

PAL CREDIT & CAPITAL LIMITED

54th
ANNUAL
GENERAL MEETING
2015-2016

Day, Date, Time	:	Tuesday, 27th December, 2016 at 11.30 a.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.

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BOARD OF DIRECTORS

Shri J. H. Shah - Chairman
(upto 30, November 2015)
Shri K. D. Mankikar - Director
(upto 30, November 2015)
Shri Jayesh Dadia - Director
Shri Jatin D Jhaveri - Director
Ms. Urmila U. Nagarkar - Director

KEY MANAGERIAL PERSONNEL

CHIEF MANAGER & CHIEF EXECUTIVE OFFICER (CEO)
Shri M. Sudalaikannu

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Kavita A. Javheri
(upto 30, September 2015)

CHIEF FINANCIAL OFFICER (CFO)
Ms. Rajeshree V. Parekh

REGISTERED OFFICE

C/o Premier Ltd.
58, Nariman Bhavan,
Nariman Point, Mumbai 400 021
Tel.: 022 6117 9000
Fax: 022 6117 9003
Website: www.palcc.co.in
E-mail: investors@palcc.co.in
CIN No. L51010MH1962PLC012287

AUDITORS

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

INTERNAL AUDITORS

M/s. A. G. Thakkar & Co.

SECRETARIAL AUDITORS

M/s. N. L. Bhatia & Associates

SOLICITORS

M/s. Desai & Diwanji

BANKERS

HDFC Bank Ltd

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.: 022 2594 6970
Fax: 022 2594 6969
E-mail: rnt.helpdesk@linktime.co.in
CIN No. U67190MH1999PTC118368



NOTICE

NOTICE is hereby given that 54th Annual General Meeting of PAL Credit & Capital Limited will be held at M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Kala Ghoda Mumbai 400 001 on Tuesday, 27th December, 2016 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2016 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 Jayesh Dadia (DIN No. 00053633) who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Ms. Urmila U Nagarkar (DIN No. 07137526) who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. **Appointment of Shri M. Sudalaikannu as Manager under the Companies Act, 1956:**

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

"RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and Other applicable provisions, if any, of the Companies Act, 2013 (including and statutory modifications or re-enactment thereof for the time being in force) ("the Act") and subject to such other consent and approvals as may be required, approval be and is hereby accorded to the appointment of Shri M. Sudalaikannu as Manager of the Company for a period of three years with effect from 1st November, 2016 upon terms and conditions (including payment of remuneration, perquisites and benefits) as agreed between the Company and Shri M. Sudalaikannu. The material terms of appointment of Shri M. Sudalaikannu as the Manager of the Company are given below:

- (i) **Basic Salary:** Rs 7,80,000/- per annum (i.e. Rs. 65,000/- per month); (all inclusive) for the entire period of three years.
- (ii) **Total Fixed Pay:** For the purpose of this resolution, the term "Total Fixed pay" shall mean the aggregate of and shall include all fixed components (including basic salary) of Shri M. Sudalaikannu's remuneration, all allowances and the value of all perquisites as per company policy in force from time to time.
- (iii) Such other terms as are mentioned in the Explanatory Statement.

"RESOLVED FURTHER THAT the remuneration, perquisites and benefits as specified above, shall be paid to Shri M. Sudalaikannu even when there is a loss or inadequacy of profits in any financial year, subject to the applicable provisions of Schedule V of the Act and such approvals, permissions and consents, including approval of the Central Government as may be applicable and required in this regard."

"RESOLVE FURTHER THAT the Manager so appointed shall be responsible for the Management of the whole or substantially the whole, of the affairs of the Company, regularly report to the Board regarding the activities of the Company and perform such of other duties that the Board may delegate to the manager from time to time"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all decisions for or in connection with the appointment of and payment of remuneration to Shri. M. Sudalaikannu and generally to give effect to this resolution".

"RESOLVED FURTHER THAT subject to the provisions of the Act, the Board be and is hereby authorized to alter increase or vary the remuneration including salary, allowances, commission, perquisites and benefits, and other terms of appointment of Shri M. Sudalaikannu and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Company and Shri M. Sudalaikannu, from time to time, as deemed expedient or necessary".

NOTES

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

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

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item No. 5 above is annexed hereto.
4. **Shri Jayesh Dadia**

Shri Jayesh Dadia was appointed as an Additional Director of the Company on 16th December, 2013 under Section 260 of the Companies Act, 1956 read with Article 161 of the Articles of Association of the Company. He holds office of Director of Board upto the date of ensuing Annual General Meeting. Shri Jayesh Dadia is 60 years of age. He is B. Com and Practicing Fellow Chartered Accountant and has more than 31 years of experience in Accounting, Taxation and Audit. He is Chairman of Stakeholders Relationship Committee Meeting of the Board of Directors and a member of Audit and Nomination and Remuneration Committees and of the Board of Director. He is a Director of Walkwater Consultants Pvt. Ltd., Tooltech Global Engineering Pvt Ltd. and PPFAS

Trustee Company Pvt. Ltd. Your Company has no transaction with any of the above companies. He and his wife jointly hold 1000 Equity Shares of Re.1 each in the company. He is not related to any other Director or employee of the Company.

5. Ms. Urmila U. Nagarkar

Ms. Urmila U. Nagarkar was appointed a Director of the Company on 30th March, 2015 in the causal vacancy caused by the demise of Shri M. D. Adhikari. She is 54 years of age. She is B.A. and has more than 25 years of experience in Accounting and Taxation. She is member of Stakeholders Relationship and Audit Committees. She is Director of Premier Auto Limited. She is not related to any other Director or employee of the Company. She holds 10 shares in the Company.

6. Process and manner for members opting for e-voting are as under:

1. In compliance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members, facility to exercise their right to vote at the 54th Annual General Meeting by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday 23rd December, 2016 at 9 A.M. and ends on Monday 26th December 2016 at 6 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v)</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on



Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from the Google Play Store, Windows and Apple smart phones. Please follow the instruction as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

i. The voting period begins on Friday, 23rd December, 2016 at 9 A. M. and ends on Monday, 26th December, 2016 at 6 P. M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th December, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxii) Any person, who acquires shares of the Company and become a member of the Company after dispatch of the Notice and holding shares as of the cut of date. i.e. 22nd December, 2016, may obtain the login ID and password by sending a request at www.evotingindia.com. However, if he is already registered with CDSL for remote e-voting, then he can use his existing user ID and Password for casting his vote. If he has forgotten his password, he can reset his password by using "forgot user details / password" option available on www.evotingindia.com. Person who is not a Member as on the cut off date i.e. 22nd December, 2016, should treat this Notice for information purpose only.

(xxiii) A member can opt for only one mode i.e. either through e-voting or voting at the Annual General Meeting. If a Member casts votes

by both modes, than voting done through e-voting shall prevail and the voting at the Annual General Meeting shall be treated as invalid.

(xxiv) At the Annual General Meeting, the Chairman shall allow voting with the assistance of the Scrutinizer, by use of ballot paper for all those Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th September, 2015.

III. A copy of this Notice has been placed on the website of Company and Website of CDSL.

IV. Mr. N. L. Bhatia, Practicing Company Secretary (Certificate of Practice Number 442) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman.

VI. The results shall be declared at or after Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.palcc.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited

7. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 20th December, 2016 to Tuesday, 27th December, 2016 (Both days inclusive).

8. 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.

9. 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, Tel: 25946970, Fax : 25946969, Email - rnt.helpdesk@linkintime.co.in or to the Company at PAL Credit & Capital Limited, C/o. Premier Ltd. 58, Nariman Bhavan, Nariman Point, Mumbai 400 021, Tel: 6117 9000, Fax : 6117 9003 Email: investors@palcc.co.in.

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

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

Pursuant to Section 102 of the Companies Act, 2013 ('the Act') the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 5 of the accompanying Notice.

Appointment of Manager

In compliance with the provisions of Section 269 and other applicable provisions of the Companies Act, 1956 (" the Act"), the Board of Directors of the Company have appointed Shri M. Sudalaikannu who is employed in the Company, as Manager of the Company under the Act, for a period of 3 years w.e.f. 1st November 2016 on the terms and conditions including payment of remuneration as recommended and subject to the requisite approval of shareholders.

Shri M. Sudalaikannu is 60 years of age. He has done his B.Com from Madurai University. He has 38 years of rich and varied experience in Accounts, Banking, Auditing, General Administration, Co-Ordination with Statutory Authorities and related matters.

He has been working with the Company for the last 23 years. His present designation is Chief manager and C.E.O. of the Company.

He and his son together holds 61,185 shares in the Company.

It is proposed to appoint Shri M. Sudalaikannu as the Manager of the Company and he shall be responsible for the Management of the whole or substantially the whole of the affairs of the Company, regularly report to the Board on the activities of the Company and perform such other duties that the Board may delegate to him from time to time.

The material terms of interest of appointment of Shri M. Sudalaikannu as the Manager of the Company are given below

Gratuity and Encashment of Leave: He will be allowed gratuity and paid leave as per rules of the Company. Leave accumulated but not availed of during the tenure, will be allowed to be encashed.

The Board recommends the passing of the Special Resolution as set out in the Item No. 5 of the notice.

None of the Directors and Promoters of the Company are concerned or interested in the resolution.

ANNEXURE TO EXPLANATORY STATEMENT :

I. General Information:

- (1) **Nature of industry:** The Company is NBFC
- (2) **Date or expected date of commencement of commercial production:** The Company commenced its business in the year 1962
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- (4) **Financial performance based on given indicators:**

	(₹ in Lakhs)	
	Current Year	Previous Year
Revenue	6.49	0.68
Net Loss	(60.71)	(61.13)

- (5) **Foreign investments or collaborations, if any:** Not Applicable

II. Information about the appointee:

- (1) **Background details:** Mr. M. Sudalaikannu is B. Com from Madurai University with 38 years experience in Accounts, Banking, General Administration and related matters
- (2) **Past remuneration:** Rs. 6,00,000/- p.a.
- (3) **Recognition or awards:** NIL
- (4) **Job profile and his suitability:** Shri M. Sudalaikannu is suitable for the job considering his qualification and experience. He is responsible for all day-to-day functions of the Company.
- (5) **Remuneration proposed:** As mentioned in the resolution and explanatory statement
- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** The size and business of the Company is not comparable with other companies in the Industry, in view of stoppage of business of the Company. However, in the interest of continuity of the Company and considering Shri M. Sudalaikannu's responsibilities, the proposed remuneration is commensurate with the job profile.
- (7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Except for the proposed remuneration Shri M. Sudalaikannu does not have any pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel of the Company.



III. Other information:

- (1) **Reasons of loss or inadequate profits:** The Company is incurring losses due to non-availability of working capital and long term resources
- (2) **Steps taken or proposed to be taken for improvement:** The management is considering the various options in view of extremely difficult situation being faced by the Company.
- (3) **Expected increase in productivity and profits in measurable terms:** It is difficult to project about business and profitability of the Company in future.

BY THE ORDER OF THE BOARD
PAL CREDIT & CAPITAL LTD

Place : Mumbai
Dated : 19th November, 2016

M. Sudalaikannu
Compliance Officer

REGISTERED OFFICE

PAL Credit & Capital Limited
C/o Premier Ltd., 58 Nariman Bhavan, Nariman Point, Mumbai 400021
Tel No : 6117 9000 Fax No : 6117 9003
Email : investors@palcc.co.in Website : www.palcc.co.in
CIN NO : L51010MH1962PLC012287

DIRECTORS' REPORT

To the Members,

Your Directors present the 54th Annual Report with Audited Statements of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Current Year 2015-16	Previous Year 2014-15
Profit/(Loss) for the year before providing for depreciation and Tax	(59.94)	(60.35)
Less: Depreciation	0.77	0.78
Profit/(Loss) before Tax	(60.71)	(61.13)
Less: Income Tax	Nil	Nil
Profit/(Loss) for the year	(60.71)	(61.13)

During the year the Company has suffered a loss of Rs. (59.94) lakhs, before provision of depreciation as against the loss of Rs. (60.35) lakhs for the previous year. The loss after provision of depreciation of Rs. 0.77 lakhs (previous year Rs. 0.78 lakhs) but before tax works out to Rs. (60.71) lakhs as against the loss of Rs. 61.13 lakhs for the previous year. There is no tax liability this year and also in the previous year.

2. DIVIDEND:

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

3. MANAGEMENT DISCUSSION AND ANALYSIS

Affairs of the Company are continued to be carried out on most economical scale by containing the expenses to minimal level. Dues, due to lengthy process of the legal system required to be followed much could not be done towards recovery of old dues.

As the company is having no funds, pending infusion of fresh funds, Premier Ltd., the Promoters have continued to provide the funds to the company to keep the Company going. Up to 31st March, 2016 total amount disbursed to the company amounted to Rs. 232.50 lakhs. With the stringent provisions with regard to contravention of provisions of section 186 (7) of the Companies Act, 2013, with regard to charging of interest on loans given by a Company, the promoters having no option but to charged interest on this borrowings effective 1st April, 2014, at the rate at which they pay interest to their Banks. As at 31st March, 2016 total interest accrued amounted to Rs. 54.62 lakhs. Thus total outstanding to promoters as on 31st March, 2016 amounted to Rs. 287.12 lakhs.

4. REVIVAL OF BUSINESS

Company has negative net worth, and is not complying with RBI Guidelines with regard to adequacy of Net Owned Funds. Therefore, Show Cause Notice has been served upon the company by RBI, stating as to why the Certificate of Registration issued to the Company by RBI should not be cancelled in terms of provisions contained in Section 45-IA (6) of the Act. Show Cause Notice received from RBI is replied explaining steps already taken by the company and being taken for Restructuring of Capital by the company to restore the net worth. The same was followed with the concerned Officers of RBI. During the meeting with them company's present situation, steps taken and how the Show Cause Notice will hinder the efforts of the company to restore the net worth is explained. RBI suggested that the company may furnish future plans and a Road Map in this regard. Company is in process of working towards best solutions for revival of the business by the company.

5. RESERVES & SURPLUS:

Change in Reserves & Surplus compared to previous year is as under:

(Rs. In Lakhs)

	As at 31.03.2016	As at 31.03.2015
Statutory Reserve as per Section 45-IC of The RBI Act, 1934	69.66	69.66
Accumulated Loss	(585.15)	(524.44)
Total	(515.49)	(454.78)

6. Taxation:

Return of income has been filed up to Financial Year 2014-15, Assessment year 2015-16. Assessment has been completed up to the Financial Year 2013-14. Assessment Year 2014-15.

Assessment for the Financial Year 2006-07 was reopened under section 263 of Income Tax Act. In the revised assessment, Capital Receipts arising on account of one time settlement with the banks, which was treated as non-taxable in the original assessment, was considered as taxable Income. A demand of Rs. 196.49 lakhs was raised. This was

contested by the company. Vide its order dated 31-12-2012 Income Tax Appellate Tribunal (ITAT) decided in the matter in favour of the Company. Income Tax department has preferred an appeal before Hon'ble High Court, Bombay against the order of ITAT. Directors are advised by the Tax Consultants of the Company that the appeal is not tenable and no demand is expected in this regard. Hon'ble High Court, Bombay passed the order in favour of the Company. The Commissioner of Income Tax (CIT) filed an appeal before Supreme Court of India against the order.

7. Internal Financial Control:

Company has appointed M/s. A. G. Thakkar & Co. Practicing Chartered Accountant as Internal Auditors of the Company and has in place adequate internal financial control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and payment for expenses. Internal Auditors issue quarterly report and the same is being placed before Audit Committee and the Board of Directors. Details of Audit Committee are dealt with in.

8. Auditors' Report:

There is no adverse comment in the Independent Auditors Report of the year under report to the members of the Company.

9. Acceptance of Fixed Deposits:

Company is not accepting and has not accepted any fixed deposit within the meaning of Section 73 of the Companies Act, 2013 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.

10. Statutory Auditors

M/s. M. B. Agrawal & Co., Chartered Accountants, holds office until the conclusion of the 54th Annual General Meeting of the Company and shall accordingly retire at the conclusion of the Meeting. The Company has received a consent letter from them to the effect that their appointment for the financial year 2016-2017, if approved, at the ensuing Annual General Meeting would be within the limits prescribed in Section 141 of the Companies Act, 2013 and were not disqualified for such appointment. Accordingly, M/s. M. B. Agrawal & Co., Chartered Accountants, is proposed to be appointed as Auditors of the Company at the 54th Annual General Meeting. If M B Agrawal & Co., are appointed as Auditors of the Company for Financial Year 2016-17 their appointment will be in accordance with the provisions of Section 139 of the Companies Act, 2013.

11. Secretarial Audit Report:

As required under Section 204 of the Companies Act, 2013, M/s. N L Bhatia & Associates, Practicing Company Secretaries were appointed as Secretarial Auditor of the Company for the financial year 2015-16. The Secretarial Audit Report along with the comments of the Board of Directors on the observations of the Secretarial Auditor is attached to this report. The same is forming part of this report.

12. The Extract of the annual return:

The extract of the Annual Return, in prescribed Form No. MGT – 9 is enclosed and is forming part of this report.

13. Corporate Social Responsibility Initiatives:

As the Company is not having profit. Therefore, this provision is not applicable.

14. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgoing:

The information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is as follows:

- a. The Company has no activity involving conservation of energy or technology absorption.
- b. The company does not have any Foreign Exchange earnings and outgo.

15. Directors:

At 52nd Annual General Meeting Shri Jatin D. Jhaveri was appointed as Independent Director of the Company, by a resolution passed by the members as per section 149(4), 149(10) of Companies Act, 2013. Shri Jatin D. Jhaveri is already director of the company, appointed by Board as Independent Director as per requirement of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015. He hold the office as Independent Director for a period of five years, and is not liable to retire by rotation.

The company received declaration from the Independent Director confirming that he meets the criteria of Independence as prescribed both under the Act and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 with the Stock Exchange.

Mr. Jayesh Dadia, and Ms. Urmila U. Nagarkar, both director's retires by rotation and being eligible offer themselves for re-appointment.

All the Directors of the Company are Non Executive Directors. None of the Director paid any remuneration or amount in any form except sitting fees for attending meetings of the Board/ Committee of the Board of Directors and conveyance expense for attending the meeting.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, an evaluation of its own performance has been carried out by the Board. The same has been dealt with in the Corporate Governance Report.

Five Meetings of Board of Directors were held during the year. Details of dates of meeting attendance are given in Compliance Report on Corporate Governance.

16. Committee of Directors:

As required under various sections of the Companies Act, 2013 and in Compliance of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 the Board has formed following Committees of Directors:

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholder Relationship Committee
- iv. Risk management Committee

Names of the Chairman and Members of each Committee, number of meetings held and all other relevant details are given in Compliance Report on Corporate Governance.



17. Key Managerial Personnel:

To meet with the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, following Key Managerial Personnel are appointed by the Company.

i. Manager and CEO

Shri M. Sudalaikannu is appointed as a Manager of the Company under Companies Act, 1956 and is Chief Executive Officer (C.E.O) of the Company.

ii. Chief Financial Officer :

Ms Rajeshree Parekh is appointed as Chief Financial Officer (CFO) of the Company.

18. Details of policies and practices of the company being followed as required under various sections of Companies Act, 2013:

Details of establishment of Vigil Mechanism (whistle Blower Policy) for Directors and Employees, Risk Management Policy and Prevention, Prohibition Redressal Mechanism with regard to the sexual harassment of women and Remuneration Policy enclosed and the same is forming part of this report.

19. Particulars of Employees.

During the year, no employee of the Company was in receipt of remuneration in excess of Rs. 60,00,000/-.

20. Particulars of loans, guarantees or investments under section 186 of Companies Act, 2013:

Company or its Director on behalf of the Company has not given any loan or guarantee covered under the provisions of Section 186 of the Companies Act, 2013.

21. Compliance Report on Corporate Governance:

As a part of this Annual Report, the report on compliance with SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 relating to Corporate Governance is enclosed as Annexure IV. Information given in Corporate Governance Report is also form part of Directors Report. Corporate Governance Compliance Certificate thereon from statutory Auditors of the Company is also enclosed.

22. Disclosure about Cost Audit:

Cost Audit is not applicable to your Company.

23. Issue of employees stock options:

No Stock option scheme was provided during year.

24. Significant and Material Orders

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

25. Transfer of Amounts to Investor Education and Protection Fund:

There is no amount required to be transferred to Investor Education and Protection Fund in accordance with the Section 205C of the Companies Act, 1956 (1 of 1956)/ Section 125 of the Companies Act, 2013 and rules made there under.

26. Material changes and commitments, after the close of the financial year.

No material changes have occurred after the close of the financial year ended 31.03.2016 till the date of Directors Report, which would affect the financial position of the Company.

27. Joint Venture, Subsidiaries and Holding companies.:

The Company has no holding, subsidiaries and joint venture.

28. Listing with Stock Exchanges:

Details of Listing and Dematerialization are given in the Corporate Governance Report.

29. Directors' Responsibility Statement:

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134(5) of the Companies Act, 2013, shall state that-

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 at the end of the financial year and of the profit and loss of the company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis;
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30. Acknowledgements:

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

Jayesh Dadia

Date: 19th November, 2016

DIRECTOR

REGISTERED OFFICE:

PAL Credit & Capital Limited

C/o Premier Ltd., 58 Nariman Bhavan, Nariman Point, Mumbai 400 021

Tel No.: 6117 9000 Fax No.: 6117 9003

Email : investors@palcc.co.in Website : www.palcc.co.in

CIN NO : L51010MH1962PLC012287

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

PAL CREDIT & CAPITAL LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PAL CREDIT & CAPITAL LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder. The Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, **Not Applicable**.
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, **Not Applicable**.
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, with effect from 1st December 2015.

- (6) Other Laws applicable to the Company;
 - a. Reserve Bank of India Act, 1934
 - b. Income Tax Act, 1961
 - c. Finance Act
(Notification issued with regard to Service Tax from time to time)
 - d. Trade Mark Act, 1999
 - e. Bombay Shop & Establishment Act, 1948
 - f. Payment of Gratuity Act, 1972
 - g. Negotiable Instrument Act, 1881
 - h. Indian Contract Act, 1872
 - i. Professional tax Act, 1975
 - j. Employees Provident Funds & Miscellaneous Provisions Act, 1952
 - k. Employees State Insurance Act, 1948
 - l. The Limitation Act, 1963
 - m. Bombay Stamp Act, 1958
 - n. Payment of Bonus Act, 1965

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations.

1. During the year under Report, trading of Securities of the Company was suspended by BSE Limited with effect from 28th August, 2015.
2. The Company is in the process of appointing Company Secretary, in place of Ms. Kavita A. Javheri who resigned from the Company with effect from 30th September, 2015.
3. During the year under Report, the company has not carried out any NBFC Business due to inadequacy of Net Owned Funds (NOF) as required under RBI Act, 1934.
4. RBI has issued show cause notice number DNSB.MRO.NO. 4047/13.16.054/2014-15 dated February 13, 2015 indicating that the net owned funds (NOF) of the Company are not positive.
5. The Company has received the notice from BSE imposing the penalty of Rupees 7865/- for delay in filing of Annual Report by 7 (seven) days. A representation has been made by the Company to BSE Limited to waive this penalty. Decision of BSE Limited is awaited.
6. Appeal (no. 427 of 2009) under section 14 of the Consumer Protection Act, 1986 has been filed before the Maharashtra State Consumer Redressal Commission, Nagpur Bench by Mr. Dharmesh Agarwal (the original complainant) against the order dated April 9, 2009 passed by the District Forum, Bhandara seeking
 - i. Revision of interest at 18% from the awarded 9% on Rupees 1.36 Lacs.
 - ii. Instead of ordering return of the unused post-dated cheques with original promissory note, the District Forum, Bhandara should have directed the Company to provide a new vehicle



along with the accessories of the seized vehicle,

- iii. Sought higher compensation than that awarded in the order. The appeal is currently pending.

7. Provisions of CSR are not applicable to the Company.

8. Website is not updated

We further report that due to resignation of Mr. K. D. Mankikar, Independent Director constitution of Board of Directors and Audit and Nomination and Remuneration Committee is not as required under Regulation 17, 18 and 19 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. All the decisions at the Board Meetings were passed unanimously and with requisite majority in General Meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Mumbai

For N L Bhatia & Associates

Date: 16th November, 2016

UIN: P1996MH055800

N L Bhatia
Managing Partner
FCS No.1176
CP No.422

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

Date: 16th November 2016

To,

The Members

PAL CREDIT & CAPITAL LIMITED

Our report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done

on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For N L BHATIA & ASSOCIATES
UIN: P1996MH055800

N L BHATIA
Membership No.1176
CP No. 422

ANNEXURE 1 TO THE DIRECTORS' REPORT

Comments of the Board on Secretarial Audit Report

1. During the year under Report, trading of Securities of the Company was suspended by BSE Limited with effect from 28th August, 2015.
Comment: The Company has made representation with BSE Ltd. to revoke the suspension.
2. RBI has issued show cause notice number DNSB.MRO.NO. 4047/13.16.054/2014-15 dated February 13, 2015 indicating that the net owned funds (NOF) of the Company are not positive.
Comment: Company has replied the Show Cause Notice and taking necessary steps.
3. The Company has received the notice from BSE imposing the penalty of Rupees 7865/-for delay in filing of Annual Report by 7 (seven) days. A representation has been made by the Company to BSE Limited to waive this penalty. Decision of BSE Limited is awaited.
Comment: The comment of the Secretarial Auditor is self explanatory.
4. Appeal (no. 427 of 2009) under section 14 of the Consumer Protection Act, 1986 has been filed before the Maharashtra State Consumer Redressal Commission, Nagpur Bench by Mr. Dharmesh Agarwal (the original complainant) against the order dated April 9, 2009 passed by the District Forum, Bhandara seeking Revision of interest at 18% from the awarded 9% on Rupees 1.36 Lacs.
Instead of ordering return of the unused post-dated cheques with original promissory note, the District Forum, Bhandara should have directed the Company to provide a new vehicle along with the accessories of the seized vehicle, Sought higher compensation than that awarded in the

order.

The appeal is currently pending.

Comment: this is a claim made by a customer. It is contested by the Company to protect the interest of the company.

5. Website is not updated.

Comment: The Company is in the process of the updating the website.

6. Resignation of Mr. K. D. Mankikar, Independent Director

Comment: The Company is in the process of reconstituting the Board by inducting suitable persons as directors.

For and on behalf of the Board of Directors

Place : Mumbai

Jayesh Dadia

Date :19th November, 2016

Director

ANNEXURE - 2

Details of various policies and practices of the company being followed as required under various sections of Companies Act, 2013.

1. **Vigil Mechanism (Whistle Blower Policy) (Section 177 of the Companies Act, 2013)**

The Company has framed a Whistle Blower Policy/Vigil Mechanism providing a mechanism under which an employee/director of the Company may report their genuine concern or grievances, unethical behavior, suspected or actual fraud, violation of code of conduct or ethics policy. The Vigil Mechanism provides for adequate safeguards against victimization of Directors and employees to avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website: www.palcc.co.in.

2. **Risk Management Policy**

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, the company has constituted a business risk management committee.

Risk Management Committee has been constituted by the company consisting of members of the Board of Directors (non-executive).

Risk Management Committee consists of Shah, Shri Jayesh Dadia, Shri Jatin D. Jhaveri and Ms Urmila U. Nagarkar.

The Company manages risk through a detailed Risk Management Policy framework which lays down guidelines in identifying, assessing and managing risks that the businesses are exposed to. Risk is managed by the Board/Risk Management Committee of the Board through appropriate structures including suitable reporting mechanisms.

This policy applies to all areas of the Company's operations.

3. **Prevention, Prohibition Redressal Mechanism**

The Company has zero policy tolerance towards sexual harassment at the workplace and has adopted a Prevention of Sexual Harassment policy that is in the line with the provisions of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for prevention and redressal of complaints of

sexual harassment at workplace, along with a structured reporting and redressal mechanism.

4. **Remuneration Policy**

As required under Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has formulated the Nomination & Remuneration Policy.

The Board has approved the Nomination & Remuneration Policy recommended by the Nomination and Remuneration Committee.

The Nomination & Remuneration Policy are as follows and are also uploaded on the Company's Website: www.palcc.co.in.

Remuneration Policy for Non-Executive Directors

1. **Regulatory Provisions:**

In terms of the requirement stated under Companies Act, 2013 read with related rules issued there on and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 of the equity Listing Agreement, PAL Credit & Capital Limited ("the Company") has formulated a policy document namely "Remuneration Policy for Non-Executive Directors" which will deal with the remuneration of the Non- Executive Directors. Equity Listing Agreement, Clause 49(VIII) (C) (3) requires every company to publish its criteria of making payments to Non- Executive Directors in its Annual Report. Alternatively, this may

be put up on the Company's website and reference may be drawn thereto in its Annual Report. Section 197 of the Companies Act, 2013 and Clause 49(II) (C) require the prior approval of share holders of the Company for making payment to its Non- Executive Directors.

2. **Company Policy:**

At PAL Credit & Capital Limited Board of Directors and Management lays great emphasis on adding and practicing good Corporate Governance practices with a view to achieve transparency in its operation so as to boost stakeholders' confidence. The objective of this Policy is to ensure that the Non- executive Directors' are governed by comprehensive compensation criteria, that is based on their merits and valuable contribution made by them towards the success of the Company. Remuneration packages are designed to attract and retain high caliber management people as required to run the Company successfully.

3. **Criteria:**

Criteria of making payments to Non-Executive Directors will be decided by the Board it can be on the basis of: Contribution during the Meeting, Active Participation in strategic decision making.

Heads Under Which Payments Can Be Made :

Any fee/remuneration payable to the Non- Executive Directors of the Company shall be in following manner.

- i. **Sitting Fee:**

Non- Executive Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, RBI ACT, 1934, Equity Listing Agreement and any other applicable law or for any other purpose what so ever as may be decided by the Board. Non-Executive Directors' shall be paid a sitting fee of Rs. 2,000



for all meetings of the Board or Committee attended by them as member on any particular day.

ii. Remuneration and Commission:

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its Non-Executive Director(s) either by way of a monthly payment or at a specified percentage of the net profits of the company. The Company is however not obligated to remunerate its Non-Executive Director(s). Further, the section 197 of the Act provides that the remuneration payable to directors who are neither managing directors nor whole time directors, shall not exceed- (a) one percent of the net profits of the Company, if there is a managing or whole time director or manager, (b) three percent of the net profits in any other case. Additional commission, apart from remuneration referred above, may be paid to Non Executive Directors as may be decided by the Board of Directors of the Company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the Non-Executive Directors.

iii. Refund of excess remuneration paid

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction of the Central Government, where it is required, he shall refund such (3) sum to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it unless permitted by the Central Government. Reimbursement

of actual expenses incurred: Non- Executive Director(s) may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such Directors for attending Board/Committee Meetings.

iv. Role of Nomination & Remuneration Committee:

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Non- Executive Director(s).

v. Stock Option Plans:

Payment to Non- Executive Directors and Independent Directors:

The Company has no stock options plans and no payment by way of bonus, pension, incentives etc to its Non- Executives.

The Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof.

Amendments

The Board shall be responsible for the administration, interpretation, application and review of this policy. The Board shall be empowered to bring about necessary changes to this policy, if required at any stage in compliance with the prevailing laws.

For and on behalf of the Board of Directors

Place : Mumbai

Jayesh Dadia

Date : 19th November, 2016

Director

ANNEXURE 3 to the Directors Report

Pursuant to Section 92 (3), 134(3) (a) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

I REGISTRATION & OTHER DETAILS:

i	CIN	L51010MH1962PLC012287
ii	Registration Date	28/02/1962
iii	Name of the Company	PAL Credit & Capital Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	"Address of the Registered office & contact details"	C/o Premier Ltd. 58, Nariman Bhavan, Nariman Point, Mumbai - 400 021
vi	Whether listed company :Yes / No	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078 Tel : +91-22-2594 6970 Fax : +91-22-2594 6969 Website : www.linkintime.co.in Email : rnt.helpdesk@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

There are no business activities contributing 10% or more of the total turnover of the Company.

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

The Company has no holding, subsidiary and joint ventures

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates	5899169		5899169	27.3106	5899169		5899169	27.3106	0	0
d) Bank/Fl										
e) Any other										
SUB TOTAL: (A) (1)	5899169		5899169	27.3106	5899169		5899169	27.3106	0	0
(2) Foreign										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/Fl										
e) Any other...										
SUB TOTAL (A) (2)	0		0	0			0	0	0	0
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	5899169		5899169	27.3106	5899169		5899169	27.3106	0	0
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/Fl										
C) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	0		0	0	0		0	0	0	0
(2) Non Institutions										
a) Bodies corporates	3523877	327865	3851742	17.83	3514363	327865	3842228	17.789	0	0
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	5978406	2015371	7993777	37.0078	7045220	1999724	9044944	41.874		
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	3787903	0	3787903	17.5364	2761124	0	2761124	12.782		
c) Others (specify)										
i) Clearing Member	37635	0	37635	0.1742	22547	0	22547	0.1044		
ii) NRI (Repat)	19680	5000	24680	0.1143	19680	5000	24680	0.1143		
iii) NRI (Non- Repat)	5150	200	5350	0.0248	5364	200	5564	0.0258		
SUB TOTAL (B)(2):	13352651	2348436	15701087	72.6894	13368298	2332789	15701087	72.6894		
Total Public Shareholding (B)= (B)(1)+(B)(2)	13352651	2348436	15701087	72.6894	13352651	2348436	15701087	72.6894		
C. Shares held by Custodian for GDRs & ADRs	0	0	0		0		0	0		
Grand Total (A+B+C)	19198824	2401432	21600256	100	19251820	2348436	21600256	100		



(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Premier Limited	5899169	27.3106	0	5899169	27.3106	0	0
	Total	5899169	27.3106	0	5899169	27.3106	0	0

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	5899169	27.3106	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year	5899169	27.3106	0	0

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	6329132	29.3012		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year (or on the date of separation, if separated during the year)	6329132	29.3012		

(v) Shareholding of Directors & KMP

Sr. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	30,315	0.14		
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NIL			
	At the end of the year	30,315	0.14		

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	-	221.73	-	221.73
ii) Interest due but not paid	-	24.37	-	24.37
iii) Interest accrued but not due	-	30.25	-	30.25
iii) Interest accrued but not due	-	30.25	-	30.25
Total (i+ii+iii)	-	276.35	-	276.35
Change in Indebtedness during the financial year				
Additions	-	10.77	-	10.77
Interest	-	30.25	-	30.25
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	-	232.5	-	232.5
ii) Interest due but not paid	-	30.25	-	30.25
iii) Interest accrued but not due	-	24.37	-	24.37
Total (i+ii+iii)	-	287.12	-	287.12

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Manager, Company Secretary and Chief Financial Officer:**

Sr. No.	Particulars of Remuneration	Manager	Company Secretary	CFO
	Gross salary			
	Name of the MD/WTD/Manager	Mr. M. Sudalaikannu	Ms. Kavita A. Javheri	Ms. Rajeshree Parekh
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	6,78,447	1,86,904	2,31,250
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit	0	0	0
	others (specify)	0	0	0
5	Others, please specify	0	0	0
	Total (A)	6,78,447	1,86,904	2,31,250
	Ceiling as per the Act	NA	NA	NA

B. Remuneration to other Directors:

	Particulars of Remuneration	Name of the Directors		Total Amount (₹)	
1	Independent Directors				
	(a) Fee for attending board committee meetings	1. K. D. Mankikar	up to 30.11.2015	8,000	18,000
		2. Jatin D. Jhaveri		10,000	
	(b) Commission				
	(c) Others, please specify				
	Conveyance	1. K. D. Mankikar	up to 30.11.2015	2,000	4,500
		2. Jatin D. Jhaveri		2,500	
	Total (1)				
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings	1. J. H. Shah	up to 30.11.2015	8,000	28,000
		2. Jayesh Dadia		10,000	
		3. Urmila U. Nagarkar		10,000	
	(b) Commission				
	(c) Others, please specify.				
	Conveyance	1. J. H. Shah	up to 30.11.2015	2,000	7,000
		2. Jayesh Dadia		2,500	
		3. Urmila U. Nagarkar		2,500	
	Total (2)				35,000
	Total (B)=(1+2)				
	Total Managerial Remuneration				57,500
	Overall Ceiling as per the Act.			NA	NA

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default during the year.

For and behalf of the Board of Directors

Place : Mumbai

Dated : 19th November, 2016

Jayesh Dadia

Director



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

Compliance Report for the year 2015-16

The following are the relevant disclosures about the Board, its various Committees, financial and stock performance and such other disclosures as required under SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

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

Composition of Board of Directors of the Company is in accordance with the provision of Companies Act, 2013. In all there are three Directors of them one is Independent elected by the members of the company in accordance with the provision of section 149 of the Companies Act, 2013. His appointment is for five years. One of the remaining two directors is a Woman Director, as per requirement of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015. All directors are Non-Executive

During the Financial Year 2015-16, the Board of Directors of the Company is comprised of the Directors as under:

Name of Director	Category of Director	No. of other Companies in which he is a Director (including Private Companies) as, on 31st March 2016	No. of other Companies in which he is a Chairman/ Member of any Committee as on 31st March, 2016	
			Chairman	Member
Shri J. H. Shah (upto 30/11/2015)	Non-Executive, Non-Independent	ONE	NIL	NIL
Shri K. D. Mankikar (upto 30/11/2015)	Non-Executive, Independent	ONE	NIL	NIL
Shri Jayesh Dadia	Non-Executive, Non-Independent	THREE	NIL	NIL
Shri Jatin D. Jhaveri	Non-Executive, Independent	ONE	NIL	NIL
Ms. Urmila U. Nargarkar	Non-Executive, Non-Independent	ONE	NIL	NIL

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

Five Meetings of Board of Directors were held during the year on 29th May, 2015, 14th August, 2015, 28th September, 2015, 9th November, 2015 and 10th February, 2016. The gap between any two meetings of the Board was not more than 4 months.

Attendance of the Directors at the meeting

Name of Director	Category of Director	Number of Board Meetings	
		Held	Attended*
Shri J. H. Shah (upto 30.11.2015)	Non-Executive, Non-Independent	5	4*
Shri K. D. Mankikar (upto 30.11.2015)	Non- Executive, Independent	5	4*
Shri Jayesh Dadia	Non-Executive, Non-Independent	5	5
Shri Jatin D. Jhaveri	Non-Executive, Independent	5	5
Ms. Urmila U. Nagarkar	Non-Executive, Non-Independent	5	5

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

Information placed before the Board of Directors

The information as required under SEBI (LODR) Regulation 2015 (Listing Regulations) 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:

- Report of Chief Manager & CEO to the Board of Directors on Statutory Compliances, Premier Dues and Income Tax Matters for every quarter.
- Quarterly, Half Yearly and Annual Results after expiry of Quarter, Half Year and Year;
- All major decisions and all material transactions which are not in ordinary course of business;
- Compliance Report under RBI (NBFC) Guidelines in respect of Fixed Deposits and Fair Practice Code;
- Appointment, resignation / removal of senior officers.

4) Composition of Stakeholders Relationship Committee Meeting of Board of Directors:

Company's Stakeholders Relationship Committee Meeting consisted of Shri Jayesh Dadia as Chairman, Shri Jatin D. Jhaveri and Ms. Urmila U. Nagarkar as members.

No. of Meetings of Stakeholders Relationship Committee Meeting of Board of Directors held and dates:

Four Meetings of Stakeholders Relationship Committee Meeting were held during the year on 29th May, 2015, 14th August, 2015, 9th November, 2015 and 10th February, 2016.

Attendance of the Directors at the Meeting

Name of Director	Category of Director	Number of Stakeholders Relationship Committee Meeting	
		Held	Attended
Shri Jayesh Dadia - Chairman	Non-Executive, Non-Independent	4	4
Shri K. D. Mankiaar - Member (Upto 30.11.2015)	Non-Executive, Independent	4	3*
Ms. Urmila U. Nagarkar - Member	Non-Executive, Non-Independent	4	4
Mr. Jatin D. Jhaveri - Member (from 10.02.2016)	Non-Executive, Independent	4	1*
Shri J. H. Shah - As an invitee (Upto 30.11.2015)	Non-Executive, Non-Independent	4	3*

(*during the period they were Directors of the Company and member of the Committee)

Information placed before the Stakeholders Relationship Committee Meeting 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	4	4	NIL
5	Others- Non Receipt of Share Certificate(s) – Transfer	NIL	4	4	NIL
	Total	NIL	8	8	NIL

5) Composition of Audit Committee of Board of Directors:

The Audit Committee consisted of Shri Jatin D Jhaveri, an Independent Director as Chairman, Shri Jayesh Dadia and Ms. Urmila U. Nagarkar, are members of the Committee.

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

Four Meetings of Audit Committee were held during the year on 29th May, 2015, 14th August, 2015, 9th November, 2015 and 10th February, 2016.

Attendance of the Directors at the Meeting

Name of Director	Category of Director	Number of Audit Committee Meetings	
		Held	Attended*
Shri Jatin D Jhaveri - Chairman	Non- Executive, Independent	4	4
Shri K. D. Mankikar – Member (Upto 30.11.2015)	Non- Executive, Independent	4	3*
Shri Jayesh Dadia – Member	Non- Executive, Non-Independent	4	4
Ms. Urmila U. Nagarkar – Member	Non- Executive, Non-Independent	4	4
Shri J. H. Shah - As an invitee (Upto 30.11.2015)	Non- Executive, Non-Independent	4	3*

(*during the period they were Directors of the Company and member of the Committee)

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

The Committee oversees the financial reporting process by selecting and establishing sound accounting policies, disclosure of financial information, reviewing the performance and the Quarterly, Half Yearly and Annual results after expiry of Quarter, Half Year and Year respectively and recommend the same to the Board of Directors for their approval, who approves publication of same and submission of same to Stock Exchanges and other statutory bodies; considers and reviews related party transactions, compliance with the legal requirements, status of pending tax matters/appeals, Draft Auditors' Report (including in particular the qualification/s, if any therein) and also note Quarterly Limited Review Report by the Auditors and submission of same to Stock exchange; reviewing with the management the performance of statutory and internal auditors, review the adequacy of internal audit function and discuss significant findings with them, the other issues related with revival of the Company and consisting of Reduction of Capital and Rights Issue of the Company and other matters specified under SEBI (LODR) Regulation 2015 (Listing Regulations) and Section 177 of the Companies Act, 2013.

6) Nomination and Remuneration Committee of Board of Directors :

Nomination and Remuneration Committee comprised of Shri Jayesh Dadia as Chairman and Shri Jatin D. Jhaveri and Ms. Urmila U. Nagarkar are members of the Committee.

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

There was one meeting held on 29th May, 2015 to approve the Nomination & Remuneration Policy, prepare and approve the evaluation framework for directors.



7) Remuneration Policy:

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

Detail policy in this regard is given in Directors Report. Please refer to point no 16 of Directors Report.

8) Last Annual General Meeting (AGM) of the shareholders of the Company was held on 28th September, 2015. Attendance of Director at last AGM:

Name of Director	Category of Director	AGM Attendance
Shri J. H. Shah	Non-Executive, Non-Independent	YES
Shri K. D. Mankikar	Non-Executive, Independent	YES
Shri Jayesh Dadia	Non-Executive, Non-Independent	YES
Shri Jatin D Jhaveri	Non-Executive, Independent	YES
Ms. Urmila U. Nagarkar	Non-Executive, Non-Independent	YES

9) 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
2012-13	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001	26th September, 2013	2.30 P.M.
2013-14	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001	19th September, 2014	2.30 P.M.
2014-15	M.C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001	28th September, 2015	3.30 P.M.

No Resolution was passed through postal ballot during the year.

10) 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	8,000
Shri K. D. Mankikar	8,000
Shri Jayesh Dadia	10,000
Shri Jatin D. Jhaveri	10,000
Ms. Urmila U. Nagarkar	10,000
Total	46,000

None of the Directors have any other pecuniary relationship or transaction with the Company except Consultancy Fees of Shri Jayesh Dadia. Shri Jayesh Dadia jointly with his wife holding 1,000 equity shares in the Company and Ms. Urmila U. Nagarkar is holding 10 shares

in the company. No other Director of the company is holding any shares in the Company.

11) Disclosure of Material Transactions :

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

12) Communication with Shareholders:

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

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

13) Details of non-compliances or penalties or strictures imposed on the Company:

The Company has received the notice from BSE imposing the penalty of Rupees 7865/-for delay in filing of Annual Report by 7 (seven) days to BSE. A representation has been made by the Company to BSE Limited to waive this penalty. Decision of BSE Limited is awaited. The Company has complied with the provisions of various statutes as applicable to the Company. Other than that 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.

14) 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 code of conduct is uploaded on company's website www.palcc.co.in.

15) Website:

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

16) CEO / CFO Certification :

For the year Shri M. Sudalaikannu, Chief Manager and CEO of the Company who is Manager under Companies Act has issued CEO certificate in accordance with SEBI guidelines to the Board of Directors and Ms. Rajeshree Parekh, CFO has issued CFO certificate for the year.

17) Shareholders Information

a. 54th Annual General Meeting

Date and Time : On Tuesday, 27th December, 2016 at 11.30a.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, Mumbai - 400 001.

Date Of Book Closure : From Tuesday, 20th December, 2016 to Tuesday, 27th December, 2016

b. Financial Calendar of Results	Tentative Dates
For Quarter ending	
June 30, 2016	on or before 14th August, 2016
September 30, 2016	on or before 14th November, 2016
December 31, 2016	on or before 14th February, 2017
March 31, 2017	on or before 30th May, 2017

c. Registrar and Share Transfer Agents :

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

d. Contact Details :

PAL Credit & Capital Limited
C/o. Premier Ltd.
58, Nariman Bhavan
Nariman Point
Mumbai 400 021
Tel. No: 022- 6117 9000
Fax No. : 022 – 6117 9003
Web site: www.palcc.co.in
Email: investors@palcc.co.in
CIN No. L51010MH1962PLCO12287

e. Listing and Dematerialization :

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

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

Up to 31st March, 2016, 19267467 shares representing 89.20% of total capital of the Company have been dematerialized.

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

f. 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 (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.

g. Stock Market Data (On Bombay Stock Exchange) :

Month / Year	Highest Price (Rs.)	Lowest Price (Rs.)	BSE Sensex	
			High	Low
April 2015	-	-	29094.61	26897.54
May 2015	2.34	2.34	28071.16	26423.99
June 2015	-	-	27,968.75	26307.07
July 2015	2.23	1.74	28,578.33	27416.39
August 2015	1.66	1.31	26,471.82	25298.42
September 2015	-	-	27,618.14	24833.54
October 2015	-	-	26824.30	26168.71
November 2015	-	-	26256.42	25451.42
December 2015	-	-	26197.27	24867.73
January 2016	-	-	25002.32	23839.76
February 2016	-	-	25479.62	22494.61
March 2016	-	-	30024.74	23133.18

h. Distribution of shareholding as on 31st March, 2016 :

Shareholding Numbers	No. of shareholders	% to Total	No. of shares held	Amount in Rs.	% to Total
Up to 500	10451	77.7720	1654447	1654447	7.6594
501 to 1000	1661	12.3605	1277012	1277012	5.9120
1001 to 2000	680	5.0603	1005182	1005182	4.6836
2001 to 3000	230	1.7116	596046	596046	2.7594
3001 to 4000	83	0.6177	300301	300301	1.3901
4001 to 5000	101	0.7516	492450	492450	2.2798
5001 to 10000	117	0.8707	868293	868293	4.0198
10001 & above	115	0.8558	15406525	15406525	71.3257
Total	13438	100	21600256	21600256	100



i. Share holding Pattern as on 31st March, 2016:

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	3842228	17.7879
b) Indian Public	11828615	54.7614
c) NRIs with & without Repatriation Benefits	30244	0.1401
Total B2	15701087	72.6894
B. Total (B1+B2)	15701087	72.6894
TOTAL (A+B)	21600256	100.00

19) Status of Compliance of Non-Mandatory Requirements:

- a. **The Board:**
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. **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
- c. **Unqualified Audit Report :**
There is no qualification in the Auditors' Report on the Accounts for the year ended 31st March, 2016.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 19th November, 2016

Jayesh Dadia
Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

CIN of the Company - L51010MH1962PLC012287

Nominal Capital - ₹. 30 Crores

To the members of PAL Credit & Capital Limited,

We have examined the compliance of conditions of Corporate Governance of Corporate by PAL Credit & Capital Limited (the Company), for the year ended at March 31, 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

We state that such compliance is neither an assurance 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: 19th November, 2016.

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 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the

Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016 and its loss and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and 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, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company

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

M. B. Agrawal
Partner
M. No.9045

Place: Mumbai
Date: 13th May, 2016

Annexure-A 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)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the assets have been physically verified by the managements in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.



- (c) The company has no immovable properties.
- (ii) In respect of its inventories, the Company has no inventory.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, clauses (a), (b) and (c) are not applicable to the Company.
- (iv) The Company has not granted any loans, nor made any investments or provided guarantees. So, the clause is not applicable to the company.
- (v) According to the information and explanations provided to us, the company has not obtained deposits from the public as defined according to the provisions of section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder.
- (vi) According to the information and explanations provided to us, maintenance of the cost records prescribed by the Central Government of India under section 148(1) of the Companies Act, 2013 are not applicable to the company.
- (vii) (a) As per the information and explanations given to us and as per the records of the Company, the Company is generally regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us there are no dues which are not deposited on account of dispute in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, bank government or dues to debenture holders
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) Any fraud by the Company or any fraud on the Company by its officers or employees has not been noticed or reported during the year.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.
- (xii) All transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore the compliance of the requirement of section 42 of the Companies Act, 2013 are not applicable.
- (xv) Pursuant to the provisions of section 192 of the Companies Act, 2013, the Company has not entered into any non-cash transactions with directors or persons connected with him/her.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

M.B. Agrawal
Partner.
M. No.9045

Place: Mumbai
Date: 13th May, 2016.

Annexure-B to the Independent Auditor's Report

Report on the internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report.

We have audited the internal financial controls over financial reporting of Pal Credit and Capital Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both

issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

M. B. Agrawal
Partner
M. No.9045

Place: Mumbai

Date: 13th May, 2016



BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Notes No.	As at 31.03.2016 (₹ Lakhs)	As at 31.03.2015 (₹ Lakhs)
EQUITY AND LIABILITIES			
Shareholders Fund			
Share Capital	1	216.00	216.00
Reserves & Surplus	2	(515.49)	(454.78)
		(299.49)	(238.78)
Current liabilities			
Short - term borrowings	3	281.67	246.11
Other Current liabilities	4	24.77	9.45
Short - term provisions	5	-	-
		306.44	255.56
TOTAL		6.95	16.78
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible assets	6	0.05	2.70
Intangible assets		0.03	0.05
		0.08	2.75
Non current investment	7	-	-
		0.08	2.75
Current assets			
Trade receivable	8	-	-
Cash and cash equivalents		0.07	0.03
Short - term loans and advances		6.80	14.00
Total-Current assets		6.87	14.03
TOTAL		6.95	16.78
Notes forming part of Accounts	16		

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 "16". No personal expenses have been charged to revenue.

As per report of even date attached

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

M. B. AGRAWAL
Partner
M.No.9045

Place : Mumbai
Date : 13/05/2016

For and on behalf of the Board of Directors

JAYESH DADIA (Director)
JATIN D. JHAVERI (Director)
URMILA U. NAGARKAR (Director)
RAJESHREE PAREKH (C F O)

Place : Mumbai
Date : 13/05/2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2016

Particulars	Notes No.	Current Year ended on 31.03.2016 (₹ Lakhs)	Previous Year ended on 31.03.2015 (₹ Lakhs)
1) Revenue from operations	9	-	-
2) Other Income	10	6.49	0.68
3) Total Revenue (1 + 2)		6.49	0.68
4) Expenses :			
Employees Benefits Expense	11	11.66	14.19
Other Expenses	12	24.49	22.38
NPA provided written off	13	-	-
Total Expenses		36.15	36.57
5) Profit/(Loss) before Interest, Tax, Depreciation and Amortization (3 - 4)		(29.66)	(35.89)
Finance Cost	14	30.28	24.46
Depreciation and amortization	15	0.77	0.78
6) Profit/(Loss) before Tax (5 - 6)		(60.71)	(61.13)
7) Tax expense		-	-
8) Profit/(Loss) for the period (6 - 7)		(60.71)	(61.13)
9) Earnings Per equity Share			
a) Basic		(0.28)	(0.28)
b) Diluted		(0.28)	(0.28)
Notes forming part of Accounts	16		

As per report of even date attached

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

M. B. AGRAWAL
Partner
M.No.9045

Place : Mumbai
Date : 13/05/2016

For and on behalf of the Board of Directors

JAYESH DADIA (Director)
JATIN D. JHAVERI (Director)
URMILA U. NAGARKAR (Director)
RAJESHREE PAREKH (C F O)

Place : Mumbai
Date : 13/05/2016



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2016

Particulars	As at 31.03.2016 (₹ Lakhs)		As at 31.03.2015 (₹ Lakhs)	
A) Cash flow from operating activities :				
Net profit / (loss) before tax and extraordinary items as per Statement of Profit & Loss		(60.71)		(61.13)
Adjustments for :				
Depreciation	0.77		0.78	
Loss on sale of discarded fixed assets	1.49		0.00	
Interest Income	0.00		(0.02)	
Interest Expenses	30.28	32.54	24.46	25.22
Operating Profit / (Loss) before working Capital Changes		(28.17)		(35.91)
Adjustments for :				
Trade and Other Receivables	7.20		1.84	
Trade Payable Creditors	15.32	22.52	(1.25)	0.59
Cash generated from operations				
Interest Received		1.99		0.02
Net cash from operating activities (A)		(3.66)		(35.30)
B) Cash flow from investing activities :				
Changes in Fixed Assets		(1.61)		(0.21)
Net cash used in investing activities (B)		(1.61)		(0.21)
C) Cash flow from financing activities :				
Advance from Related Party	35.56		35.57	
Interest expense	-30.25			
Interest Accrued	-			
Interest paid	-	5.31	(0.08)	35.49
Net cash flow from financing activities (C)		5.31		35.49
Net Increase in Cash and Cash Equivalents (A+B+C)		0.04		(0.02)
Cash and cash equivalents as at 31.03.2015 (Opening Balance)		0.03		0.05
Cash and cash equivalents as at 31.03.2016 (Closing Balance)		0.07		0.03

For and on behalf of the Board of Directors

JAYESH DADIA (Director)

JATIN D. JHAVERI (Director)

URMILA U. NAGARKAR (Director)

RAJESHREE PAREKH (C F O)

Place : Mumbai

Date : 13/05/2016

AUDITOR'S CERTIFICATE

We have examined the above Cash Flow Statement of PAL Credit & Capital Ltd. for the Year ended 31st March, 2016. 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, 2016.

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

M. B. AGRAWAL
Partner
M.No. 9045

Place : Mumbai

Date : 13/05/2016

**Notes 1 to 16 Annexed to and forming part of Balance Sheet as at 31st March, 2016
and Statement of Profit and Loss for the Year ended on 31st March, 2016**

Note No.	Particulars	As at 31.03.2016 (₹ Lakhs)	As at 31.03.2015 (₹ Lakhs)
(1)	SHARE CAPITAL		
	AUTHORISED		
	30,00,00,000 Equity Shares of Re. 1/- each	3000.00	3000.00
		3000.00	3000.00
	ISSUED, SUBSCRIBED AND FULLY PAID		
	EQUITY SHARES		
	2,16,00,256 Shares of Rs. 1/- each fully paid up	216.00	216.00
	TOTAL	216.00	216.00

Notes:

- No equity shares were issued and or bought back during the Quarter / Year.
- The Company is having only one class of shares, that is equity share of Re. 1 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 31.03.2016

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Equity Shares of Re.1 each Fully paid	No. of Shares held as a percentage of total No. of Equity Shares of the Company	No. of Equity Shares of Re.1 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

- 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. However Face value of Equity Share is reduced from Rs. 10 to Re. 1 on 29th July, 2013.
- There are no unpaid calls or forfeited shares.

(2)	RESERVES & SURPLUS				
	Statutory Reserve as per Section 45-IC of The RBI Act, 1934				
	As per last Balance Sheet		69.66		69.66
			69.66		69.66
	Surplus				
	As per last Balance Sheet		(524.44)		(463.31)
		(524.44)		(463.31)	
	Debit balance as per statement of profit & Loss for the year ended 31 st March, 2016, enclosed.		(60.71)	(585.15)	(61.13)
	TOTAL		(515.49)		(454.78)

Note No.	Particulars	As at 31.03.2016 (₹ Lakhs)	As at 31.03.2015 (₹ Lakhs)
(3)	SHORT - TERM BORROWINGS		
	Advances from a related party	281.67	246.11
	TOTAL	281.67	246.11
(4)	OTHER CURRENT LIABILITIES		
	TDS Payable	5.50	0.15
	Other payables	19.27	9.30
	TOTAL	24.77	9.45
(5)	SHORT - TERM PROVISIONS		
	TOTAL	-	-



Note No.	Particulars	₹ Lakhs									
		Gross Block (at cost)				Depreciation				Net Block	
(6)	FIXED ASSETS	As At 01.04.15	Additions during the Year ended 31.03.16	Deductions/ Adjustments during the year ended 31.03.16	As at 31.03.16	As At 01.04.15	For the Year Ended 31.03.16	Deductions/ Adjustments during the year ended 31.03.16	As at 31.03.16	As at 31.03.16	As at 31.03.15
	a) Tangible Assets										
	Furniture & Fixtures	9.61	-	9.50	0.11	7.11	0.69	7.71	0.09	0.02	2.50
	Computers (Hardware)	1.53	-	0.57	0.96	1.33	0.06	0.46	0.93	0.03	0.20
	Other Office equipment	0.04	-	-	0.04	0.04	-	-	0.04	-	-
	Total (a)	11.18	-	10.07	1.11	8.48	0.75	8.17	1.06	0.05	2.70
	b) Intangible Assets										
	Computers (Software)	0.12	-	-	0.12	0.07	0.02	-	0.09	0.03	0.05
	Total (b)	0.12	-	-	0.12	0.07	0.02	-	0.09	0.03	0.05
	Total (a+b)	11.30	-	10.07	1.23	8.55	0.77	8.17	1.15	0.08	2.75
	Previous Year ended 31.03.2015										
	a) Tangible Assets	11.04	0.14	-	11.18	7.72	0.76	-	8.48	2.70	-
	b) Intangible Assets	0.05	0.07	-	0.12	0.05	0.02	-	0.07	0.05	-
	Total	11.09	0.21	-	11.30	7.77	0.78	-	8.55	2.75	-

Note No.	Particulars	As at 31.03.2016 (₹ Lakhs)	As at 31.03.2015 (₹ Lakhs)
(7)	NON - CURRENT INVESTMENT		
	A) QUOTED SHARES (Fully Paid)		
	Current Year 31.03.2016	Previous Year 31.03.2015	
	Quantity	Quantity	
	200 Indian Seamless Finance Ltd.	200	0.07
	100 GE Capital Transportation Financial Services Ltd. (Formerly SRF Finance Ltd.)	100	0.08
	50 Lloyds Finance Ltd.	50	0.07
	133 CRB Capital Market Ltd.	133	0.13
		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
	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	0.01	0.03
	Cash on Hand	0.06	0.00
		(B)	0.07
	Short - Term Loans and Advances		
	Loans and advances to a related party, unsecured	-	-
	Other items :		
	Security deposit	2.08	2.08
	Tax deducted at source	4.66	11.92
	Trade advances, considered doubtful	13.66	13.66
	Other advances	0.06	-
		20.46	27.66
	Less : Provision for doubtful dues	(13.66)	(13.66)
		(C)	6.80
	TOTAL (A+B+C)	6.87	14.03



Note No.	Particulars	As at 31.03.2016 (₹ Lakhs)	As at 31.03.2015 (₹ Lakhs)
(9)	Revenue from operations		
	Interest Income	-	-
	Total	-	-
(10)	Other Income		
	Interest on Tax Refunds	1.99	0.02
	Profit on sale of Discarded Fixed assets	0.03	-
	Miscellaneous Income	4.47	0.66
	Total	6.49	0.68
(11)	Employees Benefits Expense		
	Salaries and Bonus	11.57	13.28
	Retirement Gratuity	(0.02)	0.83
	Staff Welfare	0.11	0.08
	Total	11.66	14.19
(12)	Other expenses		
	Rent	4.85	4.92
	Repairs and Maintenance	0.42	0.18
	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	0.72	0.73
	Travelling and conveyance	1.63	0.85
	<i>(Includes for Director Rs.0..20 Lakhs, Previous Years Rs. 0.20 Lakhs)</i>		
	Printing & Stationery	1.57	1.52
	Directors Fees	0.52	0.88
	Legal & Professional Fees	3.25	3.98
	Listing & Filing Fees	3.06	2.36
	Administrative Advertisement	0.73	0.71
	Electricity Expenses for Office	0.72	1.07
	Office Maintenance	0.22	0.17
	Postage & Telephones	3.41	3.62
	TDS Refund not receivable (2007-08)	0.27	-
	Loss on Sale of Discarded Fixed Assets	1.52	-
	Other administrative expenses	1.28	1.08
	Total	24.49	22.38
(13)	NPA Provided Written Off		
	Bad Debts	32.65	-
	Bad & Doubtful Debts	(32.65)	-
	Total	-	-
(14)	Finance Costs		
	Interest payable to Premier Ltd.	30.25	24.38
	Bank Charges	0.03	0.08
	Total	30.28	24.46
(15)	Depreciation and amortization Expense		
	Depreciation of tangible assets	0.74	0.76
	Amortization of intangible assets	0.03	0.02
	Total	0.77	0.78

NOTE – 16**NOTES FORMING PART OF ACCOUNTS****16.01 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.
- Pursuant to the enactment of Companies Act, 2013, the Company has applied the estimated useful lives as specified in schedule II. Accordingly, the carrying value is being depreciated over the remaining useful lives. The Management has kept the residual value at 5% of its cost.
- 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 unmetered 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 & 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.

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.

16.02 At the EGM of the members of the Company held on 16th December, 2013, a Special Resolution has been passed for Issue of 4, 32, 00, 512 Rights Shares of Re. 1 each to the existing Shareholders of the company in ratio of 2 (two) Rights Equity shares for every 1(One) equity share of Re. 1 each held.

16.03 INTEREST ON BORROWING FROM PREMIER LTD.

Premier Ltd., Promoter has given advances from December, 2011. Up to 31st March 2014 they had not charged any interest on these advances. As in terms of the Section 186 of the Companies Act,



2013, such interest free loan is prohibited, Interest is charged on these advances from 1st April, 2014. The same has been accounted for. Full interest has been provided in the last quarter.

16.04 The Company is registered with RBI as Non-Banking Financial Institution. Due to inadequacy of net worth as per RBI Regulation, RBI has served a show cause notice as to why its registration be cancelled. The same has been replied.

16.05 CONTINGENT LIABILITIES AND COMMITMENTS
(To the extent not provided for)

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

16.06 INCOME TAX

Return of income has been filed up to the Financial Year 2014-15, Assessment Year 2015-16. Assessment has been completed up to the Financial Year 2013-14, Assessment Year 2014-15.

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

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

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

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

16.11 (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.

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

16.13 MANAGERIAL REMUNERATION:

Managerial Remuneration included in Statement of Profit & Loss.

Head of Account	Current Year ended 31.03.2016 (₹ lakhs)	Previous Year ended 31.03.2015 (₹ lakhs)
Salary	6.78	7.04

16.14 RELATED PARTY DISCLOSURES:

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

Name of the Party	Relationship
Premier Limited	Promoter Company

(b) Transactions with Related Party:

Nature of Transaction	Amount Outstanding as on 31-03-2015 (₹ lakhs)	Transaction During the Year (₹ lakhs)	Amount Outstanding as on 31-03-2016 (₹ lakhs)
Advance received	221.73 CR	10.77 CR	232.50 CR
Interest paid/payable on Advance received	24.37 CR	30.25 CR	54.62 CR

16.15 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.

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

Sr. No	Particulars	Year ended 31st March,2016	Year Ended 31st March, 2015
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)	(60.71)	(61.13)
C	Basic and Diluted Earning per share (Rs.)	(0.28)	(0.28)
D	Book Value per Share (Rs.)	(1.39)	(1.11)

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

Signature to Notes 1 to 16 forming part of Balance Sheet and Statement of Profit and Loss.

As per report of even date attached

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

M. B. AGRAWAL
Partner
M.No.9045

Place : Mumbai
Date : 13/05/2016

For and on behalf of the Board of Directors

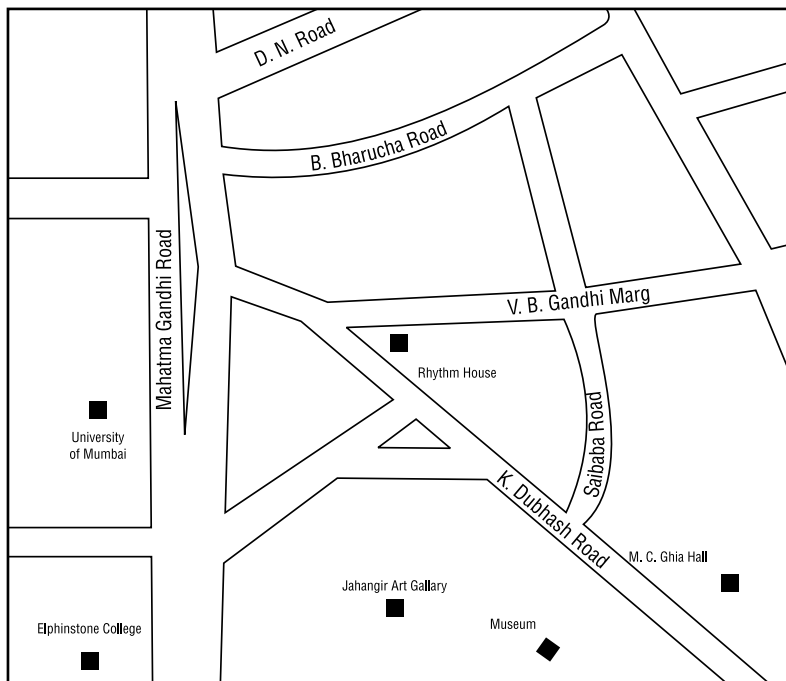
JAYESH DADIA (Director)
JATIN D. JHAVERI (Director)
URMILA U. NAGARKAR (Director)
RAJESHREE PAREKH (CFO)

Place : Mumbai
Date : 13/05/2016

54th Annual General Meeting of PAL CREDIT & CAPITAL LTD.

Rout Map to the venue of the AGM

M. C. Ghia Hall,
Bhogilal Hargovindas Building,
18/20, K. Dubhash Marg,
Kalaghoda, Fort,
Mumbai - 400 001.





PAL CREDIT & CAPITAL LIMITED

C/o. Premier Limited, 58, Nariman Bhavan, Nariman Point, Mumbai - 400 021

ATTENDANCE SLIP

54th ANNUAL GENERAL MEETING

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

DP ID*	
Client ID*	

Registered Folio No	
No. of Shares	

I/ We hereby record my/ our presence at the 54th Annual General Meeting of the Company being held on Tuesday, 27th December, 2016 at M. C. Ghia Hall (Of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 at 11.30 A.M.

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

Signature of Proxyholder.....

* Applicable for investors holding shares in electronic form.

Note:

- a) Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.
- b) For your sequence number, please refer to address slip back of this.

PROXY FORM

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

CIN : L51010MH1962PLC012287
 Name of the Company : PAL Credit & Capital Ltd.
 Registered Office : C/o. Premier Limited, 58, Nariman Bhavan, Nariman Point, Mumbai - 400 021.

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

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

- (1) Name Address
- E-mail ID..... Signature..... Or failing him
- (2) Name..... Address.....
- E-mail ID..... Signature..... Or failing him
- (3) Name..... Address
- E-mail ID..... Signature..... Or failing him

By Post / Courier

If Undelivered, Please Return to:



PAL CREDIT & CAPITAL LIMITED
 Registered Office :
 C/o. Premier Limited, 58, Nariman Bhavan,
 Nariman Point, Mumbai - 400 021.

Prudent Arts & Fab Pvt. Ltd.
 OFFSET PRINTING PRESS
 Tel.: 022-6111 9001/02

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General Meeting of the Company, to be held on Tuesday, 27th December, 2016 at M. C. Ghia Hall (of Indian Textile Accessories & Machinery Manufacturer's Association), Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 at 11.30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional*	
		For	Against
1	To adopt the Audited Financial Statements including the statement of Profit & Loss for the year ended 31st March, 2016 and Balance Sheet as at that date, report of the Board of Directors and Auditors.		
2	Re-appointment of Shri Jayesh Dadia as a Director.		
3	Re-appointment of Ms. Urmila U Nagarkar as a Director.		
4	To appoint Auditor of the Company and to fix their remuneration.		
5	To appoint Shri M. Sudalaikannu as Manager under the Companies Act, 1956		

Signed day of 2016

Signature of the Shareholder

.....

Signature of the Proxy holder/s

.....



Note:

- (1) The proxy in order to be effective should be duly stamped, completed and signed and deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.
- (2) For the Resolutions, Explanatory statement and Notes please refer to the Notice of the 54rd Annual General Meeting.
- *(3) It is optional to put an "X" in the appropriate column against the Resolution indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she think appropriate.
- (4) Please complete all details of member(s) in above box before submission.