



PAL CREDIT & CAPITAL LIMITED

51st

Annual Report
2012-2013

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Highlights for the Ten Years

(Rs. in Lakhs)

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Total Income	2.08	5.89	14.69	24.67	38.78	316.48	192.41	104.03	18.13	4.40
Total Expenses	28.50	44.80	32.41	53.05	37.11	337.64	257.49	49.78	38.94	38.44
Earning before Depreciation & Tax	(26.42)	(38.91)	(17.72)	(28.38)	1.67	(21.16)	(65.08)	54.25	(20.81)	(34.04)
Depreciation	0.92	1.22	4.03	1.00	0.50	0.25	12.96	71.09	28.45	30.74
Tax	-	159.22 *	0.00	(0.01)	40.55 *	0.23	113.24 *	0.00	0.00	0.00
Profit/(Loss)	(27.34)	(199.35)	(21.75)	(29.37)	(39.38)	(21.64)	(191.28)	(16.84)	(49.26)	(64.78)
Share Capital & Free Reserves	2997.10	2997.10	2997.10	2997.10	2997.10	2997.10	2997.09	2573.64	2573.64	2573.64
Cumulative Loss	3134.74	3107.40	2908.05	2886.30	2856.93	2817.55	2795.91	2604.63	2587.79	2538.53
Net Worth	(137.64)	(110.30)	89.05	110.80	140.17	179.55	201.18	(30.99)	(14.15)	35.11
Borrowings	154.00	101.57	0.00	0.00	0.40	1.12	368.59	850.58	940.14	940.14
Net Assets	16.36	(8.73)	89.05	110.80	140.57	180.67	569.77	819.59	925.99	975.25
No. of Shares	21600256	21600256	21600256	21600256	21600256	21600256	21600256	21600256	21600256	21600256
No. of Shareholders	13601	13699	13827	14196	14621	14868	13751	13969	13912	14115
Basic and Diluted Earnings per Shares (Rs.)	(0.13)	(0.92)	(0.10)	(0.14)	(0.18)	(0.10)	(0.89)	(0.08)	(0.23)	(0.30)
Book Value per Share (Rs.)	(0.64)	(0.51)	0.42	0.51	0.65	0.83	2.12	(0.14)	(0.07)	0.16
Include related to past years - 312.63 *	-	159.22 *			40.30 *		113.11 *			



PAL CREDIT & CAPITAL LIMITED

BOARD OF DIRECTORS

Shri J. H. Shah - Chairman

Shri M. D. Adhikari

Shri P. S. More (up to 1st August, 2013)

Shri K. D. Mankikar

Shri Ramesh M. Tavhare

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

SOLICITORS

M/s. Desai & Diwanji

AUDITORS

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

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: 2596 3838, Fax: 2594 6969
E-mail: rnt.helpdesk@linktime.co.in

BANKERS

HDFC Bank Ltd

CHIEF MANAGER & COMPLIANCE OFFICER

Shri M. Sudalaikannu

COMPANY SECRETARY

Ms. Kavita A. Javheri

51st ANNUAL GENERAL MEETING

Day, Date, Time : Thursday, 26th September, 2013 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, (Behind Prince of Wales Museum), Kala Goda, Mumbai - 400 001.

NOTICE

NOTICE is hereby given that the Fifty-first Annual General Meeting of the Members of PAL Credit & Capital Ltd. will be held on Thursday 26th September, 2013 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 statement of Profit & Loss for the year ended 31st March, 2013 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, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint a Director in place of Shri J. H. Shah, 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 : 10th August, 2013

Kavita A. Javheri
Company Secretary

REGISTERED OFFICE

Amarsons Bhavan, 3rd Floor,
Shri Vile Parle K.V.O. Seva Samaj,
68, Misquitta Street, 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. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- c. The Register of Members and Share Transfer Books will remain closed from 17th September, 2013 to 26th September, 2013. (both days inclusive).
- d. 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.
- e. Any query relating to Accounts must be sent to the Company's Registered Office at least three days before the date of the meeting.
- f. 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.
- g. 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.
- h. As per SEBI Circular No. MRD/DoP/Cir-05/2009 dated 20 May, 2009 for transfer of shares in physical form, a copy of PAN number is compulsorily required to be furnished.
- i. **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 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, Telephone no. 25963838, Fax : 25946969, Email id-rnt.helpdesk@linkintime.co.in or to the Company at PAL Credit & Capital Limited, Amarsons Bhavan, 3 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

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.

- j. 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.
- k. At this Annual General Meeting, Shri M. D. Adhikari and Shri J. H. Shah who are the Directors of the Board, retire by rotation and being eligible, offer themselves for the reappointment. The details regarding Shri M. D. Adhikari and Shri J. H. Shah 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 : 10th August, 2013

**Kavita A. Javheri
Company Secretary**

REGISTERED OFFICE

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

DIRECTORS' REPORT

To the Members,

Your Directors present the 51st Annual Report with Audited Statements of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. In Lakhs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Profit/(Loss) for the year before providing for depreciation and Tax	(26.42)	(38.91)
Less: Depreciation	0.92	1.22
Profit /(Loss) before Tax	(27.34)	(40.13)
Less: Income Tax of Past years	-	159.22
Profit/(Loss) for the year	(27.34)	(199.35)

During the year the Company has suffered a loss of Rs. 26.42 lakhs, before provision of depreciation and the tax as against the loss of Rs. 38.91 lakhs for the previous year. The loss after provision of depreciation of Rs. 0.92 lakhs (previous year Rs. 1.22 lakhs), but before tax works out to Rs. 27.34 lakhs as against the loss of Rs. 40.13 lakhs for the previous year. There is no Tax Liability this year, as against Income Tax of past years amounting to Rs. 159.22 lakhs in the previous year. The loss for the year after depreciation and Tax works out to Rs. 27.34 lakhs as against Rs. 199.35 lakhs 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. At the request of the company, Premier Ltd., the promoters advanced from time to time further amounts so as to make possible payment of last installment of Income Tax for past years amounting to Rs. 26.54 lakhs and also to meet the day to day expenses of the company. With this timely help the company is able to go ahead with its revival plan. As at 31st March, 2013 outstanding to Premier Ltd. on this account amounted to Rs. 154 lakhs. Efforts on recovery of the old dues were continued. However, due to lengthy process of the legal system required to be followed it was not possible to achieve the desired results. Efforts on recovery front are being continued. Due to loss incurred during the year accumulated loss went up further and the negative networth as at 31st March, 2013 has gone-up to Rs. 137.64 lakhs from Rs. 110.30 lakhs as at 31st March, 2012.

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 networth has to be regained to the minimum required level to qualify to carry out NBFC Business. Your Directors plan to achieve this by Restructuring of Equity Share Capital.

Your Directors are of the view that the present set back in economy of the country is temporary and countrys' economy will continue to prosper in the long run. Apart from that NBFC Business has its own place in the economy of any country.

Therefore, 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 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 the 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. As per the provisions of the said Special Resolution value of equity share of the Company was to be reduced from Rs.10 per share to Re. 1 per share, and the accumulated Loss as per the Balance sheet was to be adjusted and reduced by Rs. 2711.44 lakhs 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	1944.03
	2711.44

After obtaining No Objection from Bombay Stock Exchange, 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 course of hearing of the petition certain objections were raised by a shareholder of the Company. The Learned Judge of the Hon'ble High Court, Bombay did not find any substance in any of the objections raised and found that the reduction was in the interest of the Company and its stakeholders. The Hon'ble High Court, Bombay thus passed an order dated 9th May, 2013 approving the scheme of reduction of capital. At this stage an application was made by the objecting shareholder to stay the order to enable him to approach the higher court. Request for stay is granted. It is ruled by the Hon'ble High Court, Bombay that the order shall not be acted upon for four weeks from 9th May, 2013.

INFUSION OF FUNDS

To achieve positive net worth as well as to raise the funds required for revival of the business operations, once the process of implementation of reduction of capital is completed the directors will initiate appropriate steps in this regard.

TAXATION

Return of income has been filed up to the Financial Year 2011-12, Assessment Year 2012-13. Assessment has been completed up to the Financial Year 2009-10, Assessment Year 2010-11.

For the Financial Year 2006-07, Assessment year 2007-08, an order under section 143(3) read with section 263 determining a demand of Rs.196 lakhs was received. The company was advised that the entire demand is arbitrary and an appeal against the order was made to ITAT. The ITAT has directed the Assessing Officer not to invoke the provision of section 115JB of the Income Tax Act as envisaged and not to tax waiver of loan, if utilized for purchase of capital asset. Revised order of the Assessing Officer is yet to be received.

For the Financial Year 2007-08, Assessment Year 2008-09, the Assessing Officer had determined a demand of Rs. 144 lakhs. An appeal has been filed with Commissioner of Income Tax (Appeal). CIT (A) has directed the Assessing Officer to file a remand report on certain issues. Order of CIT (A) is still awaited.

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,

- 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;
- 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;
- 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;
- That the Directors have prepared the Annual Accounts on a going concern basis;

As disclosed in note no 14.11 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

- 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.
- 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

Shri M. D. Adhikari and Shri J. H. Shah retire by rotation and being eligible offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit committee is headed by Shri K. D. Mankikar, an Independent Director as a Chairman. Other members of the audit committee are Shri P. S. More, an independent Director and Shri Ramesh M. Tavhare, a Director.

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 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

Place: Mumbai
Date: 30th May, 2013

**J. H. SHAH
CHAIRMAN**

REGISTERED OFFICE:

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

**ANNEXURE TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT**

Compliance Report for the year 2012-13

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

As on 31st March, 2013, 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 M. D. Adhikari	Non -Executive, Non-Independent	ONE	NIL	NIL
Shri P. S. More	Non-Executive, Independent	NIL	NIL	NIL
Shri K. D. Mankikar	Non-Executive, Independent	ONE	NIL	NIL
Shri Ramesh M. Tavhare	Non -Executive, Non-Independent	FOUR	ONE	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 of 75 years age. He is B. Com., LLB, PGDFM, and ACMA and has more than 5 decades 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 65 years of age. He is B. Com., ICWA and has 46 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 is Chairman of Investors & Shareholders Grievance Redressal Committee of the Board of Directors and a member of Remuneration 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. He is 79 years of age. He is having a Diploma in Mechanical and Electrical Engineering and has more than 42 years of experience in marketing of products and purchase of materials, commercial and general management. He has vast administrative experience. He is Chairman of Remuneration Committee and a member of Audit Committee as well as Investors & Shareholders 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 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 of 68 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 & Control and Corporate Affairs. He being independent Director is appointed as Chairman of Audit Committee by the Board of Directors with effect from 31st October, 2009. 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 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. He is of 57 years of age. He is B.Com (Hons). F. C. S. He is a qualified Company Secretary and has 27 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 and Chairman of Paramount Information Services Private Limited, Director of Ideal Classes Private Limited, Aroopdas Financial Services Limited and Premier Auto Ltd. Your Company has no transaction with any of these companies. He is a member of the Audit Committee, Investors & Shareholders Grievance Redressal Committee and Remuneration Committee. 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:

Six Meetings of Board of Directors were held during the year on 30th May, 2012, 4th June, 2012, 14th August, 2012, 26th September, 2012, 10th November, 2012 and 14th February, 2013. 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	Board Meeting	
		Held	Attended
Shri J. H. Shah	Non-Executive, Non-Independent	6	6
Shri M. D. Adhikari	Non- Executive, Non-Independent	6	6
Shri P. S. More	Non- Executive, Independent	6	5
Shri K. D. Mankikar	Non- Executive, Independent	6	4
Shri Ramesh M. Tavhare	Non- Executive, Non-Independent	6	5

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.

4) Composition of Investors' & Shareholders' Grievance Redressal Committee (ISGC) of Board of Directors:

Company's Investor's & Shareholder's Grievance Redressal Committee consists of Shri M. D. Adhikari as Chairman and Shri P. S. More & Shri Ramesh M. Tavhare as members. Shri J. H. Shah is a permanent invitee at the committee meetings. Mr. M. Sudalaikannu functions as a Compliance Officer.

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, 2012, 14th August, 2012, 10th November, 2012 and 14th February, 2013.

Attendance of the Directors at the meeting

Name of Director	Category of Director	Board Meeting	
		Held	Attended
Shri M. D. Adhikari	Non-Executive, Non-Independent	4	4
Shri P. S. More	Non- Executive, Non-Independent	4	4
Shri Ramesh M. Tavhare	Non- Executive, Non-Independent	4	4
Shri J. H. Shah, (As an invitee)	Non- Executive, Non-Independent	4	4

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	NIL	NIL	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	2	2	NIL
5	Others	NIL	NIL	NIL	NIL
	Total	NIL	2	2	NIL

5) 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 Ramesh M. Tavhare are members of the Committee. Shri J. H. Shah is a permanent invitee at the meetings. Mr. M. Sudalaikannu functions as a Compliance Officer.

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 Audit Committee were held during the year on 23rd May, 2012, 07th August, 2012, 10th November, 2012 and 14th February, 2013.

Attendance of the Directors at the meeting

Name of Director	Category of Director	Board Meeting	
		Held	Attended
Shri K. D. Mankikar	Non-Executive, Independent	4	4
Shri P. S. More	Non- Executive, Independent	4	4
Shri Ramesh M. Tavhare	Non- Executive, Non-Independent	4	4
Shri J. H. Shah (As an invitee)	Non- Executive, Non-Independent	4	4

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 and other matters specified in Clause 49 of Listing Agreement and Section 292A of the Companies Act, 1956.

6) Remuneration Committee of Board of Directors :

The Remuneration Committee comprises of Shri P. S. More as Chairman, Shri M. D. Adhikari and Shri Ramesh M. Tavhare are members of the Committee. Shri J. H. Shah is a permanent invitee at the meetings. Mr. M. Sudalaikannu functions as a Compliance Officer.

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.

7) Remuneration Policy:

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

8) Last Annual General Meeting (AGM) of shareholders was held on Wednesday, 26th September, 2012. 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 P. S. More	Non-Executive, Independent	NO
Shri K. D. Mankikar	Non-Executive, Independent	YES
Shri Ramesh M. Tavhare	Non-Executive, Non-Independent	YES

9) 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 14.10 of the Accounts forming part of Accounts' are reported to the Audit Committee.

b Compliance with Accounting Standards :

The financial statements for the year 2012-13 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 2012-13, the Company has not made any public, rights or any other issue of securities.

e Reduction of Capital :

As per the decision of the shareholders of the company at the last Annual General Meeting held on 26th September, 2012, by passing a special resolution, for reduction of capital, an application was made to Bombay Stock Exchange under clause 24 (f) of listing agreement and NOC dated 27th November, 2012 of Bombay Stock Exchange was obtained. Company Scheme Petition was filed with Bombay High Court for its approval for the proposed reduction of face value of company's equity shares from Rs. 10 to Re.1. The Petition was objected by a shareholder. After the close of the year High Court has rejected the objection and approved the Petition. The Shareholder concern has preferred to appeal against the order of the single judge before a Higher Court. The implementation of order of single judge approving the company's petition is stayed pending decision on the appeal. Therefore, implementation of reduction of capital is delayed.

f 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	16,000.00
Shri M. D. Adhikari	12,000.00
Shri P. S. More	14,000.00
Shri K. D. Mankikar	12,000.00
Shri Ramesh M. Tavhare	14,000.00
Total	68,000.00

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.

g Management :

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

h 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. 14.10 to the Accounts.

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

i Communication with 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.

j 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.

k 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.

l Website:

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

10) 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.

11) Subsidiary Companies:

The Company has no subsidiaries.

12) 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
2009-10	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 2nd floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai 400001	30th August, 2010	11.30 a.m.
2010-11	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai 400001	3rd August, 2011	02.30 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, (Behind Prince of Wales Museum), Mumbai 400001	26th September, 2012	02.30 p.m.

No Resolution was passed through postal ballot during the year.

13) Shareholders Information

a. 51st Annual General Meeting

Date and Time : On Thursday, 26th September, 2013 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 Goda, (Behind Prince of Wales Museum), Mumbai- 400 001.

b. Date Of Book Closure : From 17th September, 2013 to 26th September, 2013 (Both days inclusive)

c. Financial Calendar of Results Tentative Dates

For Quarter ending

June 30, 2013 on or before 15th August, 2013
 September 30, 2013 on or before 15th November, 2013
 December 31, 2013 on or before 15th February, 2014
 March 31, 2014 on or before 15th May, 2014

d. 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 : 25946970 - 78, Fax : 2594 6969
 E-mail: rnt.helpdesk@linkintime.co.in
 Counter timing: 10.00 am to 4.00 pm
 (Monday to Saturday)

e. Compliance Officer :

Ms. Kavita A. Jahveri has been appointed by Board of Directors as a Company Secretary from 18th February, 2013. Shri M. Sudalaikannu, functions as Compliance Officer of the Company.

Shri M. Sudalaikannu **Ms. Kavita A. Javhveri**
Chief Manager & Compliance Officer Company Secretary

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

f. Contact Details :

Tel/Fax No: 022-26126875
Web site: www.palcc.co.in
Email: investors@palcc.co.in

g. Dividend:

In view of the loss incurred by the Company, the Directors have not recommended any dividend for the year ended 31st March, 2013.

h. 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 1st April, 2012 to 31st March, 2013 and thereafter till date.

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 up to the year 2013-14. 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 2013-14.

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

Up to 31st March, 2013, 19158104 shares representing 88.69% 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 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 :

No deposit was 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 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 (mnt.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 2012	1.49	1.24	40	17,664.10	17,010.16
May 2012	1.27	1.12	21	17,432.33	15,809.71
June 2012	1.23	1.14	29	17,448.48	15,748.98
July 2012	1.77	1.16	60	17,631.19	16,598.48
August 2012	2.18	1.60	27	17,972.54	17,026.97
September 2012	2.13	1.71	108	18,869.94	17,250.80
October 2012	1.82	1.46	81	19,137.29	18,393.42
November 2012	1.66	1.23	77	19,372.70	18,255.69
December 2012	1.81	1.33	190	19,612.18	19,149.03
January 2013	2.15	1.51	53	20,203.66	19,508.93
February 2013	1.44	0.79	70	19,966.69	18,793.97
March 2013	0.84	0.65	37	19,754.66	18,568.43



I. Distribution of shareholding as on 31st March, 2013

Shareholding Numbers	No. of shareholders	% to Total	No. of shares held	Amount in Rs.	% to Total
Up to 500	10527	77.3987	1668839	16688390	7.7260
501 to 1000	1695	12.4623	1304951	13049510	6.0414
1001 to 2000	720	5.2937	1065074	10650740	4.9308
2001 to 3000	238	1.7499	616868	6168680	2.8558
3001 to 4000	88	0.6470	317444	3174440	1.4696
4001 to 5000	101	0.7426	493258	4932580	2.2836
5001 to 10000	123	0.9043	932626	9326260	4.3177
10001 & above	109	0.8014	15201196	152011960	70.3751
Total	13601	100.00	21600256	216002560	100.0000

m. Share holding Pattern as on 31st March, 2013:

Category of Share Holders	No. of shares	% of total holding
A1) Promoters Holding :		
a) Indian Promoters	5899169	27.3106
b) Foreign Promoters	-	-
Total A1	5899169	27.3106
A2) Persons acting in concert	-	-
Total A2	-	-
A. Total (A1+A2)	5899169	27.3106
B1) Non Promoters Holding:		
a) Mutual Funds and UTI	-	-
b) Banks, Financial Institutions,	-	-
c) Insurance Companies etc.	-	-
d) FIs/Foreign Mutual Funds/ Foreign Companies	-	-
Total B1	-	-
B2) Others :		
a) Other Body Corporate	3956211	18.3156
b) Indian Public	11718096	54.2498
c) NRIs with & without Repatriation Benefits	26780	0.124
Total B2	15701087	72.6894
B. Total (B1+B2)	15701087	72.6894
TOTAL (A+B)	21600256	100.00

14) 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, 2013.

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.

Place: Mumbai
Date: 30th May, 2013

J. H. Shah
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, 2013, 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 implementations thereof, adopted by the Company for ensuring the compliance of 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 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 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

Sanjay Lunkad.
Partner.
M. No.48229.

Place: Mumbai
Date: 30th May, 2013.

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 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's 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 sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 31, 2013;
- 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Sanjay Lunkad
Partner
M. No.48229

Place: Mumbai
Date: 30th May, 2013

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, 2013.

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. 154 lakhs. (Maximum balance during the year Rs.154 Lakhs) (Previous Year Rs. 101.57 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 and explanations given to us no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
 - b) The Company has preferred the appeals to CIT (A) against the demand Rs. 341 lacs raised by Assessing Officer for Assessment Year 2007-08 and 2008-09. The appeals are pending for hearing and disposal. The disputed liability has not been provided for.
10. 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 of Rs. 26.42 Lacs during the financial 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, 2013, 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

Reg. No.100137W

Sanjay Lunkad

Partner

M. No.48229

Place: Mumbai

Date: 30th May, 2013.



BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes No.	As at 31.03.2013 Rs. (Lakhs)	As at 31.03.2012 Rs. (Lakhs)
EQUITY AND LIABILITIES			
Shareholders Fund			
Share Capital	1	2160.03	2160.03
Reserves & Surplus	2	(2297.67)	(2270.33)
Total-Shareholders Fund		(137.64)	(110.30)
Current liabilities			
Short - term borrowings	3	154.00	101.57
Other Current liabilities	4	2.56	1.75
Short - term provisions	5	-	26.54
Total-Current Liabilities		156.56	129.86
TOTAL		18.92	19.56
A S S E T S			
Non - Current Assets			
Fixed Assets			
Tangible assets	6	4.02	4.86
Intangible assets		-	-
Total-Non - Current Assets		4.02	4.86
Non current investment			
Total-Non - Current Assets	7	-	-
Current assets			
Trade receivable	8	-	-
Cash and cash equivalents		0.22	0.03
Short - term loans and advances		14.68	14.67
Total-Current assets		14.90	14.70
TOTAL		18.92	19.56
Notes forming part of Accounts	14		

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. " 14 ". 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

SANJAY LUNKAD
Partner
M.No. 48229

Place : Mumbai
Date : 30/05/2013

For and on behalf of the Board of Directors

J. H. SHAH (Chairman)
P. S. MORE (Director)
M. D. ADHIKARI (Director)
K. D. MANKIKAR (Director)
RAMESH M. TAVHARE (Director)
KAVITA A. JAVHERI (Company Secretary)

Place : Mumbai
Date : 30/05/2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	Notes No.	Current Year ended on 31.03.2013 Rs. (Lakhs)	Previous Year ended on 31.03.2012 Rs. (Lakhs)
1) Revenue from operations	9	-	5.27
2) Other Income	10	2.08	0.62
3) Total Revenue (1 + 2)		2.08	5.89
4) Expenses :			
Finance Costs	11	0.02	0.06
Employees benefits expense	12	8.93	9.78
Other expenses	13	20.47	36.18
Total Expenses		29.42	46.02
5) Profit/(Loss) before tax (3 - 4)		(27.34)	(40.13)
6) Tax expense			
Past Years Tax		-	159.22
7) Profit/(Loss) for the period (5 - 6)		(27.34)	(199.35)
8) Earnings Per equity Share			
a) Basic		(0.13)	(0.92)
b) Diluted		(0.13)	(0.92)
Notes forming part of Accounts	14		

As per report of even date attached

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

SANJAY LUNKAD
Partner
M.No. 48229

Place : Mumbai
Date : 30/05/2013

For and on behalf of the Board of Directors

J. H. SHAH (Chairman)
P. S. MORE (Director)
M. D. ADHIKARI (Director)
K. D. MANKIKAR (Director)
RAMESH M. TAVHARE (Director)
KAVITA A. JAVHERI (Company Secretary)

Place : Mumbai
Date : 30/05/2013



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

Particulars	Current year ended on 31.03.2013 Rs. (Lakhs)		Previous year ended on 31.03.2012 Rs. (Lakhs)	
A) Cash flow from operating activities :				
Net profit / (loss) before tax and extraordinary items as per Statement of Profit & Loss		(27.34)		(199.35)
Adjustments for :				
Depreciation	0.92		1.22	
Interest Income	0.00		(5.27)	
Income Tax	0.00		159.22	
Profit on sale of discarded Fixed Assets	0.00		(0.01)	
		0.92		155.16
Operating Profit / (Loss) before working Capital Changes		(26.42)		(44.19)
Adjustments for :				
Trade and Other Receivables	0.05		68.88	
Trade Payable Creditors	0.81	0.86	0.08	68.96
Cash generated from operations				
Interest Received	0.00		5.27	
Direct tax paid	(26.60)	(26.60)	(133.04)	(127.77)
Net cash from operating activities (A)		(52.16)		(103.00)
B) Cash flow from investing activities :				
Purchase of Fixed Assets	(0.08)		(0.04)	
Sale of discarded Fixed Assets	0.00	(0.08)	0.15	0.11
Net cash used in investing activities (B)		(0.08)		0.11
C) Cash flow from financing activities :				
Advance from Related Party		52.43		101.57
Net cash flow from financing activities (C)		52.43		101.57
Net Increase in Cash and Cash Equivalents (A+B+C)		0.19		(1.32)
Cash and cash equivalents as at 31.03.2012 (Opening Balance)		0.03		1.35
Cash and cash equivalents as at 31.03.2013 (Closing Balance)		0.22		0.03

For and on behalf of the Board of Directors

	J. H. SHAH (Chairman)	P. S . MORE (Director)
Place : Mumbai	M. D . ADHIKARI (Director)	RAMESH M. TAVHARE (Director)
Date : 30/05/2013	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, 2013. 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, 2013 covered by our report of 30th May, 2013 to the members of the Company.

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

SANJAY LUNKAD
 Partner
 M.No. 48229

Place : Mumbai
 Date : 30/05/2013

Notes '1' to '14' Annexed to and forming part of Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the Year ended on 31st March, 2013

Note No.	Particulars	As at 31.03.2013 Rs. (Lakhs)	As at 31.03.2012 Rs. (Lakhs)
(1)	SHARE CAPITAL AUTHORISED		
	3,00,00,000 Equity Shares of Rs. 10/- each	3000.00	3000.00
		3000.00	3000.00
	ISSUED, SUBSCRIBED AND FULLY PAID EQUITY SHARES		
	2,16,00,256 Shares of Rs. 10/- each fully paid up	2160.03	2160.03
	TOTAL	2160.03	2160.03

Notes:-

- No equity shares were issued and or bought back during the year. Issued, Subscribed and fully paid equity Shares at the beginning of the year and at the end of the year are same.
- The Company is having only one class of shares, that is equity share of Rs. 10 each. All the equity Shareholders are having equal right on the distribution of dividend and the repayment of capital.
- The Company is not a subsidiary of any other Company.
- Statement showing shareholding of persons holding more than 5% of total number of shares as on 31st March, 2013

Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of Equity Shares of Rs.10 each. Fully paid	No. of Shares held as a percentage of total No.of Equity Shares of the Company	No. of Equity Shares of Rs.10 each. Fully paid	No. of Shares held as a percentage of total No.of Equity Shares of the Company
Premier Limited (promoters)	5899169	27.3106	5899169	27.3106
Spectra Industries Ltd.	1985117	9.1902	1985117	9.1902
Suresh Chandra Bajaj	-	-	1093475	5.0623

- During immediately preceding five years Company has not allotted any fully paid up shares of any class pursuant to contract(s) without payment being received in cash, bonus shares or have bought back any shares.
- There are no unpaid calls or forfeited shares.
- See Note No. 14.02

Note No.	Particulars	As at 31.03.2013 Rs. (Lakhs)	As at 31.03.2012 Rs. (Lakhs)
(2)	RESERVES & SURPLUS		
	Capital Reserve		
	As per last Balance Sheet	499.83	499.83
	Share Premium		
	As per last Balance Sheet	267.58	267.58
	Statutory Reserve as per Section 45-IC of The RBI Act, 1934		
	As per last Balance Sheet	69.66	69.66
	837.07	837.07	
Surplus			
As per last Balance Sheet	(3,107.40)	(2,908.05)	
Debit balance as per statement of profit & Loss for the year ended 31st March, 2013, enclosed.	(27.34)	(199.35)	
	(3,134.74)	(3,107.40)	
	TOTAL	(2,297.67)	(2,270.33)



Note No.	Particulars	As at 31.03.2013 Rs. (Lakhs)	As at 31.03.2012 Rs. (Lakhs)
(3)	SHORT - TERM BORROWINGS		
	Advances from a related party	154.00	101.57
	TOTAL	154.00	101.57
(4)	OTHER CURRENT LIABILITIES		
	Other payables	2.56	1.75
	TOTAL	2.56	1.75
(5)	SHORT - TERM PROVISIONS		
	Provision for Income Tax	-	26.54
	TOTAL	-	26.54

Note No.	Particulars	Rs. (Lakhs)									
		Gross Block (at cost)				Depreciation				Net Block	
		As At 01.04.12	Additions during the Year	Deductions/ Adjustments during the Year	As at 31.03.13	As At 01.04.12	For the Year	Deductions/ Adjustments during the Year	As at 31.03.13	As at 31.03.13	As at 31.03.12
(6)	FIXED ASSETS										
	a) Tangible Assets										
	Furniture & Fixtures	9.61	-	-	9.61	4.90	0.84	-	5.74	3.87	4.71
	Computers (Hardware)	1.25	0.08	0.03	1.30	1.10	0.08	0.03	1.15	0.15	0.15
	Other Office equipment	0.04	-	-	0.04	0.04	-	-	0.04	-	-
	Total (a)	10.90	0.08	0.03	10.95	6.04	0.92	0.03	6.93	4.02	4.86
	b) Intangible Assets										
	Computers (Software)	0.08	-	0.03	0.05	0.08	-	0.03	0.05	-	-
	Total (b)	0.08	-	0.03	0.05	0.08	-	0.03	0.05	-	-
	Total (a+b)	10.98	0.08	0.06	11.00	6.12	0.92	0.06	6.98	4.02	4.86
	Previous Year										
	a) Tangible Assets	11.34	0.04	0.48	10.90	5.16	1.22	0.34	6.04	4.86	
	b) Leased Assets	722.52	-	722.52	-	722.52	-	722.52	-	-	
	Total (a + b)	733.86	0.04	723.00	10.90	727.68	1.22	722.86	6.04	4.86	
	c) Intangible Assets	0.08	-	-	0.08	0.08	-	-	0.08	-	
	Total	733.94	0.04	723.00	10.98	727.76	1.22	722.86	6.12	4.86	

Note No.	Particulars		As at 31.03.2013 Rs. (Lakhs)	As at 31.03.2012 Rs. (Lakhs)
(7)	NON - CURRENT INVESTMENT			
	A) QUOTED SHARES (Fully Paid)			
	Current Year	Previous Year		
	Quantity	Quantity		
	200 Indian Seamless Finance Ltd.	200	0.07	0.07
	100 GE Capital Transportation Financial Services Ltd. (Formerly SRF Finance Ltd.)	100	0.08	0.08
	50 Lloyds Finance Ltd.	50	0.07	0.07
	133 CRB Capital Market Ltd.	133	0.13	0.13
			0.35	0.35
	Less :- Provision for diminution in value		(0.35)	(0.35)
		(A)	-	-
	B) UNQUOTED SHARES (Fully Paid)			
	50000 Tan Ash Liquidaire Pvt. Ltd.	50000	5.00	5.00
	Less :- Provision for diminution in value		(5.00)	(5.00)
		(B)	-	-
	TOTAL (A+B)		-	-
	Market value of quoted investment		NIL	NIL
	As the above investments are not likely to realise any amount, the same are therefore, fully provided for in the books of accounts.			
(8)	CURRENT ASSETS			
	Trade Receivable			
	Outstanding for a period exceeding six months:			
	Considered Good		-	-
	Unsecured, Considered Doubtful		18.99	18.99
			18.99	18.99
	Less : Provision for doubtful dues		(18.99)	(18.99)
		(A)	-	-
	Cash and cash equivalents			
	Balance with a Bank		0.02	0.01
	Cash on Hand		0.20	0.02
		(B)	0.22	0.03
	Short - Term Loans and Advances			
	Loans and advances to a related party, unsecured		-	-
	Other items :			
	Security deposit		2.78	2.71
	Tax deducted at source		11.90	11.84
	Trade advances, considered doubtful		13.66	13.66
	Other advances		-	0.12
			28.34	28.33
	Less : Provision for doubtful dues		(13.66)	(13.66)
		(C)	14.68	14.67
	TOTAL (A+B+C)		14.90	14.70



		(Rs. In Lakhs)	
Note No.	Particulars	Current Year ended on 31.03.2013	Previous Year ended on 31.03.2012
(9)	Revenue from operations		
	Interest Income (TDS Rs.0.00 Lakhs, Previous Year Rs.0.53 lakhs)	-	5.27
	Total	-	5.27
(10)	Other Income		
	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	-	0.01
	Miscellaneous Income	1.17	0.61
	Total	2.08	0.62
(11)	Finance Costs		
	Bank Charges	0.02	0.06
	Total	0.02	0.06
(12)	Employees benefits expense		
	Salaries and Bonus	8.15	8.41
	Retirement Gratuity	0.65	1.05
	Staff Welfare	0.13	0.32
	Total	8.93	9.78
(13)	Other expenses		
	Depreciation	0.92	1.22
	Rent	4.50	4.20
	Repairs and Maintenance	0.55	0.38
	Insurance	0.03	0.03
	Remuneration to Auditor :		
	a) As statutory Auditor Audit Fees	0.29	0.28
	b) In other capacity certification and other matters	0.67	0.65
	Travelling and conveyance	1.55	1.29
	(Includes for Director Rs.0.17 Lakhs, Previous Years Rs. 0.14 Lakhs)		
	Printing & Stationery	1.12	0.90
	Directors Fees	0.68	0.54
	Legal & Professional Fees	2.42	20.05
	Listing & Filing Fees	3.00	1.80
	Administrative Advertisement	0.87	0.73
	Electricity Expenses for Office	0.89	0.86
	Office Maintenance	0.65	0.69
	Postage & Telephones	0.93	0.97
	Other administrative expenses	1.40	1.59
	Total	20.47	36.18

NOTE – 14

NOTES FORMING PART OF ACCOUNTS

14.01 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.

14.02 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 is 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 Bombay High Court. A company petition in this regard was filed with the Hon'ble Bombay High Court. 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 has been stayed for four weeks from May 9th 2013, i.e., the date of order.

14.03 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)

14.04 INCOME TAX

- a. There are Income Tax Demands of Rs. 341 Lacs for the Accounting years 2006-07 and 2007-08. The same are contested in appeal which are pending for disposal. No provision has been made in the accounts as the Company is advised that it 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.
- b. Return of income has been filed up to the Financial Year 2011-12, Assessment Year 2012-13. Assessment has been completed up to the Financial Year 2009-10, Assessment Year 2010-11.

14.05 Provision is made for future liability for payment of Gratuity. No provision is required for Leave encashment.

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

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

14.08 (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.

- 14.09** 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.

14.10 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 31-03-2012	Transaction During the Year	Amount Outstanding as on 31-03-2013
Advance is received	101.57 CR	52.43 CR	154.00 CR

- 14.11** 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.

14.12 EARNINGS PER SHARE (EPS) / BOOK VALUE PER SHARE

Sr. No	Particulars	31 st March, 2013	31 st March, 2012
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)	(27.34)	(199.35)
C	Basic and Diluted Earning per share (Rs.)	(0.13)	(0.92)
D	Book Value per Share (Rs.)	(0.64)	(0.51)

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

Signature to Notes 1 to 14 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

SANJAY LUNKAD
Partner
M.No. 48229

Place : Mumbai
Date : 30/05/2013

For and on behalf of the Board of Directors

J. H. SHAH (Chairman)
P. S. MORE (Director)
M. D. ADHIKARI (Director)
K. D. MANKIKAR (Director)
RAMESH M. TAVHARE (Director)
KAVITA A. JAVHERI (Company Secretary)

Place : Mumbai
Date : 30/05/2013



**ATTENDANCE SLIP
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.

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 51st Annual General Meeting of the Company being held 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, on Thursday, 26th September, 2013 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, 3rd Floor, Shri Vile Parle K.V.O. Seva Samaj, 68 Misquitta Street, 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 51st Annual General Meeting of the Company to be held on Thursday, 26th September, 2013 at 2.30 p.m. and at any adjournment thereof.

Signed _____ day of _____ 2013

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

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PAL Credit & Capital Ltd.

04th September, 2013

BSE Limited
Floor 25, P.J. Towers,
Dalal Street,
Mumbai - 400 001

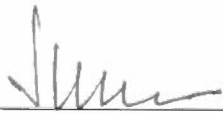
Scrip Code: 511306

Dear Sirs,


We are submitting below the Form - A as required under Clause - 31 of the Listing Agreement.

Form - A


1	Name of the Company	PAL Credit & Capital Ltd.
2	Annual Financial statement for the year ended	31 st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	NA



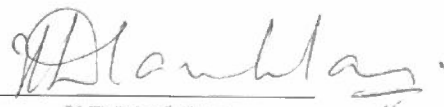
J.H.Shah
(Chairman & Director)



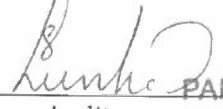
J.H.Shah
(Chairman & CFO)



M. Sudalakkannu
(Chief Manager & CEO)



K.D.Mankikar
(Audit Committee Chairman)
For M. B. AGRAWAL & CO.



PARTNER
Auditor
(M.B.Agrawal & Co.)

Registered Office:

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

Tel.: +91-22-2612 6875 ☐ Fax : +91-22-26126875 ☐ E-mail : investors@palcc.co.in