

# **PALCO METALS LIMITED**

## **ANNUAL REPORT 2012-13**

### **BOARD OF DIRECTORS:**

Mr. Kirankumar Babulal Agrawal	Chairman
Mr. Kanaiyalal Babulal Agrawal	Whole Time Director
Mr. Nareshchand Jain	Director
Mr. Narendra Agrawal	Director

### **AUDITORS:**

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

### **BANKERS:**

State Bank of India

### **REGISTERED OFFICE & WORKS:**

Opp. Khanwadi, Ramol Road,  
Post Jantanagar, Ramol,  
Ahmedabad  
Gujarat-382449

### **REGISTRAR AND**

### **SHARE TRANSFER AGENT:**

MCS Limited

Ahmedabad Branch  
101, 1st Floor, Shatdal Complex,  
Ashram Road, Ahmedabad - 380009.

## NOTICE

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

Date: 30<sup>th</sup> September, 2013

Day: Monday

Time: 10.00 a.m.

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, 2013 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. Kirankumar Babulal Agrawal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Nareshchand Jain, 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. Appointment of Mr. Narendra Agrawal as a Director of the Company**

To consider and if thought fit, to pass with or without modification, the following resolutions as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** Mr. Narendra Agrawal, who was appointed as Additional Director under Section 260 of the Companies Act, 1956, by the Board of Directors on 15<sup>th</sup> December, 2012 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed with effect from the commencement of this meeting as Director of the Company, liable to retire by rotation.”

**By Order of the Board,**

Date: 30-05-2013  
Place: Ahmedabad

**Kanaiyalal Agrawal**  
Whole Time Director

## **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 Thursday, 26th September, 2013 to Monday, 30<sup>th</sup> September, 2013 (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: 30-05-2013  
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:**

Mr. Narendra Agrawal was appointed as Additional Director by the Board on 15<sup>th</sup> December, 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member pursuant to the provisions of Section 257 of the Companies Act, 1956 proposing the name of Mr. Narendra Agrawal for the office of Director.

None of the Directors, except Mr. Narendra Agrawal is concerned or interested in the proposed resolution.

The Board commends this resolution for your approval.

**By Order of the Board,**

Date: 30-05-2013  
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, 2013**.

### 1. FINANCIAL RESULTS:

Particulars	(Rs. In lacs) Financial year Ended 31-03-2013 (12 Months)	(Rs. In lacs) Financial Year Ended 31-03-2012 (12 Months)
Operating Profit / Loss (Before Interest and Depreciation)	<b>17.46</b>	<b>62.62</b>
Less: Interest	<b>0.07</b>	<b>0.10</b>
Profit / Loss before Depreciation	<b>17.39</b>	<b>62.52</b>
Less: Depreciation	-	-
Profit / Loss for the year	<b>17.39</b>	<b>62.52</b>
Add: Extraordinary Income (Net)	-	-
Add: Prior period Income	-	-
Profit / Loss before Tax	<b>17.39</b>	<b>62.52</b>
Fringe Benefit Tax	-	-
Provision for Taxation	<b>4.88</b>	-
Profit / Loss after Tax	<b>12.51</b>	<b>62.52</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

During the year under review, Mr. Lalitkumar Naredi was ceased to act as a Director of the Company with effect from 15<sup>th</sup> December, 2012.

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

Mr. Nareshchand Jain retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

During the year under review, Mr. Narendra Agrawal was appointed as Additional Director of the Company with effect from 15<sup>th</sup> December, 2012. It is proposed to appoint him as Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting.

#### **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:

- a. That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- b. Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year and of profit or loss of the company.
- c. Proper and sufficient care has been taken 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.
- d. The annual accounts have been prepared on going concern basis.

#### **5. PERSONNEL:**

Industrial relations continued to remain cordial and peaceful during the year under review.

#### **6. LISTING:**

The Equity Shares of the Company are listed on the Ahmedabad Stock Exchange.

#### **7. CORPORATE GOVERNANCE:**

The Report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

#### **8. DEMATERIALISATION OF EQUITY SHARES:**

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN allotted is INE239L01013.

#### **9. GENERAL:**

##### **9.1 INSURANCE:**

The Company's properties continued to be adequately insured against risks such as fire, riots, strikes etc.

## **9.2 AUDITORS:**

The present Auditors of the Company M/s. Madhusudan C. Mashruwala & Co., Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956.

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

The notes of the auditors are self explanatory in the nature.

## **9.3 PARTICULARS OF EMPLOYEES:**

There is no employee drawing remuneration requiring disclosure under the Companies (Particulars of Employees) Rules, 1975.

## **10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information in accordance with the provisions of Section 217(1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo is attached as per **Annexure – I**, and conservation of energy as per **Annexure – II**.

## **11. ACKNOWLEDGEMENT:**

Your Directors express their sincere gratitude for the assistance and cooperation extended by Banks, Government Authority, Shareholders, Suppliers, Customers and Stakeholders.

Your Directors also wish to place on record their appreciation of the contribution made by the employees at their level towards achievements of the Companies goals.

**By Order of the Board,**

Date: 30-05-2013  
Place: Ahmedabad

**Kanaiyalal Agrawal**  
Whole Time Director

## ANNEXURE - I

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies ( Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo

Particulars	Current Year (2012-13)	Previous Year (2011-12)
Foreign Exchange Earning	-	-
Foreign Exchange Outgo	-	-

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies ( Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of Energy:

## ANNEXURE - II

SR NO.	Particulars	For, 31 <sup>st</sup> March, 2013	For, 31 <sup>st</sup> March, 2012
<b>A</b>	<b>Power and Fuel</b>	-	-
	1. Electricity	-	-
	<b>A) Purchased</b>	-	-
	Unit	-	-
	Total Amount in (lacs)	-	-
	Rate/ Unit (Rs.)	-	-
	<b>B) Own Generation</b>	-	-
	Through diesel generator	-	-
	Unit	-	-
	Total Amount (Rs. In lacs)	-	-
	Rate/ Unit (Rs.)	-	-
	2. Coal	-	-
	3. Furnace oil	-	-
	4. LSHS of HDPE Fabrics /Sheets(Kg.)	-	-
<b>B</b>	<b>Consumption per Unit of Production Of HDPE fabrics/ sheets (kg.)</b>	-	-

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. It goes beyond mere financial measurement of the performance of the company, taking into consideration a basket of parameters such as employee satisfaction, shareholders satisfaction, commitment to quality etc. The management of the company believes that the corporate governance is the reflection of our culture, policies, our commitment to values and our relationship with Stakeholders. The Company is committed to Corporate Governance and endeavors to adhere to the highest standards of corporate value and ethics.

The Company has implemented the mandatory requirements of the Code of Governance as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

### 2. BOARD OF DIRECTORS:

The Company has obtained the requisite disclosures from the Directors in respect of their directorship in other companies and membership/chairmanship in committees of other companies. The particulars of composition of the Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also the numbers of directorships / memberships of committees of other companies are as under:

#### a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Directorships*	Committee (1)Membership/ (2) Chairmanship in other Companies	No. of Board Meetings attended	Attendance at the AGM held on 29 <sup>th</sup> September, 2012 Yes(Y)/ No(N)
Kirankumar Babulal Agrawal	Non Executive	2	2	9	Y
Kanaiyalal Babulal Agrawal	Executive	3	1	9	Y
Lalit Kumar Naredi**	Independent Non-Executive	N.A.	N.A.	5	Y
Nareshchand Jain	Independent Non Executive	1	1	2	Y
Narendra Agrawal***	Independent Non Executive	Nil	Nil	1	Y