

**PALCO METALS LIMITED**

**51<sup>st</sup> ANNUAL REPORT 2011-12**

<b>BOARD OF DIRECTORS:</b>	Mr. Kirankumar Babulal Agrawal	Chairman
	Mr. Kanaiyalal Babulal Agrawal	Whole Time Director
	Mr. Nareshchand Jain	Director
	Mr. Lalit Kumar Naredi	Director

**AUDITORS:** M/s. Madhusudan C. Mashruwala & Co.  
Chartered Accountants, Ahmedabad

**BANKERS:** State Bank of India

**REGISTERED OFFICE:** Opp. Khanwadi, Ramol Road,  
**& WORKS** Post Jantanagar, Ramol,  
Ahmedabad  
Gujarat-382449

**REGISTRAR AND**

**SHARE TRANSFER** MCS Limited  
**AGENT:** Ahmedabad Branch  
101, 1st Floor, Shatdal Complex,  
Ashram Road, Ahmedabad - 380009

## NOTICE

**NOTICE** is hereby given that the **FIFTY FIRST ANNUAL GENERAL MEETING** of the Members of **PALCO METALS LIMITED** will be held as scheduled below:

Date: 29<sup>th</sup> September, 2012

Day: Saturday

Time: 12.00 Noon

Place: At the Registered Office of the Company at:  
Opp. Khanwadi, Ramol Road,  
Post Jantanagar, Ramol,  
Ahmedabad  
Gujarat-382449

to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Statement of Profit and Loss for the year ended as on that date, together with the Schedules thereon, the Cash Flow Statement, the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Kanaiyalal Babulal Agrawal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Lalit Kumar Naredi, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and in that connection to pass with or without modification, the following resolution as an Ordinary Resolution.

**“RESLOVED THAT** M/S. Madhusudan C. Mashruwala & Co., Chartered Accountants, Ahmedabad be and are hereby appointed as the auditors of the Company to hold office until the conclusion of next Annual General Meeting at such remuneration as may be agreed to between the Board of Directors and the Auditors of the Company.”

## **SPECIAL BUSINESS:**

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

### **Increase in Borrowing Limits:**

**“RESOLVED THAT** the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorised, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs. 50 Crores (Rupees Fifty Crores) over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

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

### **Creation of Charge:**

**“RESOLVED THAT** pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or charge all or any part of the immovable and/or movable properties/assets of the Company wherever situate, both present and future, to or in favour of any Bank(s), Financial Institution(s), Company(ies) or other Organisation(s) or Institution(s) or Trustee(s) (hereinafter referred to as the 'Lending Agencies') in order to secure the loans (excluding temporary loans obtained from the Company's Bankers in the ordinary course of business) advanced/to be advanced by such lending agencies to the Company from time to time, subject to the limits approved under section 293(1)(d) of the Companies Act, 1956 together with interest at the respective agreed rates, compound/additional interest, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said borrowings.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things and to execute such deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgages and/or charges as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to the above resolution.”

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HERSELF/HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) Pursuant to the Section 154 of the Companies Act, 1956, Register of Members and Share Transfer Book of the Company will remain closed from Friday, 21<sup>st</sup> September, 2012 to Saturday, 29<sup>th</sup> September, 2012 (both days inclusive).
- 3) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
- 4) Member intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
- 5) Members are requested to:
  - a. Intimate, if shares are held in the same name or in the same order and names, but in more than account to enable the company to club the said accounts into one account.
  - b. Notify immediately the change in their registered address, if any, to the company.
- 6) The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars standing that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses to MCS Limited, Registrar and Transfer Agent of the Company.

**By Order of the Board,**

Date: 01-09-2012  
Place: Ahmedabad

**Kanaiyalal Agrawal**  
**Whole Time Director**

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**In respect of Item No. 5:**

In terms of the provisions of Sections 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company, cannot except with the consent of the Company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose.

Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits.

Your Board recommends these resolutions for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**In respect of Item No. 6:**

The borrowings of the Company in general are required to be secured from time to time by creation of mortgage or charge on all or any of the movable or immovable property/assets of the Company in such form and manner as may be required by the lenders and acceptable to the Board of Directors of the Company.

Mortgaging or creating charge by the Company of its assets to secure the funds borrowed from time to time within the overall limits of borrowing powers delegated to the Board of Directors, may be construed as disposal of the Company's undertaking within the meaning of Section 293(1)(a) of the Companies Act, 1956. It is therefore considered necessary for the Members to authorise the Board to create mortgage/charge on Company's Assets in the manner proposed in the resolution to secure the funds borrowed by the Company from time to time.

Your Board recommends these resolutions for your approval.

None of the Directors of the Company is, in any way, deemed to be concerned or interested in passing of these Resolutions.

**By Order of the Board,**

Date: 01-09-2012  
Place: Ahmedabad

**Kanaiyalal Agrawal**  
**Whole Time Director**

## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present the Annual Report together with the Audited Statement of Accounts for the year ended on **31<sup>st</sup> March, 2012**.

### 1. FINANCIAL RESULTS:

Particulars	(Rs. In lacs) Financial year Ended 31-03-2012 (12 Months)	(Rs. In lacs) Financial Year Ended 31-03-2011 (12 Months)
Operating Profit / Loss (Before Interest and Depreciation)	<b>62.62</b>	<b>0.83</b>
Less: Interest (Finance Cost)	<b>0.10</b>	<b>--</b>
Profit / Loss before Depreciation	<b>62.52</b>	<b>--</b>
Less: Depreciation	<b>-</b>	<b>-</b>
Profit / Loss for the year	<b>62.52</b>	<b>0.83</b>
Add: Extraordinary Income (Net)	<b>-</b>	<b>-</b>
Add: Prior period Income	<b>-</b>	<b>--</b>
Profit / Loss before Tax	<b>62.52</b>	<b>0.83</b>
Fringe Benefit Tax	<b>-</b>	<b>-</b>
Provision for Taxation	<b>-</b>	<b>0.29</b>
Excess Income Tax provision W/o	<b>-</b>	<b>0.22</b>
Profit / Loss after Tax	<b>62.52</b>	<b>0.77</b>

### 2. DIVIDEND:

With a view to conserve the resources, the board of directors of the company have not recommended any dividend for the year under review.

### 3. DIRECTORS

Mr. Kanaiyalal Babulal Agrawal retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Mr. Lalit Kumar Naredi retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed: