



# PAL CREDIT & CAPITAL LIMITED

49<sup>th</sup>

Annual Report  
2010-2011

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**Highlights for the Five Years**

(Rs. In Lakhs)

	2010-11	2009-10	2008-09	2007-08	2006-07
Total Income	14.69	24.67	38.78	316.48	192.41
Total Expenses	32.41	53.05	37.11	337.64	257.49
Earning before Depreciation & Tax	(17.72)	(28.38)	1.67	(21.16)	(65.08)
Depreciation	4.03	1.00	0.50	0.25	12.96
Tax	0	(0.01)*	40.55*	0.23	113.24*
Profit / (Loss )	(21.75)	(29.37)	(39.38)	(21.64)	(191.28)
Share Capital & Free Reserves	2997.10	2997.10	2997.10	2997.10	2997.09
Cumulative Loss	2908.05	2886.30	2856.93	2817.55	2795.91
Net Worth	89.05	110.80	140.17	179.55	201.18
Borrowings	-	-	0.40	1.12	368.59
Net Assets	89.05	110.80	140.57	180.67	569.77
Number of Shares	21600256	21600256	21600256	21600256	21600256
No. of Shareholders	14196	14196	14621	14868	13751
Basic and Diluted Earning per Share (Rs.)	(0.10)	(0.14)	(0.18)	(0.10)	(0.89)
Book Value per Share (Rs.)	0.42	0.51	0.65	0.83	2.12
Include related to past years		(0.01)*	40.30*		113.11*



**PAL CREDIT & CAPITAL LIMITED**

**BOARD OF DIRECTORS**

Shri J. H. Shah Chairman

Shri M. D. Adhikari

Shri P.S. More

Shri K. D. Mankikar

Shri R. M. Tavhare  
(w.e.f. 01/09/2010)

**SOLICITORS**

M/s. Desai & Diwanji

**AUDITORS**

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

**BANKERS**

HDFC Bank Ltd

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**

Shri P. R. Parikh

**REGISTERED OFFICE**

Amarsons Bhavan, 3<sup>rd</sup> floor,  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street,  
Opp. Railway Crossing, Vile Parle (East),  
Mumbai 400 057.  
Tel/Fax : 26126875  
Website: www.palcc.co.in  
E-mail: investors@palcc.co.in

**REGISTRAR & SHARE TRANSFER AGENTS**

**Link Intime India Private Limited**  
(Formerly Known as Intime Spectrum Registry Ltd.)  
C-13, Pannalal Silk Mill Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai 400 078.  
Tel : 2596 3838, Fax : 2594 6969  
E-mail : rnt.helpdesk@linkintime.co.in

**49<sup>th</sup> ANNUAL GENERAL MEETING**

Day, Date, Time : Wednesday, 3<sup>rd</sup> August, 2011 at 2.30 p.m.

Venue : M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufacturers Association),  
Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20 Kaikhushru Dubash Marg,  
(Behind Prince of Wales Museum), Kala Goda, Mumbai 400 001.

## NOTICE

NOTICE is hereby given that the Forty Ninth Annual General Meeting of the Members of PAL Credit & Capital Ltd. will be held on Wednesday, the 3<sup>rd</sup> August, 2011 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, (Behind Prince of Wales Museum), Kala Goda, Mumbai 400 001 to transact the following business:

### AS ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011 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 J. H. Shah, who retires by rotation and being eligible, offers himself for reappointment.
- 3 To appoint a Director in place of Shri P. S. More, who retires by rotation and being eligible, offers himself for reappointment.
- 4 To appoint Auditors of the Company and to fix their remuneration.

BY THE ORDER OF THE BOARD  
PAL CREDIT & CAPITAL LTD

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2011

**P. R. Parikh**  
Company Secretary

### REGISTERED OFFICE:

Amarsons Bhavan, 3<sup>rd</sup> Floor,  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street,  
Opp. Railway Crossing,  
Vile Parle (East), Mumbai 400 057.

### NOTES

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**The instrument of appointing a proxy and the power of attorney, if any, which is signed, should be deposited at the Registered Office of the company not**

**less than 48 hours before the time for holding the Annual General Meeting.**

- (b) The Register of Members and Share Transfer Books will remain closed from 25th July, 2011 to 3rd August, 2011 (both days inclusive).
- (c) 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.
- (d) Any query relating to Accounts must be sent to the Company's Registered Office at least three days before the date of the meeting.
- (e) 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.
- (f) 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.
- (g) As per SEBI Circular No. MRD/DoP/Cir-05/2009 dated 20<sup>th</sup> May, 2009 for transfer of shares in physical form, a copy of PAN number is compulsorily required to be furnished.
- (h) **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 propose 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 Transfer Agent or the Company.**



Members are requested to register their email addresses by sending their details to the Registrar and Transfer Agents, Link Intime India Private Limited, C/13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078, Tel. 25963838, Fax: 25946969, Email-rnt.helpdesk@linkintime.co.in or to the Company at PAL Credit & Capital Limited, Amarsons Bhavan, 3<sup>rd</sup> Floor, Shri Vile Parle K.V.O. Seva Samaj, 68, Misquitta Street, Opp. Railway Crossing, Vile Parle (East), Mumbai 400 057, Tel/Fax: 26126875, Email: investors@palcc.co.in.

Service of Notice/ documents to the members whose email address will not be registered with the depository or the Company or the Registrar and Transfer Agent will be effected by mode of services as provided under Section 53 of the Companies Act, 1956.

- (i) As per Section 109 A of the Companies Act, 1956 facility for making nomination is available for the shareholders, in respect of the shares held by them. Nomination forms can be obtained from depository Participants (DPs) in respect of their holdings in electronic form and from the company's Registrar and Transfer Agent in respect of their holding in physical form.

At this Annual General Meeting, Shri J. H. Shah and Shri P. S. More who are the Directors of the Board, retire by rotation, and being eligible, offer themselves for the re-appointment. Shri J. H. Shah is Chairman of the Board of Directors. The details regarding Shri J. H. Shah and Shri P. S. More who are proposed to be re-appointed are given in the Corporate Governance Report.

BY THE ORDER OF THE BOARD  
PAL CREDIT & CAPITAL LTD

Place: Mumbai  
Dated: 30<sup>th</sup> May, 2011

**P. R. Parikh**  
Company Secretary

**REGISTERED OFFICE:**  
Amarsons Bhavan, 3<sup>rd</sup> Floor,  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street,  
Opp. Railway Crossing,  
Vile Parle (East), Mumbai 400 057.

**DIRECTORS REPORT**

To the Members,

Your Directors present their 49<sup>th</sup> Report with Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2011.

**FINANCIAL RESULTS**

(Rs. In Lakhs)

Particulars	Current Year 2010-2011	Previous Year 2009-2010
Profit/(Loss) for the year before providing for depreciation	(17.72)	(28.38)
Less: Depreciation	4.03	1.00
Profit / (Loss) before Tax	(21.75)	(29.38)
Less: Income Tax of Past years Fringe Benefit Tax		0.01 (0.02)
<b>Loss for the year</b>	<b>(21.75)</b>	<b>(29.37)</b>

During the year the Company has suffered loss, before provision of depreciation of Rs.17.72 lakhs as against loss of Rs.28.38 lakhs for the previous year. After provision of depreciation of Rs.4.03 lakhs on account of change of depreciation method, loss before tax works out to Rs.21.75 lakhs as against loss of Rs. 29.38 lakhs for the previous year.

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

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Company continued to carry out its activity on most economical scale and expenses are contained to the bare minimum required. Depending upon the progress of recoveries and availability of funds, Company shall undertake more business activities in future.

Pending disputed income tax demands, which are being contested, the Company is unable to raise any funds. Limited funds available with the Company are placed as Inter-corporate deposit. Company's routine expenses, legal expenses related to recovery disputes and income tax matters are to be met from this interest income and recoveries of old dues. As this income is not sufficient to meet the expenses of the Company, short fall in funds is required to be met by withdrawing the amount from the Inter-corporate deposit placed. This in turn results in reduction in interest income further. This is adversely affecting the bottom-line of the Company.

Despite the Company's persistent efforts on recovery front during the year, the Company has not been able to achieve the desired results, due to slow process of the legal system required to be followed. Efforts on recovery front are still continued.

The Company continues to have positive net worth at the end of the year.

## **TAXATION**

Income Tax Assessment of the Company are completed upto the Financial Year 2007-08.

However, the Department has raised a demand of Rs. 144 lakhs as explained in Note No. 8(c) to the Accounts. An appeal has been made to the Income Tax Commissioner (Appeals) and we have fair chance of getting decision in our favour.

Hearing on the petitions in respect of assessment for Accounting Years 1992-93, 1993-94 and 1995-96 before the Settlement Commission is in progress. Reference of this is made in Note No. 8(a) to the Accounts.

## **FIXED DEPOSITS**

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

## **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 adequate 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.

In terms of the requirement of accounting standard, segment-wise results are shown in the notes to accounts.

## **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.

## **DELISTING OF SHARES**

The Company continues to be listed on the Bombay Stock Exchange which has nationwide trading terminals and investors' interest are not adversely affected.

The Company's shares have been delisted from Ahmedabad & Pune Stock Exchange as already reported earlier.

Company had also made similar application for delisting of equity shares to Delhi Stock Exchange in the year 2003. Delhi Stock Exchange has till date not confirmed delisting of the Company's shares as well there has not been any communication from them otherwise. However, Company's equity shares are not quoted on Delhi Stock exchange. Therefore it is considered that our equity shares are delisted by Delhi Stock Exchange.

## **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 Auditor.

## **DIRECTORS**

Shri V. T. Pawar has resigned as a Director of the Company with effect from 1<sup>st</sup> September 2010. In his place Shri Ramesh M. Tavhare was appointed as Director on Board from 1<sup>st</sup> September 2010. He shall hold office up to the date up to which Shri V T Pawar, Director would have held office if he had not vacated the office.

The Board places on record their deep appreciation of the valuable services rendered by Shri V. T. Pawar during his association with the Company.

Shri J. H. Shah and Shri P S More retire by rotation and being eligible offer themselves for reappointment.



## AUDIT COMMITTEE

The Audit committee is headed by Shri K. D. Mankikar, an Independent Director as a Chairman. Shri P. S. More continued to be the Member of the Audit Committee and Shri R. M. Tavhare has been inducted as member of Audit Committee w.e.f 1<sup>st</sup> September, 2010 in place of Shri V. T. Pawar who has resigned from 1<sup>st</sup> September, 2010.

## AUDITORS

Auditors M/s. M. B. Agrawal & Co., Chartered Accountants hold office until conclusion of ensuing Annual General Meeting. The certificate as required under section 224(1B) of the Companies Act, 1956, regarding their eligibility of appointment has been received from them. The Directors recommend their appointment.

## APPRECIATION

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

For and on behalf of  
The Board of Directors  
PAL CREDIT & CAPITAL LIMITED

**J. H. SHAH**  
CHAIRMAN

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2011

## REGISTERED OFFICE:

Amarsons Bhavan, 3<sup>rd</sup> Floor,  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street,  
Opp. Railway Crossing,  
Vile Parle (East), Mumbai 400 057.

## ANNEXURE TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE REPORT

Compliance Report for the year 2010-2011

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.

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 Composition of Board of Directors: -

As on 31<sup>st</sup> March, 2011, the Board of Directors of the Company is comprised of five 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 V. T. Pawar (upto 01/09/2010)	Non Executive Non Independent	NIL	NIL	NIL
Shri M.D. Adhikari	Non Executive Non Independent	NIL	NIL	NIL
Shri P. S. More	Independent Non Executive	NIL	NIL	NIL
Shri K. D. Mankikar	Independent Non Executive	ONE	NIL	NIL
Shri R. M. Tavhare (from 01/09/2010)	Non Executive Non Independent	THREE	NIL	NIL

## DIRECTORS PROFILE

### ➤ Shri J. H. Shah

Shri J. H. Shah was appointed as an Additional Director of the Company on 31<sup>st</sup> 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 11<sup>th</sup> September, 2002

Shri J. H. Shah is Non Executive Chairman of the Board.

Shri J. H. Shah is of 73 years age. He is B. Com., LLB, AICWA, PGDFM and has 5 decades of experience in Finance and Accounts.

Shri J. H. Shah is Director of Snowwall Packaging Pvt Ltd. Your Company has no transactions with Snowwall Packaging Pvt. Ltd.

Shri J. H. Shah does not hold any share in the Company.

Shri J. H. Shah 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 29<sup>th</sup> 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 29<sup>th</sup> September, 2005.

Shri M. D. Adhikari is 63 years of age. He is B. Com., ICWA and has 44 years of experience in Accounts, Auditing, Costing, Logistics and General Management.

Shri M. D. Adhikari is Chairman of Investors & Shareholders Grievance Redressal Committee of the Board of Directors and a member of Remuneration Committee.

Shri M. D. Adhikari does not hold any share in the Company.

Shri M. D. Adhikari is not related to any other Director or employee of the Company.

➤ **Shri V. T. Pawar**

Shri V. T. Pawar was appointed as an Additional Director of the Company on 29<sup>th</sup> 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 29<sup>th</sup> September, 2005.

Shri V. T. Pawar is 62 years of age. He is B. Com., F.C.A. and has 37 years of experience in Engineering industry in Finance, Accounts, Taxation, Commercial and General Management.

Shri V.T. Pawar was Chairman of the Audit Committee of Board of Directors upto 31<sup>st</sup> October 2009. He continues to be a member of Audit Committee. He is also a member of Remuneration Committee as well as Investor & Shareholders Grievance Redressal Committee. On 1<sup>st</sup> September 2010, he has resigned as a Director of the company.

Shri V. T. Pawar does not hold any share in the Company.

Shri V. T. Pawar 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 28<sup>th</sup> 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 13<sup>th</sup> August, 2009.

Shri P. S. More is 77 years of age. He is having a Diploma in Mechanical and Electrical Engineering and has 40 years of experience in marketing of product and purchase of material, Commercial and General management. He has vast administrative experience.

Shri P. S. More is Chairman of Remuneration Committee and a member of Audit Committee as well as Investor & Shareholders Grievance Redressal Committee.

Shri P. S. More does not hold any share in the Company.

Shri P. S. More is 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 31<sup>st</sup> 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 30<sup>th</sup> August 2010.

Shri K. D. Mankikar is 66 years of age. He has Post Graduate Diploma in Management from IIM, Kolkatta, B.A. (Eco.) and has 40 years of experience in Management, Systems, Accounting & Control and Corporate Affairs.

Shri K. D. Mankikar being independent Director, is appointed as Chairman of Audit Committee by the Board of Directors with effect from 31<sup>st</sup> October, 2009.

Shri K. D. Mankikar does not hold any share in the Company.

Shri K. D. Mankikar is not related to any other Director or employee of the Company.

➤ **Shri R. M. Tavhare**

Shri R. M. Tavhare was appointed as Director of the Company on 1<sup>st</sup> September 2010 in place of the casual vacancy caused by the resignation of Shri V. T. Pawar. He shall hold office up to the date up to which Shri V. T. Pawar, Director would have held office if he had not vacated the office.

Shri R. M. Tavhare is 55 years of age. He is B.Com (Hons). F. C. S. He is a qualified Company Secretary and has 25 years of experience in Corporate, Legal and Finance. Since 2005 he is working as Vice President (Finance & Legal) and Company Secretary of Premier Limited.

Shri R. M. Tavhare has been inducted as member of the Audit Committee, Shareholders & Investors Grievances Redressal Committee and Remuneration Committee.





Shri R. M. Tavhare does not hold any share in the Company.

Shri R. M. Tavhare is not related to any other Director or employee of the Company.

**2. Composition of Board of Directors :**

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

Six Meetings of Board of Directors were held during the year on 14/05/2010, 16/07/2010, 30/08/2010, 01/09/2010, 09/11/2010 and 10/02/2011. The gap between any two meetings of the Board was not more than 4 months.

**Attendance of Directors at the meeting.**

Name of Director	Category of Director	Board Meeting	
		Held #	Attended
Shri J. H. Shah	Non-Executive, Non-Independent	6	6
Shri V. T. Pawar (upto 01/09/2010)	Non-Executive, Non-Independent	3	2
Shri M. D. Adhikari	Non-Executive, Non-Independent	6	5
Shri P. S. More	Non-Executive, Independent	6	6
Shri K. D. Mankikar	Non-Executive, Independent	6	6
Shri R. M. Tavhare (from 01/09/2010)	Non-Executive, Non-Independent	3	3

# Number of Meetings held in the period during which respective director was a member.

**Information placed before the Board of Directors**

The information as required under Annexure IA 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), 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:-

- a) Quarterly Statutory Compliance Report;
- b) Quarterly, half Yearly and Annual results after expiry of Quarter, Half Year and Year;
- c) All major decisions and all material transactions which are not in ordinary course of business;
- d) Compliance Report under RBI (NBFC) Guidelines in respect of Fixed Deposits and Fair Practice Code;
- e) Appointment, resignation / removal of senior officers.

**3. Composition of Investors' & Shareholders' Grievances Redressal Committee (ISGC) of Board of Directors :-**

Company's Investor & Shareholders Grievance Redressal Committee consists of Shri. M. D. Adhikari as Chairman and Shri P. S. More & Shri. R. M. Tavhare (w.e.f. 1<sup>st</sup> September, 2010) as members of the present committee. Shri V. T. Pawar who was a member of the committee has resigned w.e.f. 1<sup>st</sup> September, 2010. Shri J. H. Shah is an Invitee at the committee meetings.

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

Four Meeting of Investors' & Shareholders' Grievances Redressal Committee (ISGC) were held during the year on 14/05/2010, 16/07/2010, 09/11/2010 and 10/02/2011.

**Attendance of Directors at the meeting.**

Name of Director	Category of Director	ISGC Committee Meeting	
		Held #	Attended
Shri M. D. Adhikari	Non-Executive, Non-Independent	4	4
Shri V. T. Pawar (Upto 01/09/2010)	Non-Executive, Non-Independent	2	2
Shri P. S. More	Non-Executive, Independent	4	4
Shri R. M. Tavhare (From 01/09/2010)	Non-Executive, Non-Independent	2	2
Shri J. H. Shah (As an invitee)	Non-Executive, Non-Independent	4	4

# Number of Meetings held in the period during which respective director was a member.

**Information placed before the Investors' and Shareholders' Grievances Redressal Committee of Board of Directors:-**

The Committee oversees the performance of Registrar & Share Transfer Agent M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry 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 number of complaints received and replied to the satisfaction of shareholders during the year was 7 as under:**

Sr. No.	Nature of compliant	Pending at the beginning of the year	Received	Attended	Pending at the end of the year
1	Non receipt of Annual Report	-	2	2	-
2	De-materialisation / Re-materialisation of Shares	-	3	3	-
3	Letters from SEBI	-	1	1	-
4	Non Receipt of Dividend / Interest	-	1	1	-
5	Others	-	0	0	-
	<b>Total</b>	0	7	7	0

#### 4. Composition of Audit Committee of Board of Directors:-

The Audit Committee consists of Shri K. D. Mankikar, an independent Director is Chairman of the Committee. Shri P. S. More and Shri R. M. Tavhare (w.e.f. 01.09.2010) are members of the Committee. Shri J. H. Shah is an invitee at the meetings. Shri. P. R. Parikh, Company Secretary is secretary to the Audit Committee. Shri V. T. Pawar ceased to be member of the Audit Committee from 1<sup>st</sup> September 2010. The Committee functions in accordance with provisions of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement on Corporate Governance.

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

Four Meetings of the Audit Committee were held during the year on 14/05/2010, 16/07/2010, 09/11/2010 and 10/02/2011.

#### Attendance of the Directors at the meeting.

Name of Director	Category of Director	Audit Committee Meeting	
		Held#	Attended
Shri K. D. Mankikar	Non-Executive, Independent	4	4
Shri V. T. Pawar (upto 01/09/2010)	Non-Executive, Non-Independent	2	2
Shri P. S. More	Non-Executive, Independent	4	4
Shri R. M. Tavhare (From 01/09/2010)	Non-Executive, Non-Independent	2	2
Shri J. H. Shah (As an invitee)	Non-Executive, Non-Independent	4	4

# Number of Meetings held in the period during which respective director was a member.

#### 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 exchanges; reviewing with the management the performance of statutory and internal auditors, review the adequacy of internal audit function and discuss significant findings with them and other matters specified in Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956.

#### 5. Remuneration Committee:-

The Remuneration Committee comprises of Shri P. S. More as Chairman, Shri M. D. Adhikari and Shri R. M. Tavhare (w.e.f. 01.09.2010) are members of the Committee. Shri J. H. Shah is an invitee at the meetings. Shri. P. R. Parikh, Company Secretary is secretary to the Remuneration Committee. Shri V. T. Pawar ceased to be member of the Remuneration Committee from 01/09/2010.

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

As there was no matter to be discussed / decided upon, no meeting of the Remuneration Committee was held during the year under report.

#### 6. Last Annual General Meeting (AGM) of shareholders was held on 30<sup>th</sup> August 2010. Attendance of Director at last AGM:

Name of Director	Category of Director	AGM Attendance
Shri J. H. Shah	Non-Executive, Non-Independent	Yes
Shri V. T. Pawar	Non-Executive, Non-Independent	No
Shri M. D. Adhikari	Non-Executive, Non-Independent	No
Shri P. S. More	Non-Executive, Independent	Yes
Shri K. D. Mankikar	Non-Executive, Independent	Yes

#### 7. 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 2 of Schedule L 'Notes forming part of Accounts', are reported to the Audit Committee.

**b) Compliance with Accounting Standards :**

The financial statements for the year 2010-11 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.

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

During the year 2010-11, the Company has not made any public, rights or any other issue of securities.

**e) Remuneration of Directors :**

No remuneration is paid to any director except sitting fees for attending meeting of Board of Director or Committee meeting.

None of the Directors have any other pecuniary relationship or transaction with the Company.

None of the Directors is holding any share in the Company.

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

**f) Management :**

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

**g) 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 2 of Schedule L of Accounts. However, none of the transactions are potentially conflicting with the interest of the Company at large.

**h) Shareholders :**

The Company has provided the details of the Directors seeking re-appointment in the AGM notice attached with the Annual Report.

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

**i) 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.

**j) 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. The Company's information can be availed at website www.palcc.co.in

**8. CEO/CFO Certification :**

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

**9. Subsidiary Companies :**

The Company has no subsidiaries.

**10. 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
2007-2008	M. C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturers Association), Bhogilal Hargovindas Building, 2 <sup>nd</sup> floor, 18/20, Kaikhushru Dubhas Marg, (Behind Prince of Walse Museum), Mumbai 400001	21 <sup>st</sup> August 2008	11.00 a.m.
2008-2009	M. C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturers Association), Bhogilal Hargovindas Building, 2 <sup>nd</sup> floor, 18/20, Kaikhushru Dubhas Marg, (Behind Prince of Walse Museum), Mumbai 400001	13 <sup>th</sup> August, 2009	11.30 a.m.
2009-2010	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufactures Association), Bhogilal Hargovindas Building, 2 <sup>nd</sup> floor, 18/20, Kaikhushru Dubhas Marg, (Behind Prince of Walse Museum), Mumbai 400001	30 <sup>th</sup> August, 2010	11.30 a.m.

No Resolution was passed through postal ballot during the year.

## Shareholders Information

**1. Date, time and Venue:** 49<sup>th</sup> Annual General Meeting on Wednesday, the 3<sup>rd</sup> August, 2011 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, (Behind Prince of Wales Museum), Kala Goda, Mumbai – 400 001.

**2. Date of Book Closure:** From 25th July, 2011 to 3rd August, 2011 (both days inclusive).

### 3. Financial Calendar (Tentative):

Results for quarter ending June 30, 2011	On or before 15 <sup>th</sup> August, 2011
Results for quarter ending September 30, 2011	On or before 15 <sup>th</sup> November, 2011
Results for quarter ending December 31, 2011	On or before 15 <sup>th</sup> February, 2012
Results for quarter ending March 31, 2012	On or before 15 <sup>th</sup> May, 2012

### 4. Registrar and Share Transfer Agents:

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

### 5. Compliance Officer:

Shri P. R. Parikh is appointed by Board of Directors as a Company Secretary and Compliance officer of the company.

Shri P. R. Parikh  
Company Secretary & Compliance Officer  
PAL Credit & Capital Limited  
Amarsons Bhavan, 3rd Floor,  
Shri Vile Parle K.V.O. Seva Samaj,  
68, Misquitta Street, Opp. Railway Crossing,  
Vile Parle (East), Mumbai 400 057.

### 6. Contact Details:

Tel/Fax: 26126875 E-mail: investors@palcc.co.in  
Website: www.palcc.co.in

### 7. Dividend:

In view of the loss incurred by the Company, the Directors have not recommended any dividend for the year ended 31<sup>st</sup> March, 2011.

### 8. Listing and Dematerialisation:

The Company's shares are listed on Bombay Stock Exchange (BSE).

Bombay Stock Exchange has not suspended the trading in the shares of the Company during the financial year 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011 and thereafter till date.

The Company has executed Tripartite Agreements with M/s Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Ltd) and with National Securities Depositories 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 up to the year 2011-12. The Company has also paid the Annual Custodial fee to National Securities Depository Ltd. (NSDL) and

Central Depository Services (India) Ltd. (CDSL) for the year 2011-12.

The Company's shares are traded in dematerialized format compulsorily by all investors under Code No. IS IN 983B01017 w.e.f 30<sup>th</sup> October 2000.

Up to 31<sup>st</sup> March, 2011, 19016353 shares representing 88.04 % of total capital of the Company have been dematerialized.

The requests to dematerialize the shares are processed by our Registrars and Share Transfer Agents M/s. Link Intime India Private Limited (Formerly known as M/s Intime Spectrum Registry Ltd) 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' and Shareholders' Grievances Redressal Committee.

### 9. Transfer to Investors Education & Protection Fund:

No deposit was transferred to Investors Education & Protection Fund during the year.

### 10. 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 Agent Link Intime India Private Limited have created a Client Co-ordination Department, who are single-point 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.

## 11. Stock Market Data (On Bombay Stock Exchange)

Month / Year	Highest Price (Rs.)	Lowest Price (Rs.)	No. of Shares traded	BSE Sensex	
				High	Low
April 2010	4.07	2.86	124518	18047	17276
May 2010	3.94	3.00	52416	17536	15960
June 2010	3.78	2.81	40099	17919	16318
July 2010	3.89	2.76	294249	18237	17395
August 2010	5.79	3.46	632354	18475	17819
September 2010	4.25	3.49	167229	20267	18027
October 2010	3.91	2.96	127888	20854	19768
November 2010	3.94	2.91	85573	21108	18954
December 2010	3.41	2.64	74448	20552	19074
January 2011	3.98	2.90	46238	20664	18038
February 2011	3.29	2.58	65927	18690	17295
March 2011	3.19	2.45	35989	19575	17792



**12. Distribution of shareholding as on 31<sup>st</sup> March, 2011**

Shareholding Numbers	No. of share-holders	% to Total	No. of shares held	Amount in Rs.	% to Total
Upto 500	10652	77.0377	1702177	17021770	7.8804
501 to 1000	1780	12.8734	1378514	13785140	6.3819
1001 to 2000	734	5.3085	1089321	10893210	5.0431
2001 to 3000	234	1.6923	608535	6085350	2.8173
3001 to 4000	85	0.6147	309295	3092950	1.4319
4001 to 5000	106	0.7666	513572	5135720	2.3776
5001 to 10000	127	0.9185	972841	9728410	4.5038
10001 & above	109	0.7883	15026001	150260010	69.5640
<b>Total</b>	<b>13827</b>	<b>100.0000</b>	<b>21600256</b>	<b>216002560</b>	<b>100.0000</b>

**13. Share holding Pattern as on 31<sup>st</sup> March, 2011**

Category of Share Holders	No. of shares	% of total holding
A1 Promoters Holding		
a) Indian Promoters	5899169	27.3106
b) Foreign Promoters	-	-
A2 Persons acting in concert	-	-
B1 Non Promoters Holding:		
Mutual Funds and UTI	-	-
Banks, Financial Institutions, Insurance Companies etc.	-	-
FII's/Foreign Mutual Funds / Foreign Companies	-	-
B2 Others :		
a) Other Body Corporates	4039827	18.7027
b) Indian Public	11635130	53.8657
c) NRIs with & without Repatriation Benefits	26130	0.1217
d) OBCs	-	-
<b>Total</b>	<b>21600256</b>	<b>100.00</b>

**Status of compliance of Non- Mandatory Requirements :**

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

(a) 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/reimbursed.

**2. Constitution of Remuneration Committee :**

Please refer to Sr No. 5 of this report.

**3. Shareholder Rights:**

The Company's quarterly and half yearly results are published in English and Marathi newspapers namely Free

Press Journal and Navshakti respectively. The same are not sent to the shareholders.

**4. Unqualified Audit Report :**

There is no qualification in the Auditors' Report on the Accounts for the year ended 31<sup>st</sup> March 2011.

**5. Training of Board Members:**

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

**6. Evaluation of Non-Executive Directors :**

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

**7. Whistle Blower policy:**

Presently the Company does not have a Whistle Blower Policy.

Place : Mumbai

**J. H. Shah**

Date : 30<sup>th</sup> May, 2011

Chairman

**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, 2011, 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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

Date : 30<sup>th</sup> May, 2011

**AUDITORS' REPORT**

To,  
The Members of  
PAL Credit & Capital Ltd.

Report on the accounts for the year ended 31<sup>st</sup> March 2011 in compliance with Section 227(2) of the Companies Act, 1956.

We have audited the attached Balance sheet of PAL Credit & Capital Ltd., as at 31<sup>st</sup> March, 2011 and also the annexed Profit & Loss Account of the company for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) examining, on a test basis, evidence to support amounts and disclosures in the financial statements (b) assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by the management in the preparation of the financial statements and (d) evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph (2) above, 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 purposes of our audit;
  - (b) In our opinion, Company has kept proper books of accounts, as required by law, so far as appears from our examination of the books of the Company;
  - (c) The Balance sheet and the Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account of the Company;
  - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in Section 211(3C) of Companies Act;
  - (e) On the basis of representation received from the directors as on 31<sup>st</sup> March 2011, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as director U/s 274(1)(g) of Companies Act, 1956;

- (f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India.
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011,
  - (ii) In the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date, and
  - (iii) In the case of the Cash Flow Statement, of the Fund Flow of the Company for the year ended on that date.

For M.B. Agrawal & Co.  
Chartered Accountants  
Regi No. 100137W  
M. B. Agrawal  
Partner  
M.No. 9045

PLACE: MUMBAI  
DATE: 30<sup>th</sup> May, 2011

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph (2) of our report of even date on the accounts for the year ended 31<sup>st</sup> March 2011 of M/s. PAL Credit & Capital Ltd.

- i) a) The Company has generally maintained the proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) All the assets have been physically verified by the management during the year.
  - c) During the year, Company has not disposed any substantial part of fixed assets.
- ii) The Company has no inventory.
- iii) The Company has neither taken loans from nor granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - (a) However the Company has placed the inter corporate deposits with one associate Company and the amount is Rs 69 lakhs. (Previous Year Rs. 80 lakhs).
  - (b) The rate of interest and other term and condition of inter corporate deposit given by the Company are prima – facie not prejudicial to the interest of the Company.
  - (c) The receipts of principal amount and interest are regular.
- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed asset, and with regard to the sale of goods and securities. During the course of our audit, no major weakness has been noticed in the internal controls.



- v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956,
- a) Based on audit procedure applied by us, to the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
  - b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to the prevailing markets prices at relevant time.
- vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and therefore, the provision of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules there under are not applicable to the Company. Since the Company has not defaulted in repayment of deposits, compliance of Section 58AA or obtaining any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, does not arise
- vii) In our opinion, the Company has internal audit system commensurate with the size and the nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records to the Company, under Section 209(1)(d) of the Companies act, 1956
- ix) a) According to the records of the Company and information and explanation given to us, the Company has been generally regular in depositing 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 and other statutory dues with the appropriate authorities during the year.
- b) i) An application was made to Hon'ble Settlement Commission in past for the disputed income tax demands for the Accounting Years 1992-93, 1993-94 and 1995-96. As per the provisions of the Finance Act 2007, as the application of the company was not disposed off by settlement Commission by 31/03/2008, the same was abated and proceedings went back to Income Tax Department. Hon'ble Bombay High Court on petitions filed by certain other assesseees, whose application to Settlement Commission was also similarly abated declared such abatement arbitrary and the abatements are cancelled. Based on this judgement the Company approached Settlement Commission to recall the proceedings from Income Tax Department. Settlement Commission has withdrawn abatement. Amounts being paid as tax till 31-03-2011 are fully provided in the books of accounts. Pending demands being contested in appeals amounting to Rs. 1191.85 Lakhs are not provided for. The same will be provided if finally determined as payable on disposal of the appeal.
  - ii) The Company has preferred an appeal to CIT(A) against the demand of Rs. 144 Lakhs raised by Assessing Officer for Assessment Year 2008-09. The appeal is pending for hearing and disposal.
- x) The Company has accumulated losses at the end of the financial year which are more than fifty percent of its net worth, and has incurred cash loss during the immediately preceding financial year and the Company has incurred a cash loss of Rs. 17.72 Lakhs for current financial year.
- xi) The Company has not defaulted in repayments of dues to any financial institution or banks or debenture holders.
  - xii) According to the information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  - xiii) The provision of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies is not applicable to the Company.
  - xiv) a) Based on the records examined by us according to the information and explanation given to us, we are of the opinion that the Company is maintaining proper record of the transactions and contracts of dealing in shares and other investments and timely entries have been made in those records.
  - b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanation given to us, the shares and other investments have been held by the Company in its own name.
- xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) To the best of our knowledge and belief and according to the information and explanation given to us, no term loan was availed by the Company.
- xvii) According to the Cash Flow Statement and records examined by us and according to the information and explanation given to us, there is no short term loan availed by the Company.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year.
- xix) According to the information and explanation given to us and the records examined by us, Company has not issued Debentures.
- xx) The Company has not raised money by way of public issue during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported by the Company during the year.

For M. B. Agrawal & Co.  
Chartered Accountants  
Regi No. 100137W

M. B. Agrawal  
Partner  
M. No. 9045

Place: Mumbai  
Dated: 30<sup>th</sup> May, 2011.

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2011**

Particulars	Schedules	As at 31.03.2011 Rs. (Lakhs)	As at 31.03.2010 Rs. (Lakhs)
<b>SOURCES OF FUNDS:</b>			
<b>SHAREHOLDERS' FUNDS</b>			
a) Capital	<b>A</b>	<b>2160.03</b>	2160.03
b) Reserves & Surplus	<b>B</b>	<b>837.07</b>	837.07
		<u><b>2997.10</b></u>	<u>2997.10</u>
<b>LOAN FUNDS</b>			
		-	-
<b>TOTAL</b>		<u><b>2997.10</b></u>	<u>2997.10</u>
<b>APPLICATION OF FUNDS :</b>			
<b>FIXED ASSETS</b>			
a) Gross Block	<b>C</b>	<b>733.94</b>	734.53
b) Less : Depreciation		<b>727.76</b>	724.28
		<u><b>6.18</b></u>	<u>10.25</u>
<b>INVESTMENTS</b>			
	<b>D</b>	-	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Debtors, Cash & Bank Balance	<b>E</b>	<b>1.35</b>	9.82
b) Loans & Advances		<b>83.19</b>	92.41
		<u><b>84.54</b></u>	<u>102.23</u>
<b>Less:</b>			
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
a) Current Liabilities	<b>F</b>	<b>1.67</b>	1.68
b) Provisions		-	-
		<u><b>1.67</b></u>	<u>1.68</u>
<b>Net Current Assets</b>		<b>82.87</b>	100.55
<b>Profit &amp; Loss Account</b>		<b>2908.05</b>	2886.30
<b>TOTAL</b>		<u><b>2997.10</b></u>	<u>2997.10</u>
Notes forming part of Accounts	<b>J</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 Schedule "J". 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

Mumbai, Dated : 30-05-2011

J. H. SHAH, Chairman.

M. D. ADHIKARI, Director.

K. D. MANKIKAR, Director

Mumbai, Dated: 30-05-2011

P. S. MORE, Director.

RAMESH TAVHARE, Director.

P. R. PARIKH, Company Secretary





**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2011**

Particulars	Schedules	Year Ended on 31.03.2011 Rs. (Lakhs)	Year Ended on 31.03.2010 Rs. (Lakhs)
<b>INCOME:</b>			
Income from Operations and Other Income.	<b>G</b>	<u>14.69</u>	<u>24.67</u>
		<u>14.69</u>	<u>24.67</u>
<b>EXPENDITURE:</b>			
Interest & Bank Charges	<b>H</b>	<b>0.02</b>	0.12
Operating Expenses	<b>I</b>	<b>32.39</b>	52.93
		<u>32.41</u>	<u>53.05</u>
<b>Profit / (Loss) before Depreciation</b>		<b>(17.72)</b>	(28.38)
Depreciation		<b>4.03</b>	1.00
<b>Profit / (Loss) before Tax</b>		<u><b>(21.75)</b></u>	<u>(29.38)</u>
Less : Fringe Benefit Tax		-	(0.02)
Income Tax of past years		-	0.01
<b>Profit / (Loss) for the year</b>		<u><b>(21.75)</b></u>	<u>(29.37)</u>
<b>Balance of (Loss) Carried Forward From Last Year</b>		<b>(2886.30)</b>	(2856.93)
<b>Balance carried to Balance Sheet</b>		<b>(2908.05)</b>	(2886.30)
<b>Earning per Share (Basic and Diluted)</b>		<u><b>(0.10)</b></u>	<u>(0.14)</u>
Notes forming part of Accounts	<b>J</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

Mumbai, Dated : 30-05-2011

J. H. SHAH, Chairman.

M. D. ADHIKARI, Director.

K. D. MANKIKAR, Director

P. S. MORE, Director.

RAMESH TAVHARE, Director.

P. R. PARIKH, Company Secretary

Mumbai, Dated: 30-05-2011

**SCHEDULE A TO J ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2011.**

	As at 31.03.2011 Rs. (Lakhs)	As at 31.03.2010 Rs. (Lakhs)
<b>SCHEDULE A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
3,00,00,000 Equity Shares of Rs. 10/- each	3000.00	3000.00
	<u>3000.00</u>	<u>3000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
<b>EQUITY SHARES</b>		
2,16,00,256 Shares of Rs. 10/- each fully paid up	2160.03	2160.03
<b>TOTAL</b>	<b>2160.03</b>	<b>2160.03</b>
<b>SCHEDULE B</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
(As per last Balance Sheet)	499.83	499.83
<b>Share Premium</b>		
(As per last Balance Sheet)	267.58	267.58
<b>Statutory Reserve as per Section 45IC of the RBI Act, 1934</b>		
(As per last Balance Sheet)	69.66	69.66
<b>TOTAL</b>	<b>837.07</b>	<b>837.07</b>



**SCHEDULE C**

**FIXED ASSETS**

Rs. (Lakhs)

Particulars	Gross Block (at cost)				Depreciation					Net Block	
	As At 01.04.10	Additions during the Year	Deductions/ Adjustments during the Year	As At 31.03.11	As At 01.04.10	Additional Depreciation up to 31.03.2010 see note 4	For the Year	Deductions/ Adjustments during the Year	As At 31.03.11	As At 31.03.11	As At 31.03.10
A) Assets for own use:											
Furniture & Fixtures	9.61	-	-	9.61	0.71	1.41	1.74	-	3.86	5.75	8.90
Computers	2.40	-	0.59	1.81	1.05	0.55	0.32	0.54	1.38	0.43	1.35
<b>TOTAL (A)</b>	<b>12.01</b>	<b>-</b>	<b>0.59</b>	<b>11.42</b>	<b>1.76</b>	<b>1.96</b>	<b>2.06</b>	<b>0.54</b>	<b>5.24</b>	<b>6.18</b>	<b>10.25</b>
B) Leased Assets											
Leased Vehicles	58.88	-	-	58.88	58.88	-	-	-	58.88	-	-
Equipment & Computers	663.64	-	-	663.64	663.64	-	-	-	663.64	-	-
<b>TOTAL (B)</b>	<b>722.52</b>	<b>-</b>	<b>-</b>	<b>722.52</b>	<b>722.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>722.52</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A+B)</b>	<b>734.53</b>	<b>-</b>	<b>0.59</b>	<b>733.94</b>	<b>724.28</b>	<b>1.96</b>	<b>2.06</b>	<b>0.54</b>	<b>727.76</b>	<b>6.18</b>	<b>10.25</b>
<b>Previous Year Total</b>	<b>734.53</b>	<b>-</b>	<b>-</b>	<b>734.53</b>	<b>723.28</b>	<b>-</b>	<b>1.00</b>	<b>-</b>	<b>724.28</b>	<b>10.25</b>	<b>-</b>

		As at 31.03.2011 Rs. (Lakhs)	As at 31.03.2010 Rs. (Lakhs)
<b>SCHEDULE D</b>			
<b>INVESTMENTS (AT COST)</b>			
<b>LONG TERM INVESTMENTS</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	<b>0.07</b>	0.07
100 GE Capital Transportation Financial Services Ltd. (Formerly SRF Finance Ltd.)	100	<b>0.08</b>	0.08
50 Lloyds Finance Ltd.	50	<b>0.07</b>	0.07
133 CRB Capital Market Ltd.	133	<b>0.13</b>	0.13
		<b>0.35</b>	0.35
Less :- Provided for		<b>(0.35)</b>	(0.35)
	(A)		-
<b>B) UNQUOTED SHARES (Fully Paid)</b>			
50000 Tan Ash Liquidaire Pvt. Ltd.	50000	<b>5.00</b>	5.00
Less :- Provided for		<b>(5.00)</b>	(5.00)
	(B)		-
<b>TOTAL (A) + (B)</b>			-
As the above investments are not likely to realise any amount, the same are therefore, fully provided for in the books of accounts.			

	As at 31.03.2011 Rs. (Lakhs)	As at 31.03.2010 Rs. (Lakhs)
<b>SCHEDULE E</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A) CURRENT ASSETS</b>		
<b>Interest accrued</b>		
<b>Sundry Debtors</b>		
Outstanding for a period exceeding six months:		
Considered Good	18.99	18.99
Considered Doubtful	<u>18.99</u>	<u>18.99</u>
	<u>18.99</u>	<u>18.99</u>
Less : Provision for doubtful dues	<u>18.99</u>	<u>18.99</u>
<b>Cash and Bank Balance</b>		
Cash on Hand	0.02	0.12
Current Account with Scheduled Banks & cheques/drafts on hand	1.33	1.43
Deposit with a Bank	<u>0.00</u>	<u>8.27</u>
	<u>1.35</u>	<u>9.82</u>
<b>(A)</b>	<u>1.35</u>	<u>9.82</u>
<b>B) Loans and Advances</b>		
Advances Recoverable in cash or kind or for the value to be received	82.66	93.71
Less : Provision for doubtful dues	<u>13.66</u>	<u>13.66</u>
	<u>69.00</u>	<u>80.05</u>
Deposits	2.71	2.71
Tax deducted at source	<u>11.48</u>	<u>9.65</u>
<b>(B)</b>	<u>83.19</u>	<u>92.41</u>
<b>TOTAL</b>	<b>84.54</b>	<b>102.23</b>
<b>SCHEDULE F</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) CURRENT LIABILITIES</b>		
Sundry Creditors	1.67	1.68
<b>(A)</b>	<u>1.67</u>	<u>1.68</u>
<b>B) PROVISIONS</b>		
	-	-
<b>TOTAL</b>	<b>1.67</b>	<b>1.68</b>



	Year Ended on 31.03.2011 Rs. (Lakhs)	Year Ended on 31.03.2010 Rs. (Lakhs)
<b>SCHEDULE G</b>		
<b>INCOME FROM OPERATIONS AND OTHER INCOME</b>		
Interest Income (TDS Rs.1.16 Lakhs, Previous Year Rs.2.22 Lakhs)	11.07	13.51
Interest on Tax Refunds	0.72	-
Recovery of Doubtful Debts	1.50	8.63
Miscellaneous Income	1.40	2.53
<b>TOTAL</b>	<b>14.69</b>	<b>24.67</b>
<b>SCHEDULE H</b>		
<b>INTEREST &amp; BANK CHARGES</b>		
Bank & Other Charges	0.02	0.12
<b>TOTAL</b>	<b>0.02</b>	<b>0.12</b>
<b>SCHEDULE I</b>		
<b>OPERATING EXPENSES:</b>		
Salaries, Bonus & Leave Encashment	13.11	15.10
Rent, Rates & Taxes	4.05	2.45
Travelling & Conveyance (Includes for Directors Rs. 0.14 Lakhs, Previous Year Rs. 0.20 Lakhs )	1.21	2.97
Printing & Stationery	0.82	0.91
Director s Fees	0.54	0.52
Legal & Professional Fees	6.01	23.17
Administrative & Other Expenses	6.29	7.35
Audit Fees	0.27	0.27
Repairs & Maintenance	0.09	0.19
<b>TOTAL</b>	<b>32.39</b>	<b>52.93</b>

## **SCHEDULE J NOTES FORMING PART OF ACCOUNTS**

### **1 SIGNIFICANT ACCOUNTING POLICIES :**

#### **A. FIXED ASSETS AND DEPRECIATION**

All the fixed assets including assets given on lease are stated in Balance Sheet at cost of acquisition, inclusive of expenses relating to acquisition, except the assets revalued. Assets if revalued are stated at fair market value on the date of Revaluation certified by Government Approved Valuer. Details of assets revalued, if any, are given separately.

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 Profit & Loss Account 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.

#### **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.

##### **REAL ESTATE**

Real Estate are valued at cost or realizable value whichever is less. Real Estate converted from Fixed

Asset to Stock in Trade is valued at the Fair Market Value at the time of conversion together with cost of additions subsequent to revaluation or the market value on the date of Balance Sheet whichever is less.

#### **D REPOSSESSED ASSETS**

The repossessed assets are valued at estimated realizable value.

#### **E SUNDRY DEBTORS**

Sundry Debtors, including overdue 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 debtors doubtful of recovery.

#### **F STOCK ON HIRE**

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

#### **G 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 & lessees 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.

#### **H GRATUITY & LEAVE ENCASHMENT**

Liability on account of Gratuity and Leave Encashment (if any) are charged to revenue on the basis of actuarial valuation.

#### **I 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.



**2 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:

Rs. (lakhs)

Nature of Transaction	Amount Outstanding as on 31-03-2010	Transaction During the Year	Amount Outstanding as on 31-03-2011	Interest earned during the year Ended 31-03-2011
Inter Corporate Deposits placed	80.00 DR	11.00 CR	69.00 DR	10.79 CR

3 Estimated amount of contracts remaining to be executed on capital account and not provided for is Nil (Previous year NIL).

4 Up to the year ended 31<sup>st</sup> March, 2010 Company have provided depreciation on Straight Line Method. Considering the fact that the Fixed Assets with the Company at present for its own use are Furniture & Fixtures and Computers only, which normally depreciates in value faster in its initial period of life, the directors have decided to change the method of depreciation to Reducing Balance Method. This change in method of depreciation has resulted in increase in the charge for depreciation by Rs.3.03 Lakhs (including Rs.1.97 Lakhs for the prior years) and Loss on sale of fixed assets for the year is lower by Rs.8000, the total loss for the year is higher by Rs.2.95 Lakhs and net value of Fixed Assets is lower by Rs.2.95 Lakhs.

5 The Company has unabsorbed depreciation and carried forward losses available for set-off under the Income Tax Act, 1961. However, in view of present uncertainty regarding generation of sufficient future taxable income, deferred tax assets at the year-end have not been recognized in the accounts as a prudent Accounting practice.

**6 INFORMATION ABOUT PRIMARY BUSINESS SEGMENTS IS AS UNDER.**

Sr. No.	Particulars	Year ended 31.03.2011 Rs. (Lakhs)	Year ended 31.03.2010 Rs. (Lakhs)
		(Audited)	(Audited)
<b>1</b>	<b>Segment wise Revenue (Net Sales/Income from operations)</b>		
	a) NBFC	12.96	23.52
	b) Reality	0.00	0.00
	c) Corporate and Un-allocated	0.00	0.00
	<b>Total</b>	<b>12.96</b>	<b>23.52</b>
<b>2</b>	<b>Profit/(Loss) before tax and interest</b>		
	a) NBFC	(21.73)	(29.26)
	b) Reality	0.00	0.00
	<b>Total</b>	<b>(21.73)</b>	<b>(29.26)</b>
	Interest	0.02	0.12
	Corporate and Un-allocated expenditure net off income	0.00	0.00
	<b>Total Profit/ (Loss) Before Tax</b>	<b>(21.75)</b>	<b>(29.38)</b>
<b>3</b>	<b>Segment wise Capital Employed</b>		
	a) NBFC	89.05	110.80
	b) Reality	0.00	0.00
	c) Corporate and Un-allocated	0.00	0.00
	<b>Total Capital employed</b>	<b>89.05</b>	<b>110.80</b>

**7 CONTINGENT LIABILITIES IN RESPECT OF:**

	As on 31.03.2011 Rs. (Lakhs)	As on 31.03.2010 Rs. (Lakhs)
a) Dividend on 16,35,015 Nos., 15% Cumulative Convertible Preference Shares for the year 1997-98	201.58	201.58
b) Claim against the Company not admitted, in appeal before State Consumer Disputes Redressal Commission, Nagpur Bench.	3.09	3.09

## 8 INCOME TAX

- a) Company's application to settlement commission for the Accounting years ending 31<sup>st</sup> March 1993, 31<sup>st</sup> March 1994 and 31<sup>st</sup> March 1996 have been heard from time to time but still pending for disposal. Provision has been made for the Tax already paid. Additional amount of tax payable, if any, is not ascertainable. On disposal of our application to Settlement Commission, if any, additional amount is determined as payable as tax, the same will be provided at the relevant time.
  - b) Remaining years Assessments are completed for the years up to the Accounting year ending 31<sup>st</sup> March 2008. Assessment for the Accounting year ending 31<sup>st</sup> March 2009 is in progress.
  - c) There is a Income Tax Demand of Rs.144 Lacs for the Accounting year 2007-08. However, the entire demand is contested in appeal which is still pending for disposal. No provision has been made in the accounts as the Company has fair chance of succeeding in appeal. The amount of tax determined as payable, if any, the same will be provided in the year of disposal of the appeal.
  - d) Income Tax returns are filed for the years up to the Accounting year ending 31<sup>st</sup> March 2010.
- 9 No provision is required for future payment of Gratuity and Leave encashment.
  - 10 In order to ensure expeditious recovery of NPAs and repay the liabilities, the company is currently focusing all its efforts on recoveries.
  - 11 The Company has discharged its liabilities towards fixed depositors in full.
  - 12 The Company is transacting the business depending upon the progress of recoveries and availability of funds. The Directors therefore consider that the Company is

a going concern and the Accounts have been prepared accordingly.

- 13 (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.

## 14 Earnings per Share (EPS) / Book Value per Share

Sr. No.	Particulars	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
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)	(18.80)	(29.37)
C	Basic and Diluted Earning per share (Rs.)	(0.10)	(0.14)
D	Book Value per Share (Rs.)	0.42	0.51

- 15 Figures of the Previous Year have been regrouped, rearranged wherever necessary.

Signature to Schedules 'A' to 'J' (Including notes)

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

Mumbai, Dated : 30-05-2011

J. H. SHAH, Chairman.

P. S. MORE, Director.

M. D. ADHIKARI, Director.

RAMESH TAVHARE, Director.

K. D. MANKIKAR, Director

P. R. PARIKH, Company Secretary

Mumbai, Dated: 30-05-2011





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	As at 31.03.2011 Rs. (Lakhs)		As at 31.03.2010 Rs. (Lakhs)	
<b>A) Cash flow from operating activities :</b>				
Net profit / ( loss) before tax and extraordinary items as per Profit & Loss Accounts.		(21.75)		(29.38)
Adjustments for :				
Depreciation	4.03		1.00	
Interest Income	(11.79)	(7.76)	(13.51)	(12.51)
Operating Profit / (Loss) before working Capital Changes		(29.51)		(41.89)
Adjustments for :				
Trade and Other Receivables	11.05		17.70	
Trade Payable Creditors	(0.01)	11.04	0.24	17.94
Cash generated from operations				
Interest Received	11.79		13.51	
Direct tax paid	(1.83)	9.96	0.01	13.52
Net cash from operating activities (A)		(8.51)		(10.43)
<b>B) Cash flow from investing activities :</b>				
Purchase of Fixed Assets	0.00		0.00	
Sale of discarded Fixed Assets	0.04		0.00	
Net cash used in investing activities (B)		0.04		0.00
<b>C) Cash flow from financing activities :</b>				
Repayment of Bank Loans / Fixed Deposits etc.	0.00		(0.40)	
Net cash used in financing activities ( C)		0.00		(0.40)
Net Increase in Cash and Cash Equivalents (A+B+C)		(8.47)		(10.83)
Cash and cash equivalents as at 31.03.2010 (Opening Balance)		9.82		20.65
Cash and cash equivalents as at 31.03.2011 (Closing Balance)		1.35		9.82

J. H. SHAH, Chairman.

P. S. MORE, Director.

M. D. ADHIKARI, Director.

RAMESH TAVHARE, Director.

K. D. MANKIKAR, Director

PLACE: MUMBAI

DATED: 30<sup>th</sup> May, 2011

P. R. PARIKH, Company Secretary

**AUDITOR'S CERTIFICATE**

We have examined the above Cash Flow Statement of PAL Credit & Capital Ltd. for the year ended 31<sup>st</sup> March, 2011. 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 31<sup>st</sup> March, 2011 covered by our report of 30<sup>th</sup> May, 2011 to the members of the Company.

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

M. B. AGRAWAL  
Partner  
M.No. 9045

PLACE: MUMBAI

DATED: 30<sup>th</sup> May, 2011

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI  
TO THE COMPANIES ACT, 1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

<b>I. Registration Details:</b>		
Registration No.		12287
State Code		11
Balance Sheet Date		31.03.2011
<b>II. Capital Raised during the year</b>		Amount Rs. (Thousand)
Public Issue		Nil
Rights Issue		Nil
Bonus Issue		Nil
<b>III. Position of Mobilisation and Deployment of Funds</b>		Amount Rs. (Thousand)
Total Liabilities		299710
Total Assets		299710
<b><u>Sources of Funds</u></b>		
Paid up Capital		216003
Reserves & Surplus		83707
Secured Loans		Nil
Unsecured Loans		Nil
<b><u>Application of Funds</u></b>		
Net Fixed Assets		618
Investments		Nil
Net Current Assets		8287
Misc. Expenditure		Nil
Accumulated Losses		290805
<b>IV. Performance of Company</b>		Amount Rs. (Thousand)
Total Income		1469
Total Expenditure		3644
Profit / (Loss) Before Tax		(-) 2175
Profit / (Loss) After Tax		(-) 2175
Earning Per Share in Rs.		(-) 0.10
Dividend Rate ( % )		Nil
<b>V. Generic Name of Three Principal</b>		
Products / Services of Company (as per monetary terms)		Not Applicable
Item Code No. ( ITC CODE)		Hire Purchase
Product Description		Leasing
		Finance / Loans

J. H. SHAH, Chairman.

P. S. MORE, Director.

M. D. ADHIKARI, Director.

RAMESH TAVHARE, Director.

K. D. MANKIKAR, Director

PLACE: MUMBAI  
DATED: 30<sup>th</sup> May, 2011

P. R. PARIKH, Company Secretary



**ATTENDANCE SLIP  
PAL CREDIT & CAPITAL LIMITED**

**Registered Office :** Amarsons Bhavan, 3<sup>rd</sup> Floor, Shri Vile Parle K.V.O. Seva Samaj, 68, Misquitta Street,  
Opp. Railway Crossing, Vile Parle (East), Mumbai - 400 057.

PLEASE FILL IN THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID\* \_\_\_\_\_

Registered Folio No \_\_\_\_\_

Client ID\* \_\_\_\_\_

NAME AND ADDRESS OF THE SHAREHOLDER \_\_\_\_\_

No. of Share (s) held : \_\_\_\_\_

I hereby record my presence at the 49<sup>th</sup> Annual General Meeting of the Company being held at M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufacturers' Association), Bhogilal Hargovindas Building, 4<sup>th</sup> floor, 18/20 Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Kala Goda, Mumbai – 400 001, on Wednesday, 3<sup>rd</sup> August, 2011 at 2.30 p.m.

Signature of the Shareholder or proxy

*\* Applicable for investors holding shares in electronic form*

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE NOTICE AND REPORT TO THE MEETING.

----- (tear Here) -----

**PROXY FORM  
PAL CREDIT & CAPITAL LIMITED**

**Registered Office:** Amarsons Bhavan, 3<sup>rd</sup> Floor, Shri Vile Parle K.V.O. Seva Samaj, 68 Misquitta Street,  
Opp. Railway Crossing, Vile Parle (East), Mumbai 400 057.

DP ID\* \_\_\_\_\_

Registered Folio No \_\_\_\_\_

Client ID\* \_\_\_\_\_

No of Shares \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ being Member / Members of PAL Credit & Capital Ltd

hereby appoint \_\_\_\_\_ of \_\_\_\_\_ failing him

\_\_\_\_\_ of \_\_\_\_\_ failing him

\_\_\_\_\_ of \_\_\_\_\_ as my / our proxy

to attend and vote for me / us on my / our behalf at the 49<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 3<sup>rd</sup> August, 2011 at 2.30 p.m. and at any adjournment thereof.

Signed \_\_\_\_\_ day of \_\_\_\_\_ 2011

Please  
Affix 1 Rupee  
Revenue Stamp

Note : The Proxy form in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the Meeting. The proxy need not be a member of the Company.

*\* Applicable for investors holding shares in electronic form.*

## BOOK POST

*If undelivered, please return to:*



### **PAL CREDIT & CAPITAL LIMITED**

REGISTERED OFFICE : Amarsons Bhavan, 3<sup>rd</sup> Floor,  
Shri Vile Parle K.V.O. Seva Samaj, 68 Misquitta Street,  
Opp. Railway Crossing, Vile parle (East), Mumbai 400 057.

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