.40	27.76
Net Profit (PAT)	53.20	64.18
Add: Balance in Profit & Loss A/C.	4.43	6.97
Balance Available for Appropriation	57.63	71.15
<b>Appropriations:</b>		
Reserves	50.65	62.84
Balance carried to Balance Sheet	6.97	8.31

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

### **DIVIDEND**

The Directors do not recommended dividend for the year 2012 - 2013 with a view to accumulate funds for future requirement and also to strengthen the financial position of the company.

### **DIRECTORS**

Shri Navinchandra C. Soni - Director of the Company, retires by rotation pursuant to Article No.125 of the Companies Act, 1956, at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

### **FIXED DEPOSITS**

Our Company is registered as N.B.F.C. with R.B.I. Company has complied with various Guidelines issued by Reserve Bank of India for accepting Public Deposits and the Deposits accepted are within the permissible limits.

- Public Deposits held by the Company as on 31-03-2013 Rs. 281.40 Lacs.
- Matured but not Claimed / Unpaid Public Deposits as on 31-03-2013:- NIL.



### **AUDITORS AND AUDITORS REPORT**

M/s. Deeepak R. Soni & Co., Auditors of the Company, retire and hold Office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments except as under.

### **PERSONNEL**

During the year under review, there was no employee in receipt of any remuneration in excess of the limits prescribed in Section 217 (2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975 As amended.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable to your Company.

### **REGULATORY GUIDELINES**

There being no non-performing assets, no provision is made for the year. Company has fully complied with prudential norms prescribed by Reserve Bank of India. The Company has also complied with the Directions issued by Reserve Bank of India regarding Capital Adequacy, Assets classification etc. During the year as required by NBFC prudential norms (Reserve Bank ) directions, 2007 company has made a general provision @ 0.25% amounting to Rs. 187,015/- on outstanding standard assets.

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same,
2. That your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profits of the company for that period,
3. That your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities,



4. That your directors have prepared the annual accounts on a going concern basis.
5. Corporate Governance

Pursuant to clause 49 of the listing agreement with stock exchanges, a separate section titled “corporate governance” is attached to this annual report.

#### **ACKNOWLEDGEMENT**

Your Directors would like to put on record their grateful appreciation for the assistance and co-operation received from the Bankers of the Company, valued Customers of the Company, the Ahmedabad Stock Exchange, Vadodara Stock Exchange and the Bombay Stock Exchange and various other Government and Semi Government Authorities, Agencies and Offices.

Your Directors would also like to put on record with thanks their deep sense of appreciation for the assistance, diligence and co-operation of the executives and staff of the Company.

For and on behalf of the Board of Directors

**Place : Himatnagar**  
**Dated:- 25.05.2013**

**(N. D. SHAH)**  
**CHAIRMAN**



**ANNEXURE TO DIRECTOR'S REPORT**  
**Report on Corporate Governance**

**A. MANDATORY REQUIREMENTS:**

**1. COMPANY'S PHILOSOPHY ON CODE OF GEVERNANCE:**

The Company has always been committed to the principles of good corporate governance which inter alia includes protection of shareholders rights, enhancement of shareholder value, equitable treatment of all shareholders, stake holders such as suppliers, customers and employees and to report financial information adequately and transparently. A continuous process of delegation of powers commensurate to accountability, coupled with trust, faith and transparence has been embedded in the day to day functioning. A System to defectively manage risks has been implemented. The Company has been disclosing detailed information on different issues concerned the Company's performance form time to time.

**2. BOARD OF DIRECTORS**

**(I) Composition:**

The Board of Directors comprises of a combination of Executive and Non-Executives who are professionals in their respective fields and bring in a wide range of skills and experience, out of five directors Three Directors are executive Directors and two Directors are non-executive Directors. There is no nominee Directors on the Board. The names and occupation of Directors are as under:-

Sr. No.	Name of the Director	Executive / Non - Executive
1	Narendrakumar Dalsukhdas Shah	Non-Executive (Chairman)Independent
2.	Dilipkumar Nalinkant Gandhi	Executive (Managing Director)
3.	Harsh Dilipkumar Gandhi	Executive (Whole time Director)
4.	Pallaviben Dilipkumar Gandhi	Executive (Executive Director)
5.	Navinchandra Chandulal Soni	Non Executive(Independent Director)

**(ii) MEETINGS OF BOARD**

Five Board Meeting were held during the year ended 31.03.2013. These were held on 13.04.2012, 01.06.2012, 13.07.2012, 12.10.2012, 11.01.2013, 18.03.2013. The details of the attendance of each Director at the Board, last Annual General Meeting and various committees of the Board, during the financial year ended on 31st March, 2013 are given below:



Directors	No. of Board Meeting Attended During 2012-13	No. of Audit Committee Attended During 2012-13	No. of Shareholders' Investors Grievance Committee Attended During 2012-13	Last Annual General Meeting Attained 2012-13
Narendrakumar Dalsukh Shah	6	4	4	Yes
Dilipkumar Nalinkant Gandhi	6	4	4	Yes
Harsh Dilipkumar Gandhi	6	-	-	Yes
Pallaviben Dilipkumar Gandhi	6	-	-	Yes
Navinchandra Chandulal Soni	6	4	4	Yes

### (III) OTHER DIRECTORSHIPS

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

Name (s) of Directors	No of Directorship, excluding directorship in Pvt. Companies/ firms and Cos. Incorporated u/s 25 of the Companies Act, 1956	Chairman of the Board	No. of other Board Committees in which he/she is a member or chair-person.
Narendrakumar Dalsukhdas Shah	Nil	Nil	Three
Dilipkumar Nalinkant Gandhi	Four	Nil	Three
Harsh Dilipkumar Gandhi	Nil	Nil	Nil
Pallaviben Dilipkumar Gandhi	Four	Nil	Nil
Navinchandra Chandulal Soni	Nil	Nil	Nil

### (iv) Re-appointment of Directors (as required under Listing Agreement)

The brief particulars of the directors of the company, retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are as under :-

Shri Navinchandra C. Soni joined the Board of the Company since last many years. He looks after overall management of the company he normally sits at the registered office of the company.

### 3. AUDIT COMMITTEE

The Audit Committee of the Board was formed on 25.10.2002 and it comprises of 2(Two) non-executive Directors & 1 (One) executive Director However to comply the requirement of revised clause 49 of the listing agreement, the audit committee was reconstituted having 2 independent direc-



tor out of 3 members in the audit committee w.e.f. 1.1.2006 the present audit committee is comprising of the following 3 directors

- (1) Dilipkumar Nalinkant Gandhi
- (2) Narendrakumar Dalsukhdas Shah
- (3) Navinchandra Chandulal Soni

The audit Committees functions include reviewing the Company's internal control system, audit procedures, compliances with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct, it also reviews the half yearly results and the annual financial statements before submission to the Board. The Audit Committee effectively acts as a link among the Board of Directors, Statutory auditor and internal audit functions. During the financial year ended 2013, the audit committee meeting were held on 13.04.2012, 13.07.2012, 12.10.2012 & 11.01.2013.

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

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

#### **4. GRIEVANCE COMMITTEE**

The Grievance Committee of the Board was formed on 25.10.2002 and it comprises of 2 (Two) non-executive Directors & 1 (One) executive Director However to comply the requirement of revised clause 49 of the listing agreement, the audit committee was reconstituted having 2 independent director out of 3 members in the audit committee w.e.f. 1.1.2006 the present audit committee is comprising of the following 3 directors

- (1) Dilipkumar Nalinkant Gandhi
- (2) Narendrakumar Dalsukhdas Shah
- (3) Navinchandra Chandulal Soni

The Grievance Committees functions include reviewing the Company's internal control system, audit procedures, compliances with statutory and regulatory requirements, financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and correct; it also reviews the half yearly results and the annual financial statements before submission to the Board. The Grievance Committee effectively acts as a link among the Board of Directors, Statutory auditor and internal audit functions. During the financial year ended 2013, the Grievance committee meeting were held on 13.04.2012, 13.07.2012, 12.10.2012 & 11.01.2013.



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

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

## 5. REMUNERATION OF DIRECTORS

### A. Non Executive Directors

No remuneration paid to non executive directors.

### B. Executive Directors

The Company pays remuneration by way of salary, perquisites, allowances and commission to the directors.

The salary paid during the year to the directors of the company is within the ceiling prescribed by section 198, 309 and the provisions of Schedule XIII of the Companies Act, 1956.

The remuneration paid to the directors for the year 2012-2013 is as follows:

Name	Salary	Perquisites	Commission	Total
Dilipkumar Nalinkant Gandhi	10,60,000	-	-	10,60,000
Pallalviben Dilipkumar Gandhi	6,40,000	-	-	6,40,000
Harsh Dilipkumar Gandhi	6,00,000	-	-	6,00,000
<b>Total</b>	<b>23,00,000</b>			<b>23,00,000</b>

Number of Shares held by non executive directors is as under

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

**6. GENERAL BODY MEETING**

Financial Year	Date	Time	Venue
2008-2009 18 <sup>th</sup> AGM	29.07.2009	4.00 P.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2009-2010 19 <sup>th</sup> AGM	28.07.2010	11.00 A.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2010-2011 20 <sup>th</sup> AGM	20.07.2011	11.00 A.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
2011-2012 21 <sup>st</sup> AGM	18.07.2012	11.00 A.M.	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.

No special resolutions were required to be put through postal ballot last year. No. Special resolutions on matters requiring postal ballot as recommended under clause 49 of the Listing Agreement are placed for shareholders.

**7. DISCLOSURES:****(a) Disclosure on materially significant related party transactions:**

Full disclosure of related party transactions as per accounting standard 18 issued by The Institute of Chartered Accountants of India is given under Note No. 16 of Notes Forming part of accounts for the year ended on 31st March, 2013.

Equity Shares held by Director as on 31st March, 2013.

Sr. No.	Name of the Director	No. of Shares held
1.	Dilipkumar Nalinkant Gandhi	2,63,368
2.	Pallaviben Dilipkumar Gandhi	1,80,000
3.	Harsh Dilipkumar Gandhi	30,500
4.	Narendrakumar Dalsukhdas Shah	2,500



- (b) There were no transactions of material nature with its promoters, the Directors or the management or their subsidiaries or relatives of the Directors during the year. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.
- (c) No. penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital Markets.

**8. MEANS OF COMMUNICATION**

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board. These results are published in prominent daily news papers viz. Western Times English and Gujarati Edition. The Company has not made any presentation to the institutional investors or analysis. The Company does not put up the results on website.

**9. GENERAL SHAREHOLDERS INFORMATION:**

Annual General Meeting Details:

Date	15.07.2013
Time	11.00 A. M.
Venue	Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.
Book Closure Date	12.07.2013 to 15.07.2013
Record Date	15.07.2013
Dividend payment date	No Dividend during the year

**Address of correspondence:**

Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383001.

**(I) Listing of equity shares on Stock Exchange at**

Sr. No.	Name (s) of the Stock Exchange	Stock Code
1.	Ahmedabad Stock Exchange Ltd	39092
2.	Bombay Stock Exchange Ltd	531212
3.	Vadodara Stock Exchange Ltd	31212

**(ii) Listing Fees**

The Company has paid Listing fees for the financial year 2012-2013 to all the Stock Exchanges where securities are listed.

**(iii) Registrar & Share Transfer Agent**

The Company transfers physical and D-mat shares through Link Intime India Pvt. Ltd., Mumbai. The Company accepts, deals with and resolves complaints of shareholders. Shareholder complaints are given top priority by the Company and replied promptly by the office of the Company Secretary. The Company had attended to all of the investor grievances. Correspondences with speed.

**(iv) Share Transfer System:**

The Company transfers Physical and D-mat shares through Link Intime India Pvt. Ltd., Mumbai.

Stock Code: D-mat ISIN Number: INE 606C01012.

**(V) Distribution of Shareholding as on 31.03.2013**

No. Of Equity Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of shareholding
1-100	161	12.33%	9968	0.31%
101-500	648	49.62%	202844	6.22%
501-1000	73	5.59%	61139	1.87%
1001-5000	220	16.85%	779097	23.88%
5001-10000	179	13.70%	1155972	35.44%
10001-100000	22	01.68%	492980	15.11%
100001-500000	03	00.23%	560000	17.17%
500001 & above	00	00.00%	00	00.00%
<b>Total</b>	<b>1306</b>	<b>100.00%</b>	<b>3262000</b>	<b>100.00%</b>

**(Vi) Dematerialization of shares :**

The company is having 1043300 Equity shares in D-materialized format.

**(vii) Plant Location : N.A.**

Shareholders correspondence should be addressed to: Ground Floor, Gandhi Nursing home Bldg., Dr. Nalinkant Gandhi road, Himatnagar-383001.



**B. Non Mandatory Requirements:**

(A) Chairman of the Board

At present the chairman does not have separate office in the Company. The Corporate office of the Company supports the Chairman in discharging the responsibilities as & when the visits the Company.

(B) Shareholders' rights:

As the Company's half yearly results are published in an English news paper having good circulation and in a Gujarati News Paper widely circulated in Gujarat the same are not sent to each household of the shareholders.

Postal Ballot:

The Provisions relating to Postal ballot will be complied with in respect of matters where applicable.

Declaration

To

The Members of Nalin Lease Finance Ltd.

I, Dilipkumar Nalinkant Gandhi Managing Director and of the Company, to hereby declare that the Directors and Senior Officers of the Company have exercised their authorities and powers and discharged their duties and functions in accordance with the requirement of the Code of Conduct as prescribed by the Company and have adhered to the provisions of the same.

For Nalin Lease Finance Ltd.

Dilipkumar Nalinkant Gandhi

Place : Himatnagar

Date : 25/05/2013

Managing Director &

Chief Executive Officer



**Deepak R. Soni**

B.Com, F.C.A.

**DEEPAK R. SONI & CO.**

CHARTERED ACCOUNTANTS

Dr. Nalinkant Gandhi Road, Himatnagar-383 001.

Phone : (02772) 242780

E-mail : deepak\_soni11@yahoo.com

**CERTIFICATE ON COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE**

To,

The Members

**Nalin Lease Finance Ltd., Himatnagar.**

We have examined the compliance of conditions of Corporate Governance by **Nalin Lease Finance Ltd.** for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with 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 to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place: **Himatnagar**

Date: 27.05.2013

**(D.R.Soni)**

Sole Proprietor

M.No. 35177



**INDEPENDENT AUDITOR'S REPORT**

To  
The Members  
**NALIN LEASE FINANCE LTD.**  
Himatnagar

**Report on Financial Statement**

We have audited the accompanying financial statements of Nalin Lease Finance Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibilities for the Financial Statement**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of non provision of Diferred Tax as per “Significant Accounting Policy – Notes 1(VI)”, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) except for the effects of non provision of Differed Tax as per “Significant Accounting Policy – Notes 1(VI) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For DEEPAK R SONI & CO.**  
Firm Registration No. – 102245W  
Chartered Accountants

Place : **Himatnagar**  
Date : **27.05.2013**

**(D. R. Soni)**  
Sole Proprietor  
Mem. No. 35177



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Majority of the assets has been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any major part of the Fixed Assets.
- (ii) (a) There are no Companies, firms and parties covered in the register maintained under Section 301 of the Companies Act, 1956 to whom the Company has granted unsecured loans. Hence the provision of this clause (a), (b), (c), and (d) is not applicable.
- (b) The Company had taken unsecured loans from two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as Rs.69,93,240/- and the year end balance of loans taken from such parties was Rs. 69,93,240/-
- (c) In our opinion, the rate of interest and the other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the companies Act,1956 are not, prima facie, prejudicial to the interest of the company.
- (d) We have been informed that the said loans are repayable on demand. .
- (iii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of equipments and fixed assets and with regard to the loans and advances made. During the course of our audit, no major weaknesses have been noticed in the internal controls.
- (iv) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contract or arrangement have been made at rates which are reasonable having regard to prevailing market rates at the relevant time.



- (v) In our opinion and according to the information and explanations given to us, the company has taken loans and has complied with the provisions of Sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted by filing necessary returns with R.B.I. only. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (vii) (a) According to the records of the company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues which may be applicable out of Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other Statutory Duties.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service tax, Excise Duty, and Cess were outstanding, as at 31st March, 2013 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- (viii) The company does not have any accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the banks.
- (x) The company has not granted any loans against security by way of pledge of shares, debentures and other securities.
- (xi) The company is not a chit fund or a Nidhi mutual benefit fund/society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xii) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



- (xiii) According to the information & explanation given to us, the company has not given any guarantee hence we do not have any comment under this para.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no significant funds raised on short-term basis have been used for long-term investment by the company.
- (xv) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xvi) The company has not raised money by public issue hence any specific comments up on the disclosure of end use is not applicable to the company.
- (xvii) To the best of our Knowledge and belief, and according to the information and explanation given to us, no frauds on or by the company was noticed or reported during the year.

Item nos. 4 ii, viii, and xvi of the said order are not applicable in the case of the company for the year under audit.

**For DEEPAK R SONI & CO.**  
Chartered Accountants

**Place : Himatnagar**  
**Date : 27.05.2013**

**(DEEPAK SONI)**  
Proprietor  
Mem.No. 35177

**NALIN LEASE FINANCE LIMITED**  
**Balance Sheet as at 31st March, 2013**

Particulars	Note No	31.03.2013	31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	32620000	32620000
(b) Reserves and Surplus	3	35999429	29394589
(c) Money received against share warrants		0	0
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings		0	0
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long term provisions		0	0
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	4	35133053	43261603
(b) Trade payables		0	0
(c) Other current liabilities	5	51500	54068
(d) Short-term provisions	6	3163835	2987015
<b>Total</b>		<b>106967817</b>	<b>108317275</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	2873793	2831184
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments	8	2547126	1561777
(c) Deferred tax assets (net)		0	0
(d) Long term loans and advances		0	0
(e) Other non-current assets	9	6000	6000
<b>(2) Current assets</b>			
(a) Current investments	10	4220972	5176674
(b) Inventories	11	813678	756490
(c) Trade receivables	12	75570461	76974074
(d) Cash and cash equivalents	13	18358476	18894073
(e) Short-term loans and advances		0	0
(f) Other current assets	14	2577311	2117003
<b>Total</b>		<b>106967817</b>	<b>108317275</b>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 23		

As per our Report of Even Date  
For, **Deepak R. Soni & Co.**  
Chartered Accountants

D.R.Soni  
Sole Proprietor  
Place : Himatnagar  
Date : 27.05.2013

(S.N. PARIKH)  
Company Secretaries

For and on behalf of the Board Directors

**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**H. D. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**N. C. Soni** *Director*

Place : Himatnagar  
Date : 25.05.2013



**NALIN LEASE FINANCE LIMITED**  
**STATEMENT OF PROFIT AND LOSS for the year ended 31.03.2013**

Particulars	Note No	31.03.2013	31.03.2012
I. Revenue from operations	14	34011772	30442400
II. Other Income	15	2356048	2383578
<b>III. Total Revenue (I +II)</b>		<b>36367820</b>	<b>32825978</b>
<i>IV. Expenses:</i>			
Employee Benefits Expenses	16	3640025	3620987
Adminstration expenses	17	19222210	17054260
Financial Cost	18	3682658	3606504
Depreciation	4	417079	393071
Contingent Provision on Std Assets		187015	191600
<b>Total Expenses</b>		<b>27148987</b>	<b>24866422</b>
V. Profit before tax (III - IV)		9218833	7959556
VI. Exceptional Items (Profit after adjusting loss on sale of fixed asset)		0	0
VII. Profit before extraordinary items and tax (V - VI)		9218833	7959556
VIII. Extraordinary Items (prior period expenses)		25000	0
<b>IX. Profit before tax (VII - VIII)</b>		<b>9193833</b>	<b>7959556</b>
X. Tax expense:			
(1) Current tax		2776008	2640000
(2) Deferred tax		0	0
XI. Profit(Loss) for the Year (IX - X)		6417825	5319556
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discounting operations		0	0
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		0	0
<b>XV. Profit/(Loss) for the year (XII + XIV)</b>		<b>6417825</b>	<b>5319556</b>
XVI. Earning per equity share:			
(1) Basic		1.97	1.63
(2) Diluted			
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 23		

As per our Report of Even Date  
For, **Deepak R. Soni & Co.**  
Chartered Accountants

D.R.Soni  
Sole Proprietor  
Place : Himatnagar  
Date : 27.05.2013

**(S.N. PARIKH)**  
Company Secretaries

For and on behalf of the Board Directors  
**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**H. D. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**N. C. Soni** *Director*

Place : Himatnagar  
Date : 25.05.2013



**Notes: 1.. SIGNIFICANT ACCOUNTING POLICIES**

**I. Basis of Accounting:**

The Financial Statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

**II. Income and Expenditure:**

Revenue/Income and cost/expenditure are generally accounted on accrual as and when they are earned or incurred except in case of uncertainties.

**III. Tangible Assets & Depreciation:**

Fixed Assets are stated at cost less accumulated depreciation.

Company has provided depreciation on fixed assets at the rates specified in schedule XIV of the Companies Act on pro-rata basis.

**IV. Investments:**

Investments are stated at cost. Dividends/Interests are accounted for when received and provision for reduction/surplus is made in Accounts on realization.

**V. Finance Transaction:**

Company is financing under various funding schemes. Processing charge and late payment fees are credited on receipt basis.

The monthly installments are bifurcated in two parts. One part being principle is credited to respective borrower account and second part being interest calculated at stipulated rate on declining balance of said account credited to interest account further at the end of the year if some EMIS are due provision for interest receivable on said installment is made in the Accounts.

Finally at the year end the outstanding balance of all borrowers Accounts is shown as balance under the head loans and advances.



**VI. Provision for Income-tax & Deferred Tax**

Provision for Income Tax is made after considering deductions and exemptions available at the rates applicable under the Income tax Act, 1961.

The depreciation difference on the assets being negligible, no provision of Deferred Tax is made in earlier years and also during the year under audit, as required by AS 22.

**VII. Employee Benefits:**

The Company has been advised that the payment of bonus Act, 1965 and the payment of gratuity Act, 1972 are not applicable.

**VIII. Segment Reporting: (AS-17)**

Based on the guiding principle given in Accounting standard on 'Segment Reporting' (AS-17) issued by the ICAI, the Company's primary business is of providing finance mainly for auto vehicles which mainly have similar risk and returns, hence, in our opinion, there is no separatable segment.

**IX.** During the year under audit, company has seized /repossessed the assets of the borrowers in default. The entries of profit (if any) is made on sale which is credited to other income and the entries of loss (if any) is made on sale which is debited to Bad Debts./ Loss on sale of repossessed assets. Further the assets which are not sold they are shown as repossessed assets at outstanding balance of respective borrower's account.

As per our report of even date.  
**For Deepak R. Soni & Co.,**  
Chartered Accountants.

Company Secretary  
(S.N.Parikh)

For and on behalf of the Board  
**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**H. D. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**N. C. Soni** *Director*

**(D.R.Soni)**  
Sole Proprietor

Place : Himatnagar  
Dated:- 25.05.2013

Place :- Himatnagar  
Dated:- 27.05.2013

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31.03.2013	As at 31.03.2012
<b>Notes : 2 .. Share Capital</b>		
<b>a</b> <i>Authorised Share Capital:</i>		
37,50,000 Equity shares of Rs. 10/- each	37500000	37500000
<b>b</b> <i>Issued, Subscribed and Fully Paid up Share Capital:</i>		
32,62,000 Equity shares of Rs. 10/- each	32620000	32620000
<b>c</b> <i>Par Value per Share</i>	Rs. 10	10
<b>d</b> Number of equity shares at the beginning of the year	3262000	3262000
Add: Rights issue	0	0
Bonus issue	0	0
Less: Buy back	0	0
Number of equity shares at the end of the year	3262000	3262000
<b>e</b> <i>Number of shares held by share holders more 5% of total shares</i>		
Dilipkumar Nalinkant Gandhi	263368	263368
Nipurnaben Nalinkant Gandhi	200000	200000
Pallaviben Dilipkumar Gandhi	180000	180000
<b>Notes 3 .. Reserves and Surplus</b>		
<b>A</b> <u>General Reserve</u>		
Opening Balance	20470876	16470876
Add: Transfer from Profit & Loss Account	5000000	4000000
Closing balance	25470876	20470876
<b>B</b> <u>Statutory Reserve (U/s 45 IC of RBI Act)</u>		
Opening Balance	7833426	6768426
Add: Transfer from Profit & Loss Account	1284000	1065000
Closing balance	9117426	7833426
<b>C</b> <u>Surplus from Profit &amp; Loss account</u>		
Openning balance	697087	442531
Add: Current year surplus	6417825	5319556
Less: Transfer to general reserve	5000000	4000000
Less: Transfer to Compulsory Reserve	1284000	106500
Less: Dividend Tax Provisions	0	0
Closing balance	830912	697087
<b>D</b> <u>Contingent Provision on Std Assets</u>		
Opening Balance	393200	201600
Add: Transfer from Profit & Loss Account	187015	191600
Closing balance	580215	393200
	35999429	29394589

**Additional Disclosure**

- i As required by Section 45 IC of Reserve bank of India Act, 1934, Company has appropriated 20% of its Profits to Special Reserve Accounts
- ii As per RBI's Direction, all NBFCs are required to make necessary provisions for non performing assets. Accordingly Company has make a provision of 0.25% of its outstanding HP Advance.  
[DNBS.PD.CC.No.207/03.02.002/2010-11 dated 17.01.2011]



## Notes : 7 .. Fixed Assets

Tangible asset	Gross Value				Depreciation				Closing balance	
	Opening Balance	Additions	Deletions	Total	Opening Balance	Additions	Deletions	Total	31-03-13	31-03-12
a Office Building	381500	0	0	381500	102245	6226	0	108471	273029	279255
b Office Equipments	2087050	361796	0	2448846	1433443	175815	0	1609258	839588	653607
c Vehicles	2910830	0	0	2910830	1634485	139685	0	1774170	1136660	1276345
d Furniture & Fixtures	1221455	101180	0	1322635	655199	78384	0	733583	589052	566256
e Air Conditioner	233660	0	0	233660	177939	16969	0	194908	35464	55721
<b>Total</b>	<b>6834495</b>	<b>462976</b>	<b>0</b>	<b>7297471</b>	<b>4003311</b>	<b>417079</b>	<b>0</b>	<b>4420390</b>	<b>2873793</b>	<b>2831184</b>
Figures for the previous year	6364150	470345	0	6834495	3610240	393071	0	4003311	2831184	2753910



	As at		As at	
	31.03.2013		31.03.2012	
<b>Notes : 10 .. Current Investment</b>				
Investment in Government Securities for SLR	4220972		5176674	
As per RBI Norms, Company Has to Invest 15% of its Public Deposits in Specified Securities for SLR. Our Company has made investmnet in following Governement Securities which is in excess of required 15%. Hence as per requirement of Revised Schedule VI we have classified 15% of Public Deposits in Current Assets and excess investment in Non Current Assets				
<b>Unquoted, at Cost</b>				
Investment in GOI 2023	2115000		2115000	
Investment in GOI 20-12	1958000		2164000	
Bank of India FIX A/c	2695098		2459451	
<b>Notes : 11 .. Inventories</b> (as taken and valued at cost by Director)				
Sp. Adhesive Stamp	510390		456490	
Dead Stock	3288		0	
Stationery Stock	300000		300000	
		<b>813678</b>		<b>756490</b>
<b>Notes : 12 .. Trade Receivables</b>				
<b>Secured, considered good</b>				
H P Accounts	74805534		76659279	
Interest Receivables on HP	413125		314795	
Gujarat Motors, Meghraj	351802		0	
		<b>75570461</b>		<b>76974074</b>
<b>Notes : 13 .. Cash &amp; Bank Balances</b>				
<b>A Cash and cash equivalent</b>				
<b>a Balance with banks</b>				
Axis Bank Collection A/c	102615.35		1463365.19	
Axis Bank OD A/c	27145.00		27145.00	
Axis Bank Payment A/c	115361.20		835722.18	
Bank of Baroda CBS 0495	130025.80		174083.80	
Bank of India, Himatnagar	348809.33		170431.00	
Dena Bank, Himatnagar	664299.00		63256.00	
HDFC Bank, Himatnagar	160246.56		670857.20	
Himatnagar Nagarik Sahakari Bank	2738821.11		7793040.11	
Himatnagar Nagrik Sahakari				
Bank Realisation	-255375.00		-119300.00	
ICICI Bank 1652	4960000.48		0.00	
IDBI Bank, A/c No. 028	45239.10		64751.10	
IDBI Bank, A/c No. 4558	2483152.99		195895.00	
IDBI Realisation	-1070911.00		-46255.00	
S K Dist Central Coop. Bank Ltd	10234.00		10029.00	
State Bank of India	0.00		25305.44	
Himatnagar Nagrik Sahakari Bank OD 319	74288.96		0.00	
<b>b Cash on Hand</b>	<b>386559.08</b>	<b>10920512</b>	<b>439168.98</b>	<b>11767495</b>



	As at		As at	
	31.03.2013		31.03.2012	
c Other Bank Balance				
in Deposit account				
Axis Bank FD A/c	1318743.00		1214109.00	
HDFC, HMT FIX A/c	2619221.42		2412468.52	
Himatnagar Nagrik Sahakari Bank	3000000.00		3000000.00	
IDBI FD A/c	500000.00	7437964	500000.00	7126578
		<b>18358476</b>		<b>18894073</b>
<b>Additional information</b>				
a OD has been Taken against security of Fixed Deposits of Himatnagar Nagrik Sahakari Bank Ltd.				
<b>Notes : 14 .. Other Current Assets</b>				
TDS Receivables	63769.55		76648	
Electric Deposit	12489.00			
Advance Tax	2472000.00		2008500	
Advance Subscription	16013.00		15626	
Advance Insurance	13039.00		16229	
		<b>2577311</b>		<b>2117003</b>
<b>Notes : 15 .. Revenue from Operations</b>				
Interest Income	26138323.09		23383326	
Interest Receivables on HP	413125.00		314795	
Late Fee Charges	7460324.00	<b>34011772</b>	6744280	<b>30442400</b>
<b>Notes : 16 .. Other income</b>				
Interest on FDs	840231		810026	
Cheque Return Charges	16165.00		32102	
Insurance Commission	0.00		201530	
Advocate Exp Recovered	1005730.00		1065920	
Interest From Govt Securities	263075.00		274000	
Interest (Booking)	48395.00		0.00	
Excess provision Written Back	182452.00	<b>2356048</b>	0.00	<b>2383578</b>
<b>Notes : 17 .. Salary &amp; Wages</b>				
Salary & Conveyance	1140000		1445000	
Staff Welfare Exp	200025		195987	
Director Remuneration	2300000	<b>3640025</b>	1980000	<b>3620987</b>
<b>Notes : 18 .. Administrative &amp; Other Expenses</b>				
Advertisement Exp	238080.00		246430	
Audit Fees Exp	57000.00		57000	
Bad Debts Exp	9534.39		64554	
Bank Commission & Charges	212023.41		217401	
Books, Periodicals & Subscription	53821.00		7385	
Demate Exp	41572.00		40811	
Electricity Exp	142688.00		127527	
Godown Rent Exp	100000.00		100000	
Income-tax Exp	0.00		21260	
IT Provision Directly dr in P & L	0.00		174	



	As at		As at	
	31.03.2013		31.03.2012	
<u>Legal &amp; Professional Fees</u>				
Advocate Fees Expenses	2102700.00		1685200	
Professional Fees	26050.00		8000	
ROC Return Filing Fees	3000.00		3000	
Loss on Sale of Investment	164000.00		0	
Loss on Sale of Vehicles	0.00		62574	
<u>Misc. Expenditure</u>				
Annual General Meeting Exp	38000.00		21300	
Computer Consulatating	1600.00		0	
General Exp	28053.00		31070	
Office Rent	420000.00		420000	
Professional Tax	1000.00		1000	
Refreshment Exp	588658.00		535995	
Repairs & Maintenance	45593.00		119058	
Seizing & Collection Expenses	9582487.00		8045591	
Sp Adhesive Stamp Exp	995100.00		1024900	
Stationary, Printing & Postage	3109494.90		3110047	
Stock Exchange Listing Fees	37220.00		36537	
Telephone Exp	186372.25		111773	
Travelling & Conveyance	764600.00		781900	
Comission Expenses	2631.95		0	
Vehicle Exp.	269976.00		173772	
Excess provision Written Off	955.00		0	
		<u><b>19222210</b></u>		<u><b>17054260</b></u>
<b>Notes : 19 .. Financial Cost</b>				
Interest on Public Deposits	2923798.00		2911326	
Interest on Inter Corporate Advances	757390.00		685255	
Interest on Bank OD	<u>1470.00</u>	<b>3682658</b>	<u>9923</u>	<b>3606504</b>
<b>Notes : 20 .. Remuneration to Auditors</b>				
As Auditors		20000		18000
In other Capacity		12000		12000
<b>Notes : 21 .. Earnings per Share</b>				
i	Net Profit after tax as per Statement of Profit & Loss attributable to Equity Share Holder (A)	6417825		5319556
ii	Basic No. of Equity Shares (B)	3262000		3262000
iii	Basic Earnings per Shares (A/B)	1.97		1.63
iv	Face Value Per Equity Shares	10		10



	As at	As at
	31.03.2013	31.03.2012

**Notes : 22 .. Related Party Disclosures****A List of Related Parties where control exists and related parties with whom transactions have taken place and relationship**

Sr. No.	Name of the Related Party	Relationship
i	Nalin Consultancy Services Ltd	Associates
ii	Nalin Services Ltd	Associates
iii	Dilipkumar Nalinkant Gandhi	Key Management Personnel
iv	Pallaviben Dilipkumar Gandhi	Key Management Personnel
v	Harsh Dilipkumar Gandhi	Key Management Personnel
vi	Nipurnaben Nalinkant Gandhi	Relative

**B Transactions During the year with related parties**

Sr. No.	Name of the Related Party	Nature of Transaction	Associates	Key Mgt Personnel
i	Nalin Consultancy Services Ltd	Loan Taken	6391392	0
		Interest	692208	0
ii	Nalin Services Ltd	Loan Taken	601848	0
		Interest	65182	0
iii	Dilipkumar Nalinkant Gandhi	Director Remuneration	0	1060000
		Office Rent	0	210000
iv	Pallaviben Dilipkumar Gandhi	Director Remuneration	0	640000
v	Harsh Dilipkumar Gandhi	Director Remuneration	0	600000
vi	Nipurnaben Nalinkant Gandhi	Office Rent	0	210000



**Notes: 23 .. Other Notes on Accounts**

1. In the opinion of the board the current assets, loans and advances are having value at least equal to the amount at which they are stated if realized in the ordinary course of business. Further provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary and no personal expenses have been charged to revenue accounts.
2. Outstanding Debit \ Credit Balances are Subject to Confirmations from the Parties.
3. We have verified the vouchers and documentary evidences wherever made available. Where no documentary evidences were available, we relied on the information/authentication given by the management.
4. Company is registered as NBFC with RBI and mainly engaged in the business of financing against two wheelers. The said advance is generally recoverable in 36 monthly installments. As the advance is realizable in 36 months, the operating cycle, is considered of 36 months (3 years) for classification of current / non current assets and liabilities as required under Revised Schedule VI for the Balance sheet as at 31.03.2013.
5. Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

Additional information pursuant to para 3, 4C, and 4D, of part II of schedule VI of Companies Act, 1956 are not applicable in the case of the Company.

As per our report of even date  
**For Deepak R. Soni & Co.,**  
Chartered Accountants..

**(D.R.Soni)**  
Sole Proprietor

Place :- Himatnagar  
Dated:- 27.05.2013

Company Secretary  
(S.N.Parikh)

(Directors)

**N. D. Shah** *Chairman*  
**D. N. Gandhi** *Managing Director*  
**H. D. Gandhi** *Director*  
**P. D. Gandhi** *Director*  
**N. C. Soni** *Director*

Place :- Himatnagar  
Dated:- 25.05.2013



## NALIN LEASE FINANCE LIMITED, HIMATNAGAR

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Pursuant to the Listing Agreement with Stock Exchange)

## A. CASH FLOW FROM OPERATING ACTIVITIES :-

		2011-2012		2012-2013
Net Profit Before Tax		79.60		91.94
Adjustment for :				
Depreciation	3.93		4.17	
Taxation Provision & FBT	-26.40		-27.76	
Contingent provision against standard assets	1.92		1.87	
Loss on sale of asset	0.00	-20.55	0	-21.72
Operating Profit before working capital changes		59.05		70.22
Adjustment for:				
Trade & Other receivables	41.96		1.76	
Trade payables & Provisions	5.25	47.21	18.43	20.19
Net Cash used in operating activities		106.26		90.41
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	-4.70		-4.63	
Increase / Decrease in Investment	-4.58		-9.85	
Net cash used in Investing Activities		-9.28		-14.48
		96.98		75.93
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Total proceeds from Borrowings		+3.69		-81.29
Net cash used in Financing Activities		100.65		-5.36
NET INCREASE IN CASH & CASH EQUIVALENTS		100.65		5.36
CASH & CASH EQUIVALENTS AS AT 1.4.2012 (Opening Balance)		88.29		188.94
CASH & CASH EQUIVALENTS AS AT 31.03.2013 (Closing Balance)		188.94		123.53

As per our report of even date.  
**For Deepak R. Soni & Co.,**  
Chartered Accountants.

**(D.R.Soni)**  
Sole Proprietor

Place :- Himatnagar  
Dated:- 27.05.2013

Company Secretary      For and on behalf of the Board  
(S.N.Parikh)

**N. D. Shah**      *Chairman*  
**D. N. Gandhi**      *Managing Director*  
**H. D. Gandhi**      *Director*  
**P. D. Gandhi**      *Director*  
**N. C. Soni**      *Director*

Place : Himatnagar  
Dated:- 25.05.2013



**AUDITORS CERTIFICATE**

We have verified the above Cash Flow Statement with the books and records maintained by Nalin Lease Finance Limited and found the same in agreement therewith.

Himmatnagar

Dated: - 27.05.2013

**For Deepak R. Soni & Co.,**

Chartered Accountants

**(D.R.Soni)**

Sole Proprietor





<p>2. Quoted :</p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds</p> <p>(iii) Units of Mutual Funds</p> <p>(iv) Government Securities</p> <p>(v) Others (Please specify)</p> <p><u>Long Term Investments :</u></p> <p>1. Quoted :</p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds</p> <p>(iii) Units of Mutual Funds</p> <p>(iv) Government Securities</p> <p>(v) Others (Please specify)</p> <p>2. Quoted :</p> <p>(i) Shares : (a) Equity (b) Preference</p> <p>(ii) Debentures and Bonds</p> <p>(iii) Units of Mutual Funds</p> <p>(iv) Government Securities</p> <p>(v) Others (Please specify) = BANK FDR</p>	<p>4073000</p> <p>2695098</p>
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**(6) Borrower group wise classification of all leased assets, stock on hire and advances : Please see Note 2 below**

Category	Amount net of provision		
	Secured	Unsecured	Total
1. Related Parties **			
(a) Subsidiaries			
(b) Companies in the same group			
(c) Other related parties			
2. Other than related parties		74805534	94805534
Total		74805534	74805534

**(7) Investor group wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below**

Category	Market Value / Break up of fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **		
(a) Subsidiaries		
(b) Companies in the same group		
(c) Other related parties		
2. Other than related parties	6768098	6768098
Total	6768098	6768098



<b>(8) Other Information</b>		
	<b>Particulars</b>	<b>Amount</b>
	(i) Gross Non Performing Assets	
	(a) Related Parties	0.00
	(b) Other than Related Parties	0.00
	(ii) Net Non Performing Assets	
	(a) Related Parties	0.00
	(b) Other than Related Parties	
	(iii) Assets acquired in satisfaction of debt	0.00

**Notes :**

1. as defined in Paragraph 2(1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
2. Provisioning norma shall be application as prescribed the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998
3. All accounting standards and Guidance Notes issued by ICAI are application including for valuation of investments and othe assets as also assets acquired in satisfaction of debt. However market value in respect of uoted investments and break up / fair value / NAV in respect of unquoted investments shoud be disclosed irrespective of whether they are classified as long term of current in column (5) above.



	<b>NALIN LEASE FINANCE LIMITED</b>	
	Regd. Off. Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar - 383 001	
<b>A T T E N D A N C E S L I P</b>		
<b>(To be handed over, duly filled in, at the entrance of the Meeting Place)</b>		
Name of the attending Member / Proxy (in block letters) :		
Member's Folio No. :		
No. of Shares held :		
I hereby record by presence at the 22 <sup>nd</sup> ANNUAL GENERAL MEETING of the Company to be held at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar - 383 001 on Monday 15 <sup>th</sup> July 2013 at 11-00 A.M.		
Place : Himatnagar	_____ Member's / Proxy's Signature	

	<b>NALIN LEASE FINANCE LIMITED</b>	
	Regd. Off. Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar - 383 001	
<b>P R O X Y F O R M</b>		
DP ID*	Client ID*	Regd. Folion No.
I/We _____		
of _____ being a member/members of the abobe named Company		
hereby appoint _____ of		
failing him _____ of		
_____ as my / our proxy to vote for me / us and on my / our behalf at the 22 <sup>nd</sup> ANNUAL GENERAL MEETING of		
the Company at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar - 383 001 on Monday		
15 <sup>th</sup> July 2013 at 11-00 A.M. Signed this _____ day of _____		
<b>Notes :</b>		
1. The form should be signed across the stamp as per the specimen signature regis- tered with the company.		
2. This proxy must be deposited at the Registered Office of the Company at Ground Floor, Gandhi Nursing Home Bldg., Dr. Nalinkant Gandhi Road, Himatnagar-383 001 not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.		
* Applicable for members holding shares in electronic form.		
		Revenue Stamp

**22<sup>nd</sup> ANNUAL GENERAL MEETING**

Day : Monday  
Date : 15<sup>th</sup> July, 2013  
Time : 11-00 A.M.  
Venue : Ground Floor,  
Gandhi Nursing Home Bldg.,  
Dr. Nalinkant Gandhi Road,  
HIMATNAGAR - 383 001.

**BOARD OF DIRECTORS**

Mr. Narendrakumar Dalsukhdas Shah Chairman  
Mr. Dilipkumar Nalinkant Gandhi Managing  
Director  
Mr. Harsh Dilipkumar Gandhi Director  
Mrs. Pallaviben Dilipkumar Gandhi Director  
Mr. Navinchandra C. Soni Director

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Balance Sheet	17
Profit & Loss Account	18
Accounting Policies & Notes on Account	22

**COMPANY SECRETARY**

**Mrs. Swatiben Parikh**  
*Company Secretary*

**AUDITOR**

**M/s. Deepak R. Soni & Co.**  
*Chartered Accountants*  
Himatnagar - 383 001.  
Phone : 02772 242780

**NOTES :**

1. All Correspondence relating to Shares of the Company may please be addressed to be Company's Registered office.
2. Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
3. Members seeking further information about the Accounts and / or Operation of the Company, are requested to sent their queries to the Company at its Registered Office atleast TEN day before the date of the Meeting.

Bankers  
Bank of India  
Axis Bank Ltd.  
IDBI Bank Ltd.  
Himatnagar Nagrik Sahakari Bank Ltd.  
HDFC Bank Ltd.  
Dena Bank  
S. K. Dist. Cent. Co. Bank Ltd.  
Bank of Baroda

**REGISTERED OFFICE**

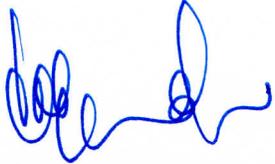
Ground Floor,  
Gandhi Nursing Home Bldg.,  
Dr. Nalinkant Gandhi Road,  
HIMATNAGAR - 383 001.  
Phone : 241264, 242264, Fax : 241264



# NALIN LEASE FINANCE LTD.

## FORM A (Clause 31 (a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchange

1.	Name of the Company	Nalin Lease Finance Ltd.
2.	Annual financial statement for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Non-Qualified
4.	Frequently of observation	N.A.
5.	To be signed by –	
	• CEO/MANAGING DIRECTOR	 ( Dilipkumar N.Gandhi )
	• CFO	The company does not have CFO.
	• Auditor of the company	For, Deepak R.Soni & Co. Chartered Accountants  D.R.Soni Sole Proprietor 
• Audit committee chairman	 ( Dilipkumar N.Gandhi )	

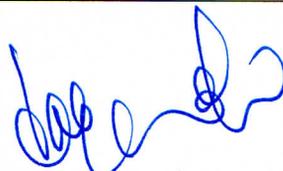
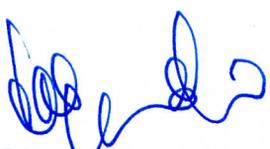


SM  
**NALIN LEASE FINANCE LTD.**

**FORM B**

(Clause 31 (a) of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the stock exchange

1.	Name of the Company	Nalin Lease Finance Ltd.
2.	Annual financial statement for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit qualification	Non-Qualified
4.	Frequently of qualification	N.A.
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the director report :	N.A.
6.	Additional comments from the board/audit committee chair :	N.A.
7.	To be signed by –	
	<ul style="list-style-type: none"> <li>CEO/MANAGING DIRECTOR</li> </ul>	 ( Dilipkumar N.Gandhi )
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	The company does not have CFO.
	<ul style="list-style-type: none"> <li>Auditor of the company</li> </ul>	For, Deepak R.Soni & Co. Chartered Accountants   D.R.Soni Sole Proprietor
	<ul style="list-style-type: none"> <li>Audit committee chairman</li> </ul>	 ( Dilipkumar N.Gandhi )