



# **PAL CREDIT & CAPITAL LIMITED**

## **REGISTERED OFFICE**

Amarsons Bhavan, 3rd Floor, Shri Vile Parle, K. V. O. Seva Samaj,  
68, Misquitta Street, Vile Parle (East), Mumbai 400 057  
Tel No : 2612 6875, Fax No : 2612 6875  
Email : [investors@palcc.co.in](mailto:investors@palcc.co.in), Website : [www.palcc.co.in](http://www.palcc.co.in)  
CIN NO: L51010MH1962PLC012287

## **NOTICE**

**52<sup>nd</sup>  
AGM  
2013-2014**

**Note : Annual Report & Accounts for the year 2013-14 are  
being posted separately as per Companies Act, 2013**



## NOTICE

**NOTICE** is hereby given that 52nd Annual General Meeting of PAL Credit & Capital Limited will be held at M. C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai 400 001 on Friday 19th September, 2014 at 2.30 P.M. to transact the following business:

### AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2014 and the Audited Balance Sheet as at that date and the Report of the Auditors and of the Directors thereon.
2. To appoint a Director in place of Shri M. D. Adhikari (DIN No. 00246033) who retires by rotation and is eligible for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s M. B. Agrawal & Company, Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus service tax plus out of pocket expenses as may be determined by the Board of Directors and recommended by Audit Committee of the Board".

### AS SPECIAL BUSINESS

4. **Appointment of Shri Jayesh Dadia (DIN No 00053633) as a Director**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri Jayesh Dadia (DIN 00053633), who was appointed as an additional director of the Company by the Board of Directors and who holds office up to the date of Annual General Meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director, under the provision of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation".

5. **Appointment of Shri K. D. Mankikar (DIN No 02950189) as an Independent Director**

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 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, read with Schedule IV to the Act and Clause 49 of the Listing Agreement (s), (including any statutory modification(s) or re-enactment thereof, for the

time being in force) Shri K. D. Mankikar (DIN No 02950189), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation".

6. **Appointment of Shri Jatin D. Jhaveri (DIN No 06878957 ) as an Independent Director**

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 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules made there under, as amended from time to time, read with Schedule IV to the Act and Clause 49 of the Listing Agreement (s), (including any statutory modification(s) or re-enactment thereof, for the time being in force) Shri Jatin D. Jhaveri (DIN No 06878957), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from the date of this meeting and that he shall not be liable to retire by rotation".

### 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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of Companies, societies, partnership firms, etc must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item No. 4, 5 and 6 above is annexed hereto.
4. Process and manner for members opting for e-voting are as under:



I. In compliance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, facility to exercise their right to vote at the 52nd Annual General Meeting by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

In case of members receiving Notice of AGM through e-mail (for members whose email IDs are registered with the Company/ Depository Participant (s)):

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Click on "Shareholders" tab.
- iii. Now, select "PAL Credit & Capital Limited" from the drop down menu and click on "SUBMIT".
- iv. Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Clients ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (applicable for both demat shareholder as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100, then enter RA00000100 in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members, holding shares in physical form, will then reach directly the company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the company Name '**PAL Credit & Capital Limited**' on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify vote.
- xvi. You can also take print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to [www.evotingindia.co.in](http://www.evotingindia.co.in) and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xix. In case of members receiving the physical copy of Notice Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.



- xx. The voting period begins on 13th September, 2014 at 9 a.m. and ends on 15th September, 2014 at 6 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 of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. 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 of 8th August, 2014.
- III. A copy of this Notice has been placed on the website of Company and Website of CDSL.
- IV. Mr. N. L. Bhatia, Practicing Company Secretary (Certificate of Practice Number 442) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.
- VI. The results shall be declared at or after Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.palcc.co.in](http://www.palcc.co.in) and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.
5. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.
6. If joint holders are attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and Share Transfer Books of the Company will be closed from 9th September, 2014 to 19th September, 2014 (Both days inclusive).
8. Members are requested to notify the change in their address to the Company and always quote their Folio Numbers or DP ID and Client ID Numbers in all correspondence with the Company. In respect of holding in electronic form, Members are requested to notify any change of address to their respective Depository Participants.
9. Any query relating to Accounts must be sent to the Company's Registered Office at least three days before the date of the meeting.
10. With a view to serve the Members better and for administrative convenience, an attempt has been made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
11. Members who still hold shares certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity (since trading is permitted in dematerialized form only), electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
12. As per SEBI Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009 for transfer of shares in physical form, a copy of PAN number is compulsorily required to be furnished.
13. **Pursuant to Circular No 17/95/2011 CL-V, dated 21-04- 2011, issued by the Ministry of Corporate Affairs, Government of India as a part of Green initiative in Corporate Governance, the companies have been permitted to send notices/documents to the members through email.**
- Accordingly, the company proposes to send notices/ documents like the Annual Report in electronic form to the members who would register their email address with the depositories, The Registrar and Share Transfer Agent or the Company.**
- Members are requested to register their email addresses by sending their details to the Registrar and Share Transfer Agents, M/s Link Intime India Private Limited, C/13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078, Tel: 25946970, Fax : 25946969, Email- [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to the Company at PAL Credit & Capital Limited, Amarsons Bhavan, 3rd Floor, Shri Vile Parle K.V.O. Seva Samaj, 68, Misquitta Street, Vile Parle (East), Mumbai 400 057, Tel/Fax: 26126875 Email: [investors@palcc.co.in](mailto:investors@palcc.co.in).**
14. Nomination Facility
- As per Section 72 of Companies Act, 2013 facility for making nomination is available for the Members in respect of the Shares held by them. Nomination form can be obtained from the Company's Share Registrar and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination form from their respective Depository participant.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in physical form are requested to submit their PAN details to the company or its Share Registrar and Transfer Agents.



16. Members holding shares in physical form and who have not registered their email IDs are requested to register their email IDs with the Company's Share Registrar and Transfer Agents.

By The Order of the Board  
PAL Credit & Capital Limited

**Kavita A. Javheri**  
Company Secretary

Place : Mumbai  
Dated: 13th August, 2014

## REGISTERED OFFICE

### **PAL Credit & Capital Limited**

Amarsons Bhavan, 3rd Floor,  
Shri Vile Parle, K. V. O. Seva Samaj,  
68, Misquitta Street,  
Vile Parle ( East), Mumbai 400 057  
Tel No : 2612 6875  
Fax No : 2612 6875  
Email : investors@palcc.co.in  
Website : www.palcc.co.in  
CIN NO : L51010MH1962PLC012287

## **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

Pursuant to Section 102 of the Companies Act, 2013 ("the Act") the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 to 6 of the accompanying Notice dated 13th August, 2014.

### **Item No. 4:**

Shri Jayesh Dadia is appointed as an additional Director of the Company by the Board of Directors on 16th December, 2013. According to the provisions of Section 260 of the Companies Act, 1956 read with Article 161 of the Articles of Association of the Company, Shri Jayesh Dadia holds office as Director only up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Jayesh Dadia for the office of Director of the Company.

Shri Jayesh Dadia is 58 years of age. He is B. Com and Fellow Chartered Accountant and has more than 30 years of experience in Accounting, Taxation and Audit. He is Chairman of Investor's & Shareholder's Grievance Redressal Committee of the Board of Directors and a member of Audit & Remuneration Committees. He is a Director of Walkwater Consultants Pvt. Ltd., Tooltech Global Engineering Pvt Ltd. and PPFAS Trustee Company Pvt. Ltd.

Shri Jayesh Dadia is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Board is of the opinion that his appointment would be of immense benefit to the Company and accordingly, recommends his appointment as a Director of the Company to the Members.

Shri Jayesh Dadia is interested and concerned in the Resolution mentioned at the Item No 4 of the Notice.

Shri M. Sudalaikannu, Manager under Section 269 of the Companies Act, 1956 and his son together holding 61,185 shares in the Company. He is not in any manner interested in the proposed resolution except to the extent of his shareholding in the Company.

No other Director, Company Secretary or their respective relatives are concerned or interested in the Resolution mentioned at the Item No 4 of the Notice.

### **Item No. 5**

Shri K. D. Mankikar has been a Non Executive Director of the Company since 31st October, 2009 and was considered as an Independent Director for the purpose of Clause 49 of the Listing Agreement.

Shri K. D. Mankikar is 69 years of age. He has post Graduate Diploma in Management from IIM, Kolkatta, B. A. (Eco) and has more than 42 years of experience in Management, systems, accounting and control and Corporate Affairs. He is the Chairman of Remuneration Committee. He is the member of Audit Committee and Investors' & Shareholders' Grievance Redressal Committee of the Board of Directors. He is Director of Microsan Computers Private Limited.

His term is due for retire by rotation in this meeting as per Section 256 of the Companies Act 1956, but as per the said Section 149 of Companies Act, 2013, as independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be liable to retire by rotation.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri K. D. Mankikar for the office of Director of the Company.

The Company has received a declaration from Shri K. D. Mankikar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri K. D. Mankikar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri K. D. Mankikar is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri K. D. Mankikar as an Independent Director is now being placed before the Members in General Meeting for their approval.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri K. D. Mankikar is appointed as independent Director.

The draft letter of appointment, setting out the terms and conditions of appointment of Shri K. D. Mankikar, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the registered office of the Company by any Member during the normal business hours on any working day of the Company.

Shri K. D. Mankikar is interested and concerned in the Resolution mentioned at the Item No 5 of the Notice.

Shri M. Sudalaikannu, Manager under Section 269 of the Companies Act, 1956 and his son together holding 61,185 shares in the Company. He is not in any manner interested in the proposed resolution except to the extent of his shareholding in the Company.



No other Director (except upto their shareholding), Company Secretary or their respective relatives are concerned or interested in the Resolution mentioned at the Item No 5 of the Notice.

The Board is of the opinion that his appointment would be of immense benefit to the Company and accordingly, commends the Ordinary Resolution set out at Item no. 5 of the Notice for approval by the shareholders.

## **Item No. 6**

Shri Jatin D. Jhaveri has been a Non Executive Director of the Company from 28th March, 2014 and was considered as an Independent Director for the purpose of Clause 49 of the Listing Agreement.

Shri Jatin D. Jhaveri is 47 years of age. He is B. Com and Fellow Chartered Accountant and having 24 years of experience in Accounts, Audit, and Income Tax. He is the Chairman of Audit Committee of the Board of Directors and a member of Remuneration Committee. He is not Director of any other company.

Shri Jatin D. Jhaveri was appointed in the place Shri P. S. More. Shri P. S. More's terms is due for retire by rotation in this meeting as per Section 256 of the Companies Act 1956, but as per the said Section 149, as independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be liable to retire by rotation.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Jatin D. Jhaveri for the office of Director of the Company.

The Company has received a declaration from Shri Jatin D. Jhaveri that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri Jatin D. Jhaveri fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri Jatin D. Jhaveri is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Jatin D. Jhaveri as an Independent Director is now being placed before the Members in General Meeting for their approval.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Jatin D. Jhaveri is appointed as an Independent Director.

The draft letter of appointment, setting out the terms and conditions of appointment of Shri Jatin D. Jhaveri, pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the registered office of the Company by any Member during the normal business hours on any working day of the Company.

Shri Jatin D. Jhaveri is interested and concerned in the Resolution mentioned at the Item No 6 of the Notice.

Shri M. Sudalaikannu, Manager under Section 269 of the Companies Act, 1956 and his son together holding 61,185 shares in the Company. He is not in any manner interested in the proposed resolution except to the extent of his shareholding in the Company.

No other Director (except upto their shareholding), Company Secretary or their respective relatives are concerned or interested in the Resolution mentioned at the Item No 6 of the Notice.

The Board is of the opinion that his appointment would be of immense benefit to the Company and accordingly, commends the Ordinary Resolution set out at Item no.6 of the Notice for approval by the shareholders.

By The Order of the Board  
**PAL Credit & Capital Limited**

**Kavita A. Javheri**  
Company Secretary

Place : Mumbai  
Dated: 13th August, 2014

## **REGISTERED OFFICE**

**PAL Credit & Capital Limited**  
Amarsons Bhavan, 3rd Floor,  
Shri Vile Parle, K. V. O. Seva Samaj,  
68, Misquitta Street,  
Vile Parle (East), Mumbai 400 057  
Tel No : 2612 6875  
Fax No : 2612 6875  
Email : investors@palcc.co.in  
Website : www.palcc.co.in  
CIN NO: L51010MH1962PLC012287



## PAL CREDIT & CAPITAL LIMITED

Amarsons Bhavan, 3rd Floor, Shri Vile Parle K.V.O. Seva Samaj, 68, Misquitta Street, Vile Parle (East), Mumbai 400 057

### ATTENDANCE SLIP

52nd ANNUAL GENERAL MEETING

Only Shareholders or the Proxies will be allowed to attend the meeting

DP ID*		Registered Folio No	
Client ID*		No. of Shares	

I/ We hereby record my/ our presence at the 52nd Annual General Meeting of the Company being held on 19th September, 2014 at 2.30 p.m. at M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufacturers' Association), Bhogilal Hargovindas Building, 4th floor, 18/20 Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.

Signature of the Shareholder (s) 1. .... 2. .... 3.....

Signature of Proxyholder.....

\* Applicable for investors holding shares in electronic form

Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(13) of the Companies (Management and Administration) Rules, 2014

CIN : L51010MH1962PLC012287  
 Name of the Company : PAL Credit & Capital Ltd.  
 Registered Office : Amarsons Bhavan, 3rd Floor, Shri Vile Parle K.V.O. Seva Samaj, 68, Misquitta Street, Vile Parle (East), Mumbai 400 057

Name of the Member/s	
Registered Address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I / We being the member/s of..... No. of Equity Shares of the above named Company, hereby appoint:

(1) Name..... Address.....

E-mail ID..... Signature.....Or failing him

(2) Name..... Address.....

E-mail ID..... Signature.....Or failing him

(3) Name..... Address.....

E-mail ID..... Signature.....Or failing him

**Prudent Arts & Fab Pvt. Ltd.**

OFFSET PRINTING PRESS

Tel.: 022-6111 9001/02



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company, to be held on Friday, 19th September, 2014 at 2.30 at M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufacturers' Association), Bhogilal Hargovindas Building, 4th floor, 18/20 Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
1	To adopt the Audited Financial Statements including the statement of Profit & Loss for the year ended 31st March, 2014 and Balance Sheet as at that date, report of the Board of Directors and Auditors.		
2	Re-appointment of Shri M. D. Adhikari, who retires by rotation.		
3	Appointment of M/s M. B. Agrawal & Company, Chartered Accountants as Auditor		
4	Appointment of Shri Jayesh Dadia as a Director		
5	Appointment of Shri K. D. Mankikar as an Independent Director		
6	Appointment of Shri Jatin D. Jhaveri as an Independent Director		

Signed ..... day of ..... 2014

Signature of the Shareholder

.....

Signature of the Proxy holder/s

.....

Affix Revenue Stamp

Note:

- (1) The proxy in order to be effective should be duly stamped, completed and signed and deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.
- (2) For the Resolutions, Explanatory statement and Notes, please refer to the Notice of the 52nd Annual General Meeting
- \*(3) It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she think appropriate.
- (4) Please complete all details of member(s) in above box before submission.





# PAL CREDIT & CAPITAL LIMITED

52<sup>nd</sup>

Annual Report  
2013-2014



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## Highlights for the Ten Years

(Rs. in Lakhs)

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
<b>Total Income</b>	0.62	2.08	5.89	14.69	24.67	38.78	316.48	192.41	104.03	18.13
<b>Total Expenses</b>	39.84	28.50	44.80	32.41	53.05	37.11	337.64	257.49	49.78	38.94
<b>Earning before Depreciation &amp; Tax</b>	(39.22)	(26.42)	(38.91)	(17.72)	(28.38)	1.67	(21.16)	(65.08)	54.25	(20.81)
<b>Depreciation</b>	0.79	0.92	1.22	4.03	1.00	0.50	0.25	12.96	71.09	28.45
<b>Tax</b>	-	-	159.22 *	0.00	(0.01)	40.55 *	0.23	113.24 *	0.00	0.00
<b>Profit/(Loss)</b>	(40.01)	(27.34)	(199.35)	(21.75)	(29.37)	(39.38)	(21.64)	(191.28)	(16.84)	(49.26)
<b>Share Capital &amp; Free Reserves</b>	285.66	2997.10	2997.10	2997.10	2997.10	2997.10	2997.10	2997.09	2573.64	2573.64
<b>Cumulative Loss</b>	463.31	3134.74	3107.40	2908.05	2886.30	2856.93	2817.55	2795.91	2604.63	2587.79
<b>Net Worth</b>	(177.65)	(137.64)	(110.30)	89.05	110.80	140.17	179.55	201.18	(30.99)	(14.15)
<b>Borrowings</b>	186.16	154.00	101.57	0.00	0.00	0.40	1.12	368.59	850.58	940.14
<b>Net Assets</b>	8.51	16.36	(8.73)	89.05	110.80	140.57	180.67	569.77	819.59	925.99
<b>No. of Shares</b>	21600256	21600256	21600256	21600256	21600256	21600256	21600256	21600256	21600256	21600256
<b>No. of Shareholders</b>	13554	13601	13699	13827	14196	14621	14868	13751	13969	13912
<b>Basic and Diluted Earnings per Shares (Rs.)</b>	(0.19)	(0.13)	(0.92)	(0.10)	(0.14)	(0.18)	(0.10)	(0.89)	(0.08)	(0.23)
<b>Book Value per Share (Rs.)</b>	(0.82)	(0.64)	(0.51)	0.42	0.51	0.65	0.83	2.12	(0.14)	(0.07)
<b>Include related to past years -312.63*</b>	-		159.22 *			40.30 *		113.11 *		

**BOARD OF DIRECTORS**

Shri J. H. Shah - Chairman

Shri M. D. Adhikari - Director

Shri P. S. More  
(up to 1<sup>st</sup> August, 2013)

Shri K. D. Mankikar - Director

Shri Ramesh M. Tavhare - Director  
(up to 28th March, 2014)

Shri Jayesh Dadia - Director  
(from 16th December, 2013)

Shri Jatin D Jhaveri - Director  
(from 28th March, 2014)

**SOLICITORS**

M/s. Desai & Diwanji

**AUDITORS**

M/s M. B. Agrawal & Co  
Chartered Accountants

**BANKERS**

HDFC Bank Ltd  
State Bank of India

**CHIEF MANAGER & CEO**

Shri. M. Sudalaikannu  
(‘Manager’ appointed under Companies Act,1956 )

**COMPANY SECERTARY & COMPLIANCE OFFICER**

Ms. Kavita A. Javheri

**REGISTERED OFFICE**

Amarsons Bhavan, 3rd Floor  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street, Vile Parle (East),  
Mumbai - 400 057  
Tel/Fax: +91-22-2612 6875  
Website: www.palcc.co.in  
E-mail: investors@palcc.co.in  
CIN NO. L51010MH1962PLC012287

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai- 400 078  
Tel: +91-22-2594 6970,  
Fax: +91-22-2594 6969  
Website: www.linkintime.co.in  
E-mail: rnt.helpdesk@linktime.co.in  
CIN No.: U67190MH1999PTC118368

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

Day, Date, Time : Friday, 19th September, 2014 at 2.30 P. M.

Venue : M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufactures’ Association), Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Kala Ghoda, Mumbai - 400 001.

Note : Notice of 52<sup>nd</sup> Annual General Meeting is sent separately.



## DIRECTORS' REPORT

To the Members,

Your Directors present the 52nd Annual Report with Audited Statements of Accounts for the year ended 31st March, 2014.

### FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	Current Year 2013-14	Previous Year 2012-13
Profit/(Loss) for the year before providing for depreciation and Tax	(39.22)	(26.42)
Less: Depreciation	0.79	0.92
Profit/(Loss) before Tax	(40.01)	(27.34)
Less: Income Tax of Past years	-	-
Profit/(Loss) for the year	(40.01)	(27.34)

During the year the Company has suffered a loss of Rs. 39.22 lakhs, before provision of depreciation as against the loss of Rs. 26.42 lakhs for the previous year. The loss after provision of depreciation of Rs. 0.79 lakhs (previous year Rs. 0.92 lakhs) but before tax works out to Rs. 40.01 lakhs as against the loss of Rs. 27.34 lakhs for the previous year. There is no Tax Liability this year and also in the previous year.

In view of the loss incurred during the year, no dividend is recommended.

### MANAGEMENT DISCUSSION AND ANALYSIS

Affairs of the Company were continued to be carried out on most economical scale by containing the expenses to minimal level. Company has implemented the Scheme of Reduction of Capital as well decided to go for Rights Issue. In addition, there were certain statutory compliances carried out. Overall expenses, therefore, are higher this year.

Efforts on recovery of the old dues were continued. However, due to lengthy process of the legal system required to be followed results could not be achieved.

As the company is having no funds, pending Rights Issue Premier Ltd., the Promoters have continued to provide the funds to the company to keep the Company going. As at 31st March, 2014 outstanding to Premier Ltd., on this account amounted to Rs. 186.16 lakhs.

### REVIVAL OF NBFC BUSINESS & FUTURE PROSPECTS

Your Directors reiterate their determination to remain in NBFC business and to do whatever is necessary for revival of the operations of the company. For that network has to be regained

to the minimum required level to qualify to carry out NBFC Business. Your Directors are in process of implementing the plans to restructure the Equity Share Capital.

NBFC Business has its own place in the economy of any country. Your Directors are of the view that country's economy will prosper in the coming years. Keeping in view that, your Directors are of the view that your company (a listed NBFC), have promising future business prospects.

### RESTRUCTURING OF EQUITY SHARE CAPITAL

#### Reduction of paid-up capital

As reported last year as a first step towards restructuring of equity share capital the 'Scheme of Reduction of the Share Capital' was envisaged. The Members approved the scheme of reduction of the subscribed and paid-up equity share capital of the Company by passing a Special Resolution, at the 50th Annual General Meeting of the Company. After obtaining No Objection from BSE Ltd., at which company's equity shares are listed, a Company Scheme Petition was filed with the Hon'ble High Court, Bombay for approval of the 'Scheme of Reduction of Capital'. During the year under review the Hon'ble High Court, Bombay approved the 'Scheme of Reduction of Capital'. The order of the Hon'ble High Court, Bombay was registered with Registrar of Companies, Mumbai. Necessary adjustments are carried out in the books of accounts of the company as per the provisions of the said Special Resolution. Value of equity share of the Company is reduced from Rs.10 per share to Re. 1 per share, and the accumulated loss as per the Balance sheet is adjusted and reduced by Rs. 2711.44 lakhs during the year as under.

(Rs. In Lakhs)

1. Capital Reserve	499.83
2. Share Premium	267.58
3. Cancelled paid up equity share capital (reduced from Rs. 2160.03 lakhs to Rs. 216.00 lakhs)	<u>1944.03</u>
	<b><u>2711.44</u></b>

### INFUSION OF FUNDS

To achieve positive Net Worth as well as to raise the funds required for revival of the business operations at the Extra Ordinary General Meeting of the Members of the company held on 16th December, 2013, a Special Resolution has been passed to issue 4,32,00,512 equity shares of Re. 1 (Rupee one) each in the share capital of the company to all the existing equity shareholders of the company, in the proportion of 2 (two) equity shares of Re. 1 each for every 1 (one) equity of Re. 1 each i.e. in the ratio 2:1 to the equity shareholders, whose name appears in the Register of Members as on the record date to be decided in consultation with BSE Ltd. Actions are initiated for completing requisite regulatory procedure and obtaining required statutory approvals. Company proposes to raise additional funds amounting to Rs. 432 lakhs this way. This will make possible in achieving the required level of net worth to meet regulatory norms fixed by RBI in this regard and moderate level of own funds to start the business.

## TAXATION

Return of income has been filed up to the Financial Year 2012-13, Assessment Year 2013-14. Assessment has been completed up to the Financial Year 2010-11, Assessment Year 2011-12.

## FIXED DEPOSITS

Company is not accepting and has not accepted any fixed deposit within the meaning of Section 58A of the Companies Act, 1956 and Non-Banking Financial Companies (Reserve Bank) Directions, 1998. There were no fixed deposits outstanding at the beginning or at the end of the year.

## PARTICULARS OF EMPLOYEES

During the year, no employee of the Company was in receipt of remuneration in excess of the prescribed ceiling and as such the information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 has not been given.

## DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Directors state,

- a. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- b. That the 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 as at the end of the financial year;
- c. That the Directors have taken proper and sufficient care for the maintenance of accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors have prepared the Annual Accounts on a going concern basis;

As disclosed in note no 15.14 to the accounts during the year company had only one reportable business segment i.e. NBFC business as per Accounting Standard 17 of the Institute of Chartered Accountants of India.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOING

- a. The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 require disclosure of particulars regarding conservation of energy in Form A and technology absorption in Form B prescribed by the Rules. Your Company not being a manufacturing company is advised that Forms A and B are not applicable.
- b. There has been no foreign exchange outflow or earnings in the current year.

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE

As a part of this Annual Report, the report on compliance with Clause 49 of the Listing Agreement relating to Corporate Governance is enclosed as Annexure, along with Corporate Governance Compliance Certificate thereon from statutory Auditors of the company.

## DIRECTORS

The Board regret to report that Shri P. S. More, an Independent Director of the company expired on 1st August, 2013. The Board places on record its appreciations of the valuable services rendered by Shri P. S. More, as an Independent Director and also a member of the "Audit" & "Investors' & Shareholders' Grievance Redressal" Committees and Chairman of Remuneration Committee of the Board.

Shri Jatin D. Jhaveri has been appointed on 28th March, 2014 as an Independent Director in place of the causal vacancy caused by demise of Shri P. S. More.

Shri Jayesh Dadia was appointed as an additional director on Board on 16th December, 2013. He holds office of Director of Board upto the date of ensuing Annual General Meeting. A notice in writing proposing his candidature for the office of Director, under the Provision of section 160(1) of the Companies Act, 2013 has been received.

Shri Ramesh M. Tavhare, Director resigned from the Board of the Company on 28th March, 2014. The Board places on record its appreciations of the valuable services rendered by Shri Ramesh M. Tavhare as Director.

The Directors are advised that as per provisions of section 149 (4), of the Companies Act, 2013 every listed public company shall have at least one third of total number of directors as Independent Director as per section 149 (10) of the Companies Act, 2013, Independent Directors shall hold office for a term up to 5 consecutive years on the Board of the Company and the Independent Directors are not liable to retire by rotation as per explanation of sub section 6 of Section 152 of the Companies Act, 2013.

Shri Jatin D. Jhaveri and Shri K. D. Mankikar are appointed by the Board as Independent Directors as per requirement of Clause 49 of Listing Agreement. It is proposed to appoint them as Independent Directors under Companies Act, 2013. If appointed, their appointment will be for the period of 5 years and they will not be liable to retire by rotation.

Shri M. D. Adhikari, Director retires by rotation and being eligible offer himself for reappointment.

## AUDIT COMMITTEE

At present the Audit committee is headed by Shri Jatin D. Jhaveri, an Independent Director as a Chairman. Other members of the Audit Committee are Shri K. D. Mankikar, an Independent Director and Shri Jayesh Dadia, a Director.

## AUDITORS

M/s. M. B. Agrawal & Co., Chartered Accountants, holds office until the conclusion of the ensuing Annual General Meeting of the Company and shall accordingly retire at the conclusion of



the Meeting. The Company has received a consent letter from them to the effect that their appointment for the financial year 2014 - 2015, if approved, at the ensuing Annual General Meeting would be within the limits prescribed in Section 141(3)(g) of the Companies Act, 2013 and were not disqualified for such appointment. Accordingly, M/s. M. B. Agrawal & Co., Chartered Accountants, is proposed to be appointed as Auditors of the Company at the ensuing Annual General Meeting.

## APPRECIATION

The Directors wish to place on record their sincere appreciation to the Company's valued shareholders and associates for their continued support to the Company. The Directors place on record their sincere gratitude and appreciation to the employees of the Company for the hard work and commitment exhibited throughout the year.

**For and on behalf of the Board of Directors**

**J. H. SHAH  
CHAIRMAN**

Place: Mumbai

Date: 13th August, 2014

## REGISTERED OFFICE:

PAL Credit & Capital Limited  
Amarsons Bhavan, 3rd Floor,  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street, Vile Parle (East),  
Mumbai- 400 057  
Tel/Fax no: 022-2612 6875  
Website: www.palcc.co.in  
Email: investors@palcc.co.in  
CIN No. L51010MH1962PLC012287

## ANNEXURE TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

### Compliance Report for the year 2013-14

The following are the relevant disclosures about the Board, its various Committees, financial and stock performance and such other disclosures as required under the Clause 49 of the Listing Agreement.

### 1) Company's Philosophy on Code of Governance

Your Company believes that adherence to sound Corporate Governance Practices, which include ethical conduct of business, transparency in its working, disclosures to stakeholders and compliance with all regulatory requirements is vital to achieve the long term corporate objectives.

## 2) Composition of Board of Directors

During the Financial Year 2013-14, the Board of Directors of the Company is comprised of the Directors as under:

Name of Director	Category of Director	No. of other Companies in which he is a Director (including Private Companies)	No. of other Companies in which he is a Chairman/ Member of any Committee	
			Chairman	Member
Shri J. H. Shah	Non-Executive, Non-Independent	ONE	NIL	NIL
Shri M. D. Adhikari	Non-Executive, Non-Independent	ONE	NIL	NIL
Shri P. S. More (upto 1st August, 2013)	Non-Executive, Independent	NIL	NIL	NIL
Shri K. D. Mankikar	Non-Executive, Independent	ONE	NIL	NIL
Shri Ramesh M. Tavhare (upto 28th March, 2014)	Non-Executive, Non-Independent	FOUR	ONE	NIL
Shri Jayesh Dadia (From 16th December, 2013)	Non-Executive, Non-Independent	FOUR	ONE	NIL
Shri Jatin D. Jhaveri (From 28th March, 2014)	Non-Executive, Independent	NIL	NIL	NIL

## DIRECTORS PROFILE

### ➤ Shri J. H. Shah

Shri J. H. Shah was appointed as an Additional Director of the Company on 31st January, 2002 under Section 260 of the Companies Act, 1956 read with Article 161 of the Articles of Association of the Company. He was subsequently appointed as Director on the Board at the Annual General Meeting held on 11th September, 2002. He is Non Executive Chairman of the Board. He is 76 years of age. He is B. Com, LLB, PGDFM, and ACMA and has more than 55 years of experience in Finance and Accounts. He is Director of Snowwall Packaging Pvt. Ltd. Your Company has no transaction with Snowwall Packaging Pvt. Ltd. He does not hold any share in the Company. He is not related to any other Director or employee of the Company.

### ➤ Shri M. D. Adhikari

Shri M. D. Adhikari was appointed as an Additional Director of the Company on 29th September, 2004 under Section 260 of the Companies Act, 1956 read with Article 161 of the Articles of Association of the Company. He was

subsequently appointed as Director on the Board at the Annual General Meeting held on 29th September, 2005. He is 66 years of age. He is B. Com, ICWA and has 47 years of experience in Accounts, Auditing, Costing, Logistics and General Management. He is Director of Premier Auto Ltd. Your Company has no transaction with Premier Auto Ltd. He was Chairman of Investor's & Shareholder's Grievance Redressal Committee of the Board of Directors upto 28th March, 2014. He continues to be a member of Investor's & Shareholder's Grievance Redressal Committee. He does not hold any share in the Company. He is not related to any other Director or employee of the Company.

➤ **Shri P. S. More**

Shri P. S. More was appointed as an Additional Director of the Company on 28th January, 2009 under Section 260 of the Companies Act, 1956 read with Article 161 of the Articles of Association of the Company. He was subsequently appointed as Director on the Board at the Annual General Meeting held on 13th August, 2009. During the period of his Directorship in the Company, Mr. P. S. More was Chairman of Remuneration Committee and Member of Audit and Investor's & Shareholder's Grievance Redressal Committee of the Board. He expired on 1st August, 2013. When expired he was 79 years of age. He was having a Diploma in Mechanical and Electrical Engineering and had more than 42 years of experience in marketing of products and purchase of materials, commercial and general management. He had vast administrative experience. He was not holding any share in the Company. He was not related to any other Director or employee of the Company.

➤ **Shri K. D. Mankikar**

Shri K. D. Mankikar was appointed as an Additional Director of the Company on 31st October, 2009 under Section 260 of the Companies Act, 1956 read with Article 161 of the Articles of Association of the Company. He was subsequently appointed as Director on the Board at the Annual General Meeting held on 30th August, 2010. He is 69 years of age. He has Post Graduate Diploma in Management from IIM, Kolkatta, B.A. (Eco.) and has more than 43 years of experience in Management, Systems, Accounting & Control and Corporate Affairs. He was Chairman of Audit Committee of the Board of Directors upto 28th March, 2014. He being an Independent Director is appointed as Chairman of Remuneration Committee by the Board of Directors with effect from 28th March, 2014. He was Chairman of Audit Committee of the Board upto 28th March, 2014 and from that date he is member of Audit Committee and Investor's & Shareholder's Grievance Redressal Committee of the Board of Directors. He is Director of Microsan Computers Private Limited. Your Company has no transaction with Microsan Computers Private Limited. He does not hold any share in the Company. He is not related to any other Director or employee of the Company.

➤ **Shri Ramesh M. Tavhare**

Shri Ramesh M. Tavhare was appointed as Director of the Company on 1st September, 2010 in place of the casual

vacancy caused by the resignation of Shri V. T. Pawar. He is 58 years of age. He is B.Com (Hons), Fellow Company Secretary. He is a qualified Company Secretary and has 28 years of experience in Corporate, Legal and Finance. Since 2005 he is working as Vice President (Finance & Legal) and Company Secretary of Premier Limited. He is a Director of Paramount Information Services Private Limited, Ideal Classes Private Limited, Aroopdas Financial Services Limited and Premier Auto Ltd. Your Company has no transaction with any of the companies of which he is Director. He does not hold any share in the Company. He is not related to any other Director or employee of the Company. He resigned as a Director of the Company from 28th March, 2014 due to his preoccupation, as a Key Managerial Personnel, under the Companies Act, 2013 in Premier Ltd.

➤ **Shri Jayesh Dadia**

Shri Jayesh Dadia was appointed as an Additional Director of the Company on 16th December, 2013 under Section 260 of the Companies Act, 1956 read with Article 161 of the Articles of Association of the Company. He holds office of Director of Board upto the date of ensuing Annual General Meeting. A notice in writing proposing his candidature for the office of the Director, under the provision of section 160 of the Companies Act, 2013 has been received. Shri Jayesh Dadia is 58 years of age. He is B. Com and Fellow Chartered Accountant and has more than 30 years of experience in Accounting, Taxation and Audit. Effective from 28th March, 2014, he is Chairman of Investor's & Shareholder's Grievance Redressal Committee of the Board of Directors and a member of Audit & Remuneration Committees. He is a Director of Walkwater Consultants Pvt Ltd, Tooltech Global Engineering Pvt Ltd. and PPFAS Trustee Company Pvt Ltd. Your Company has no transaction with any of the above companies. He and his wife jointly hold 1000 Equity Shares of Re.1 in the company. He is not related to any other Director or employee of the Company.

➤ **Shri Jatin D. Jhaveri**

Shri Jatin D. Jhaveri was appointed as an Independent Director of the Company on 28th March, 2014 as per clause 49 of Listing Agreement in place of Shri P. S. More. He holds office of Director of Board upto the date of ensuing Annual General Meeting. He is 47 years of age. He is B. Com and Fellow Chartered Accountant and has more than 24 years of experience in Accounting, Taxation and Audit. From 28th March, 2014, he is appointed as Chairman of Audit Committee of the Board of Directors and a member of Remuneration Committee. He is not Director of any other company. He does not hold any share in the Company. He is not related to any other Director or employee of the Company.

**3) No. of Meetings of Board of Directors held and dates:**

Eight Meetings of Board of Directors were held during the year on 30th May, 2013, 29th July, 2013, 10th August, 2013, 26th September, 2013, 28th October, 2013, 16th December, 2013, 14th February, 2014 and 28th March, 2014. The gap between



any two meetings of the Board was not more than 4 months.

**Attendance of the Directors at the Meeting**

Name of Director	Category of Director	Number of Board Meetings	
		Held*	Attended
Shri J. H. Shah	Non-Executive, Non-Independent	8	8
Shri M. D. Adhikari	Non- Executive, Non-Independent	8	7
Shri P. S. More (upto 1st August, 2013)	Non- Executive, Independent	2*	1
Shri K. D. Mankikar	Non- Executive, Independent	8	7
Shri Ramesh M. Tavhare (upto 28th March, 2014)	Non- Executive, Non-Independent	8	8
Shri Jayesh Dadia (From 16th December, 2013)	Non- Executive, Non-Independent	3*	3
Shri Jatin D. Jhaveri (From 28th March, 2014)	Non- Executive, Independent	1*	1

(\* during the period he was Director of the Company)

**Information placed before the Board of Directors**

The information as required under Annexure 1A to Clause 49 of the listing agreement is made available to the Board. The agenda papers for consideration at the Board meetings are circulated prior to the meetings. Adequate information is circulated at the Board meetings to enable the Board to take informed decision.

It is the Company's policy that in addition to matters that statutorily require Board approval, all other major decisions and all material transactions which are not in ordinary course of business e.g. involving mobilization of resources, new investments, capital expenditure, sale of fixed assets/investments, closure of branches, settlement of dues with banks/financial institutions, appointment(s)/resignation(s) of Director(s), Manager, Company Secretary, Compliance Officer, Authority to officers of the Company for various purposes, major change in accounting policies etc., change in rating of the Company are placed before the Board for consideration and approval by the Board.

The following information is placed before the Board of Directors:-

- Report of Chief Manager & CEO to the Board of Directors on Statutory Compliances;
- Quarterly, Half Yearly and Annual Results after expiry of Quarter, Half Year and Year;
- All major decisions and all material transactions which are not in ordinary course of business;
- Compliance Report under RBI (NBFC) Guidelines in respect of Fixed Deposits and Fair Practice Code;

e) Appointment, resignation / removal of senior officers.

**4) Composition of Investors' & Shareholders' Grievance Redressal Committee (ISGC) (Now known as Stakeholders Relationship Committee) of Board of Directors:**

Company's Investor's & Shareholder's Grievance Redressal Committee consists of Shri M. D. Adhikari as Chairman, Shri P. S. More & Shri Ramesh M. Tavhare were members upto 28th March, 2014.

Due to sad demise of Mr. P. S. More and resignation of Mr. Ramesh M. Tavhare Investor's & Shareholder's Grievance Redressal Committee was reconstituted on 28th March, 2014. The reconstituted Committee consists of Shri Jayesh Dadia as Chairman and Shri M. D. Adhikari & Shri K. D. Mankikar as members of the Committee.

Shri J. H. Shah is a permanent invitee at the committee meetings.

Ms. Kavita A. Javheri, Company Secretary functions as a Compliance Officer.

Pursuant to Section 178 of the Companies Act, 2013 the Board of Directors at its meeting held on 9th May, 2014 renamed the Committee as Stakeholders Relationship Committee.

**No. of Meetings of Investors' & Shareholders' Grievance Redressal Committee (ISGC) of Board of Directors held and dates:**

Four Meetings of Investors' & Shareholders' Grievance Redressal Committee (ISGC) were held during the year on 30th May, 2013, 10th August, 2013, 28th October, 2013 and 14th February, 2014.

**Attendance of the Directors at the Meeting**

Name of Director	Category of Director	Number of ISGC Committee Meetings	
		Held*	Attended
Shri M. D. Adhikari	Non-Executive, Non-Independent	4	4
Shri P. S. More (upto 1st August, 2013)	Non-Executive, Independent	1*	1
Shri Ramesh M. Tavhare (upto 28th March, 2014)	Non-Executive, Non-Independent	4	4
Shri J. H. Shah, (As an invitee)	Non-Executive Non-Independent	4	4

(\* during the period he was Director of the Company)

**Information placed before the Investors' & Shareholders' Grievance Redressal Committee of Board of Directors:**

The Committee oversees the performance of Registrar & Share Transfer Agents M/s Link Intime India Private Limited, approves the transfer and transmission of shares; issue of duplicate share certificates in lieu of lost / stolen / mutilated / torn share certificates; and issue of consolidated / split share certificates in lieu of split / consolidated share certificates. The committee



verifies the status of Complaints received and solved / unsolved complaints.

**Total numbers of complaints received and replied to the satisfaction of shareholders during the year are as under:**

Sr. No	Nature of complaints	Pending at the beginning of the year	Received	Attended	Pending at the end of the year
1	Non receipt of Annual Report	NIL	1	1	NIL
2	De-materialization/ Re-materialization of Shares	NIL	NIL	NIL	NIL
3	Letters from SEBI	NIL	NIL	NIL	NIL
4	Non Receipt of Dividend/Interest	NIL	1	1	NIL
5	Others- Non Receipt of Share Certificate(s) Transfer	NIL	2	2	NIL
	<b>Total</b>	NIL	4	4	NIL

#### 5) Composition of Audit Committee of Board of Directors:

The Audit Committee consisted of Shri K. D. Mankikar, an Independent Director as Chairman and Shri P. S. More, an Independent Director & Shri Ramesh M. Tavhare as members of the Committee. Shri P.S More expired on 1st August, 2013 and Shri Ramesh M. Tavhare resigned from the Board on 28th March, 2014.

Therefore, the Audit Committee was reconstituted on 28th March, 2014. The reconstituted Audit Committee consists of Shri Jatin D. Jhaveri, an Independent Director as Chairman and Shri K. D. Mankikar, an Independent Director & Shri Jayesh Dadia as members.

Shri J. H. Shah is a permanent invitee at the committee meetings.

Ms Kavita A. Javheri, Company Secretary functions as a Compliance Officer.

The Committee functions in accordance with the provisions of Section 292A of the Companies Act, 1956 and Section 177 of Companies Act, 2013 read with Clause 49 of Listing Agreement.

#### **No. of Meetings of Audit Committee of Board of Directors held and dates:**

Four Meetings of Audit Committee were held during the year on 30th May, 2013, 10th August, 2013, 28th October, 2013 and 14th February, 2014.

#### **Attendance of the Directors at the Meeting**

Name of Director	Category of Director	Number of Audit Committee Meetings	
		Held*	Attended
Shri K. D. Mankikar	Non-Executive, Independent	4	4
Shri P. S. More (upto 1st August, 2013)	Non-Executive, Independent	1*	1
Shri Ramesh M. Tavhare	Non-Executive, Non-Independent	4	4
Shri Jatin D Jhaveri	Non-Executive, Independent	Nil*	Nil
Shri Jayesh Dadia (As an invitee)	Non-Executive, Non-Independent	1*	1
Shri J. H. Shah (As an invitee)	Non-Executive, Non-Independent	4	4

(\* during the period he was Director of the Company)

#### **Information placed before the Audit Committee of Board of Directors:-**

The Committee oversees the financial reporting process by selecting and establishing sound accounting policies, disclosure of financial information, reviewing the performance and the Quarterly, Half Yearly and Annual results after expiry of Quarter, Half Year and Year respectively and recommend the same to the Board of Directors for their approval, who approves publication of same and submission of same to Stock Exchanges and other statutory bodies; considers and reviews related party transactions, compliance with the legal requirements, status of pending tax matters/appeals, Draft Auditors' Report (including in particular the qualification/s, if any therein) and also note Quarterly Limited Review Report by the Auditors and submission of same to Stock exchange; reviewing with the management the performance of statutory and internal auditors, review the adequacy of internal audit function and discuss significant findings with them, the other issues related with revival of the Company means Reduction of Capital and Rights Issue of the Company and other matters specified in Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956.

#### **6) Remuneration Committee (Now known as Nomination & Remuneration Committee) of Board of Directors :**

The Remuneration Committee comprised of Shri P. S. More as Chairman upto 1st August, 2013 and Shri M. D. Adhikari and Shri Ramesh M. Tavhare (upto 28th March, 2014) were members of the Committee.

Due to demise of Mr. P. S. More and resignation of Mr. Ramesh M. Tavhare, Remuneration Committee was reconstituted on 28th March, 2014. The reconstituted Remuneration



Committee consists of Shri K. D. Mankikar as Chairman, Shri Jatin D. Jhaveri and Shri Jayesh Dadia as members of the Committee.

Shri J. H. Shah is a permanent invitee at the meetings.

Ms Kavita A. Javheri, Company Secretary functions as a Compliance Officer.

Pursuant to Section 178 of the Companies Act, 2013 the Board of Directors at its meeting held on 9<sup>th</sup> May, 2014 renamed the committee as Nomination & Remuneration Committee.

**No. of Meetings of Remuneration Committee of Board of Directors held and dates:**

There was one meeting held in the year on 28th October, 2013 to fix the remuneration of Shri M Sudalaikannu appointed as 'Manager' under section 269 of Companies Act, 1956. All the members were present at the meeting.

**7) Remuneration Policy:**

No remuneration is paid to any of the Directors except sitting fees of Rs. 2000/- for attending meeting of Board of Directors/ Committee meetings held on any one day.

At the Board Meeting held on 30th October, 2013 and at the Extra Ordinary General Meeting of the Members held on 16th December, 2013 Shri M. Sudalaikannu appointed as a 'Manager' under Section 269 of the Companies Act, 1956. As approved at the Meeting of the Members he is receiving the remuneration of Rs. 6,00,000/- per annum (i.e. Rs. 50,000/- per month); (all inclusive) for the entire period of three years. He is allowed gratuity and paid leave as per rules of the Company. Leave accumulated but not availed of during the tenure, is allowed to be encashed.

**8) Last Annual General Meeting (AGM) of the shareholders of the Company was held on Thursday, 26th September, 2013. Attendance of Director at last AGM:**

Name of Director	Category of Director	AGM Attendance
Shri J. H. Shah	Non-Executive, Non-Independent	YES
Shri M. D. Adhikari	Non-Executive, Non-Independent	YES
Shri K. D. Mankikar	Non-Executive, Independent	YES
Shri Ramesh M. Tavhare	Non-Executive, Non-Independent	YES

**9) An Extra Ordinary General Meeting (EGM) of the shareholders of the Company was held on Monday 16th December, 2013. Attendance of Director at EGM:**

Name of Director	Category of Director	EGM Attendance
Shri J. H. Shah	Non-Executive, Non-Independent	YES
Shri M. D. Adhikari	Non-Executive, Non-Independent	NO
Shri K. D. Mankikar	Non-Executive, Independent	YES
Shri Ramesh M. Tavhare	Non-Executive, Non-Independent	YES
Shri Jayesh Dadia	Non-Executive, Non-Independent	YES

**10) Disclosures**

**a. Basis of related party transactions :**

A statement in summary form of transactions with related parties in the ordinary course of business, details of material individual transactions with related parties that are not in the normal course of business and that are not on arm's length basis, is required to be placed before the Audit Committee.

The details of all related party transactions, including the related party transactions that are disclosed under note no 15.13 of the Accounts forming part of Accounts' are reported to the Audit Committee.

**b. Compliance with Accounting Standards :**

The financial statements for the year 2013-14 have been prepared in accordance with the applicable accounting standards issued by The Institute of Chartered Accountants of India, and there were no deviations.

**c. Risk Management :**

Presently the Company has very limited business activity in the absence of requisite funds, and therefore the Company has no significant business risks.

**11) Proceeds of Public issues, right issues, preferential issues etc. :**

Subject to the approval of the Members of the company, Board passed a Resolution at the Meeting of the Board held on 30th October, 2013.

A Special Resolution is passed by the Members of the Company at the Extra Ordinary General Meeting held on 16th December, 2013 to issue the Rights Shares of 4,32,00,512 Equity Shares of Re.1/- each in the share capital of the company to all the existing shareholders of the company in the ratio of two equity share of Re.1 each for every one equity share of Re. 1 each i. e. in the ratio of 2:1 at par.

## 12) Reduction of Capital :

Shareholders had approved the Scheme of Reduction of Capital at the AGM held on 26th September, 2012 by passing a special resolution. Company Scheme Petition was filed with High Court, Bombay for its approval for Reduction of face value of Company's equity shares from Rs.10 per share to Re.1 per share. One of the shareholders had objected the petition. High Court, Bombay rejected the objection and approved the petition. The shareholder concern as preferred to appeal against the order of Single Judge before Higher Court. Therefore, the order was stayed or pending decision on appeal. Appeal of objecting shareholder was heard by a bench consisting of Hon'ble Chief Justice and a Hon'ble Senior Judge of High Court, Bombay on 18th June, 2013. The Higher Court agreed with the findings of the Single Judge that, there was no substance in any of the objections of shareholder and found that the Reduction of Share Capital was in the interest of the company and its stakeholders. The Higher Court approved the petition. Accordingly, Memorandum and Articles of Association was altered. 8th August, 2013, was fixed as Record date to ascertain the list of shareholders registered in the register of members. New share certificates were dispatched to the shareholders along with the intimation letter for cancellations of old share certificates. The Listing Approval was obtained from BSE on 27th August, 2013 and on completion of Corporate Action by NSDL and CDSL for demated Shares and RTA for physical shares by BSE. The Trading Approval for the new share of Re.1 each is received from BSE Ltd on 26th September, 2013.

## 13) Remuneration of Directors:

No remuneration is paid to any Director except sitting fees for attending meetings of Board of Directors / Committee of Directors as under:

Name of Director	Amount in Rs.
Shri J. H. Shah	18,000.00
Shri M. D. Adhikari	16,000.00
Shri P. S. More	2,000.00
Shri K. D. Mankikar	16,000.00
Shri Ramesh M. Tavhare	18000.00
Shri Jayesh Dadia	6,000.00
Shri Jatin D. Jhaveri	2,000.00
<b>Total</b>	<b>78,000.00</b>

None of the Directors have any other pecuniary relationship or transaction with the Company except Consultancy Fees of Shri Jayesh Dadia. Shri Jayesh Dadia jointly with his wife holding 1,000 equity shares in the Company. No other Director

of the company is holding any shares in the Company.

The Company does not have scheme for grant of stock options either to the Directors or to any of the employees of the Company.

## 14) Management :

Management Discussion and Analysis Report has been included as part of the Directors Report.

## 15) Disclosure of Material Transactions :

Disclosures of material financial and commercial related party transactions i.e. transactions of the Company of material value with the promoters, the Directors or the Management, their relatives etc., that may have potential conflict with the interests of the Company.

For related party disclosures, please refer note no. 15.13 to the Accounts.

None of the transactions are potentially conflicting with the interest of the Company at large.

## 16) Communication with Shareholders:

The Company has provided the details of the Director seeking re-appointment in the AGM included in the notice.

No presentations have been made to Institutional Investors or to any analysts.

## 17) Details of non compliances or penalties or strictures imposed on the Company:

The Company has complied with the provisions of various statutes as applicable to the Company. No penalties or strictures are imposed on the Company by any statutory authorities e.g. Stock Exchanges, SEBI etc., on any matter related to capital markets during last three years.

## 18) Code of Conduct:

The Company has laid down a Code of Conduct for the Members of the Board as well as for the employees of the Company, including senior management. The members of the Board and senior employees have affirmed compliance with the Code of Conduct.

## 19) Website:

The Company's information can be availed at website: [www.palcc.co.in](http://www.palcc.co.in)

## 20) CEO / CFO Certification:

In the absence of Managing Director, Shri M. Sudalaikannu, Chief Manager and CEO of the Company has issued CEO certificate and Shri J. H. Shah Chairman, Director has issued CFO certificate in accordance with SEBI guidelines to the Board of Directors.

## 21) Subsidiary Companies:

The Company has no subsidiaries



## 22) Information regarding Annual General Meeting(s) of Shareholders of the Company:

Location, date and time of last three Annual General Meeting(s) of shareholders held:

Financial year	Location of AGM	Date of AGM	Time of AGM
2010-11	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001	3rd August, 2011	2.30 P.M.
2011-12	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001	26th September, 2012	2.30 P.M.
2012-13	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001	26th September, 2013	2.30 P.M..

No Resolution was passed through postal ballot during the year.

## 23) Shareholders Information

### a. 52nd Annual General Meeting

**Date and Time:** Friday, 19th September, 2014 at 2.30 P.M.

**Venue:** M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufacturers' Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda, Mumbai- 400 001.

**Date Of Book Closure :** From Tuesday 9th September, 2014 to Friday 19th September, 2014 (Both days inclusive)

### b. Financial Calendar of Results Tentative Dates

For Quarter ending

June 30, 2014	on or before 14th August, 2014
September 30, 2014	on or before 14th November, 2014
December 31, 2014	on or before 14th February, 2015
March 31, 2015	on or before 30th May, 2015

### c. Registrar and Share Transfer Agents :

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (West),  
Mumbai - 400 078  
Tel : 022- 25946970 - 78, Fax : 022- 2594 6969  
E-mail: rnt.helpdesk@linkintime.co.in  
Counter timing: 10.00 am to 4.00 pm  
(Monday to Saturday)

### d. Manager :

Shri M. Sudalaikannu Chief Manager & CEO, appointed as 'Manager' under Section 269 of the Companies Act, 1956 at the Extra Ordinary General Meeting held on 16th December, 2013.

### e. Compliance Officer:

Ms. Kavita A. Jahveri, Company Secretary functions as Compliance Officer of the Company.

### f. Contact Details :

PAL Credit & Capital Limited  
Amarsons Bhavan, 3rd Floor,  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street, Vile Parle (East),  
Mumbai 400 057  
Tel/Fax No: 022-2612 6875  
Website: www.palcc.co.in  
Email: investors@palcc.co.in  
CIN No. L51010MH1962PLC012287

### g. Dividend:

In view of the loss incurred by the Company, the Directors have not recommended any dividend for the year ended 31st March, 2014.

### h. Listing and Dematerialization :

The Company's shares are listed on Bombay Stock Exchange (BSE). During the year Bombay Stock Exchange has suspended or not traded shares of the Company for the month of August 2013 to October, 2013 due to procedural reason of Corporate Action related to the 'Scheme of Reduction of Capital'.

The Company has executed Agreement with M/s Link Intime India Private Limited and with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to establish Electronic Connectivity and the same has not been discontinued.

The Company has paid the listing fee to Bombay Stock Exchange for the financial year 2014-15. The Company has also paid the Annual Custodial fee to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the financial year 2014-15.

The Company's shares are traded in dematerialized format compulsorily by all investors under Code No. ISIN INE983B01025.

Up to 31st March, 2014, 19198824 shares representing 88.88% of total capital of the Company have been dematerialized.

The requests to dematerialize the shares are processed by Registrar and Share Transfer Agents of the Company M/s Link Intime India Private Limited within stipulated period of 21 days if the documents forwarded by the investors through the Depository Participants are valid in all respect and the same are noted by the Investors' & Shareholders' Grievance Redressal Committee.

**i. Transfer to Investors Education & Protection Fund :**

There was no deposit to be transferred to Investors Education & Protection Fund during the year.

**j. Share Transfer System :**

Share Transfers are registered and returned within a period of 21 days from the date of receipt, if the documents forwarded by the investors are in order in all respect. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity (since trading is permitted in dematerialized form only) electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

As per SEBI Circular No. MRD/DOP/Cir-05/2009 dated 20th May, 2009 for transfer of shares in physical form, a copy of PAN number is compulsorily required to be furnished.

Our Registrar and Transfer Agents M/s. Link Intime India Private Limited have created a Client Co-ordination Department, who are singlepoint contacts for the clients to take care of their requirements like to handle IPO/ Rights Issue queries, separate for shareholders of RTA clients and separate for Depositors of Fixed Deposit clients. In this connection, they have a separate cell to take care of telephone calls (022-25946970), emails (rnt.helpdesk@linkintime.co.in.), letters etc. received from shareholders. This has been done with the interests of shareholders in mind and the same has been working well.

**k. Stock Market Data (On Bombay Stock Exchange)**

Month / Year	Highest Price (Rs.)	Lowest Price (Rs.)	No. of shares Traded	BSE Sensex	
				High	Low
April - 13	0.81	0.75	11	19,622.68	18,144.22
May- 13	0.74	0.74	4	20,443.62	19,451.26
June - 13	0.72	0.64	16	19,860.19	18,467.16
July - 13	0.67	0.54	12	20,351.06	19,126.82
August -13	*	*	*	19,569.20	17,448.71
September - 13	*	*	*	20,739.69	18,166.17
October - 13	**	**	**	21,205.44	19,264.72
November - 13	1.55	0.60	36	21,321.53	20,137.67
December - 13	1.80	1.42	108	21,483.74	20,568.70
January - 14	2.02	1.49	86	21,409.66	20,343.78
February - 14	1.68	1.20	73	21,140.51	19,963.12
March - 14	1.84	1.32	211	22,467.21	20,920.98

(\*)Due to the procedural reasons for the Reduction of Capital i.e. fixing record date, obtaining Listing and Trading Approval, Corporate Action and the Book Closure at the time of 51st AGM the shares are suspended or stop for trading by the BSE during the month of August, September and October (\*\*).

**l. Distribution of shareholding as on 31st March, 2014 :**

Shareholding Numbers	No. of shareholders	% to Total	No. of shares held	Amount in Rs	% to Total
Up to 500	10513	77.5638	1665544	1665544	7.7108
501 to 1000	1678	12.3801	1290366	1290366	5.9738
1001 to 2000	710	5.2383	1048515	1048515	4.8542
2001 to 3000	234	1.7264	606937	606937	2.8099
3001 to 4000	87	0.6419	312972	312972	1.4489
4001 to 5000	99	0.7304	483663	483663	2.2392
5001 to 10000	120	0.8853	908042	908042	4.2038
10001 & above	113	0.8337	15284217	15284217	70.7594
Total	13554	100.00	21600256	21600256	100.0000

**m. Share holding Pattern as on 31st March, 2014:**

Category of Share Holders	No. of shares	% of total holding
<b>A1) Promoters Holding :</b>		
a) Indian Promoters	5899169	27.3106
b) Foreign Promoters	-	-
<b>Total A1</b>	5899169	27.3106
<b>A2) Persons acting in concert</b>	-	-
<b>Total A2</b>	-	-
<b>A. Total (A1+A2)</b>	<b>5899169</b>	<b>27.3106</b>
<b>B1) Non Promoters Holding:</b>		
a) Mutual Funds and UTI	-	-
b) Banks, Financial Institutions,	-	-
c) Insurance Companies etc.	-	-
d) FIs / Foreign Mutual Funds / Foreign Companies	-	-
<b>Total B1</b>	-	-
<b>B2) Others :</b>		
a) Other Body Corporate	3920094	18.1484
b) Indian Public	11750963	54.402
c) NRIs with & without Repatriation Benefits	30030	0.1391
<b>Total B2</b>	15701087	72.6894
<b>B. Total (B1+B2)</b>	<b>15701087</b>	<b>72.6894</b>
<b>TOTAL (A+B)</b>	<b>21600256</b>	<b>100.00</b>

**24) Status Of Compliance Of Non-Mandatory Requirements:**

a. Expenses on Non-Executive Chairman's Office and Tenure of Independent Directors:

The Company does not defray / reimburse expenses pertaining to Chairman's Office. However, actual expenses incurred on traveling etc., by the Chairman for the work of the Company are being paid.



b. Constitution of Remuneration Committee :

Please refer to Sr. No. 6 of this report.

c. Shareholder Rights:

The company's quarterly, half yearly and annual financial results are published in Free Press Journal (English) and in Navshakti (Marathi) newspapers. The financial results are not sent to the shareholders but the same are available at company's website: www.palcc.co.in

d. Unqualified Audit Report :

There is no qualification in the Auditors' Report on the Accounts for the year ended 31st March, 2014.

e. Training of Board Members:

Presently the Company does not have a training program for its Directors.

f. Evaluation of Non-Executive Directors :

Presently the Company does not have a mechanism of evaluation of Non-Executive Directors.

g. Whistle Blower policy:

Presently the Company does not have a Whistle Blower Policy.

**J.H. Shah**  
Chairman

Place: Mumbai

Date: 13th August, 2014

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**CIN of the Company - L51010MH1962PLC012287**

**Nominal Capital - Rs. 30 Crores**

**To the members of PAL Credit & Capital Limited,**

We have examined the compliance of conditions of Corporate Governance by PAL Credit & Capital Limited (the Company), for the year ended at March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance 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 M/s M. B. Agrawal & Co.  
Chartered Accountants  
Regi. No. 100137W

M. B Agrawal  
Partner  
M.No.9045

Place : Mumbai  
Dated : 13th August, 2014

## INDEPENDENT AUDITORS' REPORT

To the Members of

**Pal Credit & Capital Limited.**

### Report on the Financial Statements

We have audited the accompanying financial statements of Pal Credit & Capital Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2014, 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 Responsibility for the Financial Statements

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 subsection (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

### Auditors' 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, 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 31st, 2014; and
- b) in the case of the Statement of Profit and Loss, of the loss 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 and 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) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular I5/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
  - 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 M. B. Agrawal & Co.  
Chartered Accountants  
FRN: 100137W

M. B. Agrawal  
Partner  
M. No. 9045

Place: Mumbai

Date: 29/05/2014

## Annexure to Independent Auditors' Report

Referred to in paragraph 1 under the heading of 'Report on other Legal and Regulatory Requirements' of Our Report of even date to the Members of Pal Credit & Capital Limited, on the accounts of the company for the year ended 31st March, 2014

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c) In our opinion and according to the information and explanations given to us, no substantial part of the fixed asset has been disposed during the year.
2. In respect of inventories
 

The Company has no inventory.
3. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
  - b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken unsecured advances from associate company listed in the register maintained under Section 301 of the Companies Act, 1956.
  - c) The Company has taken the unsecured advance from one associate Company wherein the year-end balance is Rs. 186.16 Lakhs (Maximum balance during the year Rs. 186.16 lakhs (Previous Year (31st March, 2013) Rs.154 lakhs).
  - d) The rate of interest and other terms and conditions of unsecured advance taken by the Company are prima - facie not prejudicial to the interest of the Company.



- e) The payment of principal amount and interest are not stipulated.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and payment for expenses. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
  5. In respect of Contracts or Arrangements referred to in Section 301 of the Companies Act, 1956,
    - a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of Contracts or Arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
    - b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of Contracts or Arrangements that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five lakhs in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
  6. According to the information and explanation given to us the Company has not accepted any deposits from the public therefore the provision of clause VI of paragraph 4 of the order are not applicable to the company.
  7. As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
  8. As per information and explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
  9. In respect of statutory dues.
    - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information & explanations given us no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
    - (b) According to the information and explanations given to us, there are no dues which are not deposited on account of dispute in respect of Income Tax, Wealth Tax, Sales Tax, Excise, Service Tax, Customs Duty and Cess in arrears, as at March 31st, 2014 for a period of more than six months from the date they became payable.
  10. The Company has accumulated losses at the end of the year which is more than fifty percent of its net worth and has incurred cash loss of Rs. 39.22 Lacs during the year covered by our audit and in the immediately preceding financial year.
  11. 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 a financial institution, bank or debenture holders.
  12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
  14. According to information and explanations given to us, the Company has Investments. Proper records and timely entries have been maintained in this regard and further investments specified are held in their own name.
  15. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution.
  16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
  17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
  18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
  19. The Company has no outstanding debentures during the year under audit.
  20. The Company has not raised any money by public issue during the year.
  21. Based on the audit procedures performed and the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For M. B. Agrawal & Co.  
Chartered Accountants  
FRN: 100137W

M. B. Agrawal  
Partner  
M. No. 9045

Place: Mumbai

Date: 29/05/2014



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

Particulars	Notes No.	As at 31.03.2014 Rs. (in Lakhs)	As at 31.03.2013 Rs. (in Lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Fund</b>			
Share Capital	1	216.00	2160.03
Reserves & Surplus	2	(393.65)	(2297.67)
		<b>(177.65)</b>	<b>(137.64)</b>
<b>Current liabilities</b>			
Short - term borrowings	3	186.16	154.00
Other Current liabilities	4	10.70	2.56
Short - term provisions	5	-	-
		<b>196.86</b>	<b>156.56</b>
<b>TOTAL</b>		<b>19.21</b>	<b>18.92</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	6	3.32	4.02
Intangible assets		-	-
		3.32	4.02
<b>Non current investment</b>	7	-	-
		<b>3.32</b>	<b>4.02</b>
<b>Current assets</b>			
Trade receivable	8	-	-
Cash and cash equivalents		0.05	0.22
Short - term loans and advances		15.84	14.68
		<b>15.89</b>	<b>14.90</b>
<b>TOTAL</b>		<b>19.21</b>	<b>18.92</b>
<b>Notes forming part of Accounts</b>	<b>15</b>		

In the opinion of the Board, the Current Assets, Loans & Advances are approximately of value stated, if realised in the ordinary course of business.

The provision of depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary. There are no contingent liabilities, other than those stated in Notes no. "15". No personal expenses have been charged to revenue.

**As per report of even date attached**

For M.B.AGRAWAL & CO.  
CHARTERED ACCOUNTANTS  
Regi. No.100137 W

M.B.AGRAWAL  
Partner  
M.No. 9045

Place : Mumbai  
Date : 29/05/2014

**For and on behalf of the Board of Directors**

J. H. SHAH (Chairman)  
M. D. ADHIKARI (Director)  
K. D. MANKIKAR (Director)  
JAYESH DADIA (Director)  
JATIN D. JHAVERI (Director)

KAVITA A. JAVHERI (Company Secretary)

Place : Mumbai  
Date : 29/05/2014



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2014**

Particulars	Notes No.	Current Year ended on 31.03.2014 Rs. ( Lakhs)	Previous Year ended on 31.03.2013 Rs. ( Lakhs)
<b>1) Revenue from operations</b>	9	-	-
<b>2) Other Income</b>	10	0.62	2.08
<b>3) Total Revenue (1 + 2)</b>		<b>0.62</b>	<b>2.08</b>
<b>4) Expenses :</b>			
Employees benefits expense	11	13.54	8.93
Finance Costs	12	0.07	0.02
Depreciation and amortization	13	0.79	0.92
Other expenses	14	26.23	19.55
<b>Total Expenses</b>		<b>40.63</b>	<b>29.42</b>
<b>5) Profit/(Loss) (3 - 4)</b>		(40.01)	(27.34)
6) Exceptional items		-	-
<b>7) Profit/(Loss) before Tax (5 - 6)</b>		<b>(40.01)</b>	<b>(27.34)</b>
8) Tax expense		-	-
<b>9) Profit/(Loss) for the period (6 - 7)</b>		<b>(40.01)</b>	<b>(27.34)</b>
<b>10) Earnings Per equity Share</b>			
a) Basic		(0.19)	(0.13)
b) Diluted		(0.19)	(0.13)
<b>Notes forming part of Accounts</b>	<b>15</b>		

**As per report of even date attached**

For M.B.AGRAWAL & CO.  
CHARTERED ACCOUNTANTS  
Regi. No.100137 W

M. B. AGRAWAL  
Partner  
M.No. 9045

Place : Mumbai  
Date : 29/05/2014

**For and on behalf of the Board of Directors**

J. H. SHAH (Chairman)  
M. D. ADHIKARI (Director)  
K. D. MANKIKAR (Director)  
JAYESH DADIA (Director)  
JATIN D. JHAVERI (Director)  
KAVITA A. JAVHERI (Company Secretary)

Place : Mumbai  
Date : 29/05/2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2014**

Particulars	As at 31.03.2014		As at 31.03.2013	
	Rs. (Lakhs)		Rs. (Lakhs)	
<b>A) Cash flow from operating activities :</b>				
<b>Net profit / ( loss) before tax and extraordinary items as per Statement of Profit &amp; Loss</b>		<b>(40.01)</b>		<b>(27.34)</b>
Adjustments for :				
Depreciation	0.79		0.92	
Interest Income	0.00		0.00	
Income Tax	0.00		0.00	
Profit on sale of discarded Fixed Assets	0.00		0.00	
		0.79		0.92
<b>Operating Profit / (Loss) before working Capital Changes</b>		<b>(39.22)</b>		<b>(26.42)</b>
Adjustments for :				
Trade and Other Receivables	(1.16)		0.05	
Trade Payable Creditors	8.14	6.98	0.81	0.86
Cash generated from operations				
Interest Received	0.00		0.00	
Direct tax paid	0.00	0.00	(26.60)	(26.60)
<b>Net cash from operating activities (A)</b>		<b>(32.24)</b>		<b>(52.16)</b>
<b>B) Cash flow from investing activities :</b>				
Purchase of Fixed Assets	(0.09)		(0.08)	
Sale of discarded Fixed Assets	0.00	(0.09)	0.00	(0.08)
<b>Net cash used in investing activities (B)</b>		<b>(0.09)</b>		<b>(0.08)</b>
<b>C) Cash flow from financing activities :</b>				
Advance from Related Party		32.16		52.43
<b>Net cash flow from financing activities (C)</b>		<b>32.16</b>		<b>52.43</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>(0.17)</b>		<b>0.19</b>
<b>Cash and cash equivalents as at 31.03.2013 (Opening Balance)</b>		<b>0.22</b>		<b>0.03</b>
<b>Cash and cash equivalents as at 31.03.2014 (Closing Balance)</b>		<b>0.05</b>		<b>0.22</b>

**For and on behalf of the Board of Directors**

	J. H. SHAH (Chairman)	JAYESH DADIA (Director)
Place : Mumbai	M. D . ADHIKARI (Director)	JATIN D. JHAVERI (Director)
Date : 29/05/2014	K. D. MANKIKAR (Director)	KAVITA A. JAVHERI (Company Secretary)

**AUDITOR'S CERTIFICATE**

We have examined the above Cash Flow Statement of PAL Credit & Capital Ltd. for the year ended 31st March,2014. The Statement has been prepared by the company in accordance with the requirements of the listing agreement of the Stock Exchange and is based on and derived from the audited accounts of the company for the year ended 31st March, 2014 covered by our report of 29th May, 2014 to the members of the Company.

For M.B.AGRAWAL & CO.  
 CHARTERED ACCOUNTANTS  
 Regi. No.100137 W

Place : Mumbai  
 Date : 29/05/2014

M.B.AGRAWAL  
 Partner  
 M.No. 9045



Note No.	Particulars	As at 31.03.2014 Rs. (Lakhs)	As at 31.03.2013 Rs. (Lakhs)
(3)	<b>SHORT - TERM BORROWINGS</b>		
	Advances from a related party	186.16	154.00
	<b>TOTAL</b>	<b>186.16</b>	<b>154.00</b>
(4)	<b>OTHER CURRENT LIABILITIES</b>		
	Other payables	10.70	2.56
	<b>TOTAL</b>	<b>10.70</b>	<b>2.56</b>
(5)	<b>SHORT - TERM PROVISIONS</b>		
		-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>

Note No.	Particulars	Rs. (Lakhs)									
		Gross Block (at cost)			Depreciation				Net Block		
		As At 01.04.13	Additions during the Year	Deductions/ Adjustments during the Year	As at 31.03.14	As At 01.04.13	For Year Ended 31.03.14	Deductions/ Adjustments during the Year	As at 31.03.14	As at 31.03.14	As at 31.03.13
(6)	<b>FIXED ASSETS</b>										
	<b>a) Tangible Assets</b>										
	Furniture & Fixtures	9.61	-	-	9.61	5.74	0.69	-	6.43	3.18	3.87
	Computers (Hardware)	1.30	0.09	-	1.39	1.15	0.10	-	1.25	0.14	0.15
	Other Office equipment	0.04	-	-	0.04	0.04	-	-	0.04	-	-
	<b>Total (a)</b>	<b>10.95</b>	<b>0.09</b>	<b>-</b>	<b>11.04</b>	<b>6.93</b>	<b>0.79</b>	<b>-</b>	<b>7.72</b>	<b>3.32</b>	<b>4.02</b>
	<b>b) Intangible Assets</b>										
	Computers (Software)	0.05	-	-	0.05	0.05	-	-	0.05	-	-
	<b>Total (b)</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>0.05</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>0.05</b>	<b>-</b>	<b>-</b>
	<b>Total (a+b)</b>	<b>11.00</b>	<b>0.09</b>	<b>-</b>	<b>11.09</b>	<b>6.98</b>	<b>0.79</b>	<b>-</b>	<b>7.77</b>	<b>3.32</b>	<b>4.02</b>
	<b>Previous Year</b>										
	a) Tangible Assets	10.90	0.08	0.03	10.95	6.04	0.92	0.03	6.93	4.02	
	b) Intangible Assets	0.08	-	0.03	0.05	0.08	-	0.03	0.05	-	
	<b>Total</b>	<b>10.98</b>	<b>0.08</b>	<b>0.06</b>	<b>11.00</b>	<b>6.12</b>	<b>0.92</b>	<b>0.06</b>	<b>6.98</b>	<b>4.02</b>	



Note No.	Particulars	As at 31.03.2014 Rs. ( Lakhs)	As at 31.03.2013 Rs. ( Lakhs)
(7)	<b>NON - CURRENT INVESTMENT</b>		
	<b>A) QUOTED SHARES (Fully Paid)</b>		
	<b>Current Year</b>	<b>Previous Year</b>	
	<b>Quantity</b>	<b>Quantity</b>	
	200 Indian Seamless Finance Ltd.	200	0.07
	100 GE Capital Transportation Financial Services Ltd. (Formerly SRF Finance Ltd.)	100	0.08
	50 Lloyds Finance Ltd.	50	0.07
	133 CRB Capital Market Ltd.	133	0.13
			<b>0.35</b>
	Less :- Provision for diminution in value		(0.35)
		<b>(A)</b>	-
	<b>B) UNQUOTED SHARES (Fully Paid)</b>		
	50000 Tan Ash Liquidaire Pvt. Ltd.	50000	<b>5.00</b>
	Less :- Provision for diminution in value		(5.00)
		<b>(B)</b>	-
	<b>TOTAL (A+B)</b>		-
	Market value of quoted investment		<b>NIL</b>
	As the above investments are not likely to realise any amount, the same are therefore, fully provided for in the books of accounts.		<b>NIL</b>
(8)	<b>CURRENT ASSETS</b>		
	<b>Trade Receivable</b>		
	Outstanding for a period exceeding six months:		
	Considered Good		-
	Unsecured, Considered Doubtful		18.99
			<b>18.99</b>
	Less : Provision for doubtful dues		(18.99)
		<b>(A)</b>	-
	<b>Cash and cash equivalents</b>		
	Balance with a Bank		0.05
	Cash on Hand		0.00
		<b>(B)</b>	<b>0.05</b>
	<b>Short - Term Loans and Advances</b>		
	Loans and advances to a related party, unsecured		-
	<b>Other items :</b>		
	Security deposit		2.78
	Tax deducted at source		11.90
	Trade advances, considered doubtful		13.66
	Other advances		1.16
			29.50
	Less : Provision for doubtful dues		(13.66)
		<b>(C)</b>	<b>15.84</b>
	<b>TOTAL (A+B+C)</b>		<b>14.68</b>
			<b>15.89</b>
			<b>14.90</b>

Note No.	Particulars	(Rs. In Lakhs)	
		Current Year ended on 31.03.2014	Previous Year ended on 31.03.2013
(9)	<b>Revenue from operations</b>		
	Interest Income	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
(10)	<b>Other Income</b>		
	Interest on Tax Refunds	-	0.06
	Recovery of Debts , written off or provided for in past.	-	0.85
	Profit on sale of Discarded Fixed assets	-	-
	Miscellaneous Income	0.62	1.17
	<b>Total</b>	<b>0.62</b>	<b>2.08</b>
(11)	<b>Employees benefits expense</b>		
	Salaries and Bonus	12.91	8.15
	Retirement Gratuity	0.33	0.65
	Staff Welfare	0.30	0.13
	<b>Total</b>	<b>13.54</b>	<b>8.93</b>
(12)	<b>Finance Costs</b>		
	Intrest on Service Tax	0.02	-
	Bank Charges	0.05	0.02
	<b>Total</b>	<b>0.07</b>	<b>0.02</b>
(13)	<b>Depreciation and amortization Expense</b>		
	Depreciation of tangible assets	0.79	0.92
	Amortization of intangible assets	-	-
	<b>Total</b>	<b>0.79</b>	<b>0.92</b>
(14)	<b>Other expenses</b>		
	Rent	4.86	4.50
	Repairs and Maintenance	0.21	0.55
	Insurance	0.03	0.03
	<b>Remuneration to Auditor :</b>		
	a) As statutory Auditor Audit Fees	0.28	0.29
	b) In other capacity certification and other matters	0.71	0.67
	Travelling and conveyance	1.37	1.55
	(Includes for Director Rs.0.20 Lakhs, Previous Years Rs. 0.17 Lakhs)		
	Printing & Stationery	1.82	1.12
	Directors Fees	0.93	0.68
	Legal & Professional Fees	4.20	2.42
	Listing & Filing Fees	3.06	3.00
	Administrative Advertisement	0.89	0.87
	Electricity Expenses for Office	1.00	0.89
	Office Maintenance	0.85	0.65
	Postage & Telephones	4.25	0.93
	Other administrative expenses	1.77	1.40
	<b>Total</b>	<b>26.23</b>	<b>19.55</b>



**NOTE – 15**

**NOTES FORMING PART OF ACCOUNTS**

**15.01 SIGNIFICANT ACCOUNTING POLICIES :**

**A. FIXED ASSETS AND DEPRECIATION**

- Fixed Assets are identified as "Tangible" and "Intangible". Tangible assets are further divided into assets for own use and Leased Assets.
- All the fixed assets including assets given on lease are stated in Balance Sheet at cost of acquisition, inclusive of expenses relating to acquisition.
- In respect of leased assets, depreciation is provided in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India whereby it is ensured that full depreciation is provided over the primary lease period.
- In Accounting for leases, the Company has applied the recommendations of the revised Guidance Note of the Institute of Chartered Accountants of India and accordingly Lease Equalization Adjustments have been made in the Statement of Profit & Loss and net book value of Leased Assets.
- In respect of other assets, depreciation is provided on Reducing Balance Method in accordance with Schedule XIV to the Companies Act, 1956 or in case of Revalued Assets, if any, depreciation is determined based on Balance life of revalued asset, determined by the valuer.
- The repossessed leased assets are valued at estimated realizable value.
- Assets not likely to realize any significant value are adequately provided for or written off.

**B. INVESTMENTS**

- Long term Investments are stated at cost subject to adjustment, if any, for permanent diminution in value. Income there from is credited to revenue on accrual basis.

**C. STOCK-IN-TRADE:**

**SHARES & SECURITIES**

- Stock-in-trade of Shares & Securities of each category on an aggregate is valued at cost or market value (break-up value in case of unquoted shares) whichever is lower as required by the RBI Guidelines for Non-Banking Financial Companies.

**D. CURRENT ASSETS**

- Trade Receivable and Loans & Advances are stated at the amount to be received net after deducting the amount required to be provided as NPA as per RBI guidelines and/ or provision for dues doubtful of recovery.

**E. STOCK ON HIRE**

- "Stock on Hire", secured against Hire Purchase Contracts, represents the principal amount and the unmeted finance charges in respect of future installments.

**F. INCOME**

- The Company accrues hire charges, lease rentals and service charges arising out of Hire Purchase/ Lease agreements as per the terms of agreements entered into with hirers & lessee except in case of Non-performing Assets.
- Income from Bill Discounting, if any, is accounted for, on time accrual basis.
- Interest on Inter Corporate Deposits, Investments and overdue installments / rentals is accrued to the extent of certainty of collection.

**G. GRATUITY & LEAVE ENCASHMENT**

- Liability on account of Gratuity and Leave Encashment (if any) are provided for.

**H. EXPENSES**

- All the expenses are accounted on accrual basis unless otherwise stated.
- In compliance with Guidelines for Prudential Norms for income recognition/provisioning issued by Reserve Bank of India from time to time, the Company has not accrued income in respect of Non-Performing Assets as defined therein. The Company has made adequate provisions in respect of such assets in terms of these Guidelines.

**15.02 REDUCTION OF CAPITAL**

At the 50th Annual General Meeting of the Company held on 26th September, 2012 Members of the company duly passed a Special Resolution for reduction of its share capital, i.e. cancelling the paid-up equity share capital of the Company by reducing the face value of each share from Rs. 10 to Re. 1, and thereby reducing the paid-up share capital of the Company from Rs. 21, 60, 02, 560/- divided into



2, 16, 00, 256 equity shares of Rs. 10 each to Rs. 2, 16, 00, 256/- divided into 2, 16, 00, 256 equity shares of Re. 1/- each. The reduction was in accordance with Section 78 read with Section 100 and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Hon'ble High Court, Bombay. A Company Scheme Petition in this regard was filed with the Hon'ble High Court, Bombay. During the course of hearing of the petition certain objections were raised by a shareholder (holding 0.00093% of the equity share capital of the Company), however, the Learned Judge of the Hon'ble Bombay High Court did not find any merit in the objections raised by the shareholder and found that the reduction is in the interest of the Company and its stakeholders. The Hon'ble Bombay High Court thus passed an order dated May, 9th, 2013 approving the reduction. However, in view of an application made by the objecting shareholder to stay the order dated May 9th 2013 to enable him to approach a higher court, the operation of the order dated May 9th, 2013 was therefore stayed. Appeal of the objecting shareholder was heard by a Division Bench consisting of Hon'ble Chief Justice of Bombay High Court and Hon'ble Senior Judge of High Court, Bombay on 18th June, 2013. The Division Bench of Bombay High Court agreed with the findings of Single Judge. The appeal was therefore, dismissed. The Court Orders was filed with Registrar of Companies, Mumbai and the same is registered on 17th July, 2013. With that, the face value of fully paid equity share is reduced from Rs. 10 per share to Re. 1 per share.

Accumulated Losses are adjusted and reduced by Rs. 2711.44 lakhs as per the provisions of the Special Resolution in the Books of Accounts of the company on 29th July, 2013 as under:

	Rs. In Lakhs
Capital Reserve	499.83
Share Premium	267.58
Cancelled paid up equity share capital from Rs. 2160.03 lakhs to Rs. 216.00 lakhs	<u>1,944.03</u>
	<u>2,711.44</u>

Respective clauses related to Authorised Capital of the Company Memorandum and Articles of Association are also amended.

**15.03** At the EGM of the members of the Company held on 16th December, 2013, a Special Resolution has been passed for Issue of 4, 32, 00, 532 Rights Shares of Re. 1 each to the existing Shareholders of the company in ratio of 2 (two) Rights Equity shares for every 1(One) equity share of Re. 1 each held.

#### **15.04 CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)**

- (i) Claim against the Company not admitted, in appeal before State Consumer Disputes Redressal Commission, Nagpur Bench Rs.3.09 Lacs (Previous year Rs.3.09 Lacs)
- (ii) Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil (Previous year NIL).
- (iii) Dividend on 16,35,015 Nos., 15% Cumulative Convertible Preference Shares for the year 1997 - 98 Rs. 201.58 Lacs (Previous year Rs. 201.58 Lacs) has not been paid due to inadequacy of profit.

#### **15.05 INCOME TAX**

Return of income has been filed up to the Financial Year 2012-13, Assessment Year 2013-14. Assessment has been completed up to the Financial Year 2010-11, Assessment Year 2011-12.

**15.06** Provision is made for future liability for payment of Gratuity and amount payable as Leave encashment.

**15.07** The Company has discharged its liabilities towards fixed depositors in full.

**15.08** The Company has unabsorbed depreciation and carried forward losses available for set-off. In view of uncertainty regarding generation of future taxable profit on prudent basis, deferred tax asset has not been recognized in the accounts.

**15.09** In order to ensure expeditious recovery of NPAs and repay the liabilities, the company is currently focusing all its efforts on recoveries.

**15.10 (A)** There is no amount remaining unpaid to small-scale suppliers within the Meaning of "The Interest on Delayed Payment to Small Scale and Ancillary Undertakings Act." The information has been compiled to the extent they could be identified as small scale and ancillary undertakings on the basis of information available with the Company.

(B) There are no Micro, Small and Medium Enterprises, to whom the Company owes Dues, which are



outstanding for more than 45 days as at the Balance Sheet date. Further, the Company has neither paid nor payable any interest to any Micro, Small and Medium Enterprises on the Balance Sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. The same has been relied upon by the auditors.

**15.11** The Directors have decided to restructure the capital to remain NBFC and continue business. Steps are already initiated in these directions. The Directors therefore consider that the Company is a going concern and the Accounts have been prepared accordingly.

**15.12 MANAGERIAL REMUNERATION:**

Managerial Remuneration included in Statement of Profit & Loss.

(Rs. in lakhs)

Head of Account	Current Year	Previous Year
Salary	2.65	NIL

**15.13 RELATED PARTY DISCLOSURES :**

(a) List of Related Parties with whom transactions have taken place and Relationships:

Name of the Party	Relationship
Premier Limited	Associate Company

(b) Transactions with Related Party:

Nature of Transaction	Rs. in (Lakhs)		
	Amount Outstanding as on 31-03-2013	Transaction During the Year	Amount Outstanding as on 31-03-2014
Advance is received	154.00 CR	32.16 CR	186.16 CR

**15.14** During the year Company had only one reportable business segment i.e. NBFC business as per Accounting Standard 17 of the Institute of Chartered Accountants of India.

**15.15 EARNINGS PER SHARE (EPS) / BOOK VALUE PER SHARE**

Sr. No	Particulars	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 31 <sup>st</sup> March, 2013
A	Weighted average number of shares at the beginning and end of the year	21600256	21600256
B	Net profit/(loss) after tax (if any) available For Equity Shareholders Rs. (lakhs)	(40.01)	(27.34)
C	Basic and Diluted Earning per share (Rs.)	(0.19)	(0.13)
D	Book Value per Share (Rs.)	(0.82)	(0.64)

**15.16** Figures of the Previous Year have been regrouped, rearranged wherever necessary.

Signature to Notes 1 to 15 forming part of Balance Sheet and Statement of Profit and Loss.

**As per report of even date attached**

For M.B.AGRAWAL & CO.  
CHARTERED ACCOUNTANTS  
Regi. No.100137 W

M.B.AGRAWAL  
Partner  
M.No. 9045

Place : Mumbai  
Date : 29/05/2014

**For and on behalf of the Board of Directors**

J. H. SHAH (Chairman)  
M. D. ADHIKARI (Director)  
K. D. MANKIKAR (Director)  
JAYESH DADIA (Director)  
JATIN D. JHAVERI (Director)  
KAVITA A. JAVHERI (Company Secretary)

Place : Mumbai  
Date : 29/05/2014

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