



NALIN LEASE FINANCE LIMITED

CIN : L65910GJ1990PLCO14516

Annexure V

REPORT OF THE AUDIT COMMITTEE OF NALIN LEASE FINANCE LIMITED

MEMBERS PRESENT IN THE MEETING HELD ON 26.09.2018 at 10.00 A.M.

- (a) Mr. Navinchandra C Soni (Chairman of the Audit Committee);
- (b) Mr. Dilipkumar N Gandhi;
- (c) Mr. Narendrakumar D Shah.

1. Background

The Company has placed before the Audit Committee the draft Scheme of Amalgamation ('the Scheme) of Ameer Finance Limited ('AFL'), Gandhi Shroff Services Private Limited ('GSSPL'), Nalin Services Limited ('NSL') and Nalin Consultancy Services Limited ('NCSL') with Nalin Lease Finance Limited ('the Company' or 'NLFL') for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 ('Circular').

This report is made in order to comply with the requirements of the Circular after considering the "Draft Scheme of Amalgamation."

2. The Audit Committee has noted that:

The Salient features of the draft Scheme are as under:

- a. The Scheme provides for merger of **AFL, GSSPL, NSL** and **NCSL** into the Company.
- b. The accounting treatment to be followed for the proposed merger of **AFL, GSSPL, NSL** and **NCSL** into the Company as per accounting standard 14 issued by ICAI.
- c. The draft scheme provides for transfer and vesting of the entire undertaking of **AFL, GSSPL, NSL** and **NCSL** with its assets and Liabilities to the Company as a going concern.
- d. Proposed Appointed Date for the amalgamation will be April 01, 2018.
- e. The Audit Committee approved and recommended the fact that the shares of the Transferee Company will be issued and allotted pursuant to the proposed Scheme in following manner:-
 - I. 5 Equity Shares of Rs.10/- each credited as fully Paid up of the Transferee Company i.e. NLFL shall be issued and allotted at par against 7 Equity Shares of Rs. 10/-each to the Equity Shareholders of the First Transferor Company (AFL).
 - II. 29 Equity Shares of Rs.10/- each credited as fully Paid up of the Transferee Company i.e. NLFL shall be issued and allotted at par against 4 Equity Shares of





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Rs. 100/-each to the Equity Shareholders of the Second Transferor Company GSSPL).

- III. 50 Equity Shares of Rs.10/- each credited as fully Paid up of the Transferee Company i.e. NLFL shall be issued and allotted at par against 13 Equity Shares of Rs. 10/-each to the Equity Shareholders of the Third Transferor Company (NSL).
 - IV. 18 Equity Shares of Rs.10/- each credited as fully Paid up of the Transferee Company i.e. NLFL shall be issued and allotted at par against 4 Equity Shares of Rs. 10/-each to the Equity Shareholders of the Fourth Transferor Company (NCSL).
- f. In any case, the entire equity shareholding of the AFL, GSSPL, NSL and NCSL is held by NLFL, the Transferee Company and therefore as an internal group restructuring, it does not adversely affect the stakeholders and creditors of the Transferee Company and the Transferor Companies.

3. Recommendations of the Audit Committee

The Audit Committee recommends the draft Scheme; inter-alia taking into consideration THE issuance of shares, consequently valuation process is required for favorable consideration by the Board of Directors of the Company, Stock Exchange(s) and SEBI.

Navinchandra C Soni
Chairman of Audit Committee



Nalin Lease Finance Limited

Date: 26.09.2018

Place: HIMATNAGAR.