



**Pennar Aluminium
Company Limited**

22nd Annual Report 2011-12



BOARD OF DIRECTORS

Shri Nrupender Rao	Chairman
Shri Vijay Chandra Puljal	Director
S V Ramachandra Rao	Director
A. Krishna Rao	Director

AUDITORS :

M/s RAMBABU & Company
Chartered Accountants
31, Pancom Chambers
6-3-1090/1A, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.

REGISTERED OFFICE

PENNAR ALUMINIUM COMPANY LIMITED
-1 Floor. DHFLVC Silicon Towers
Madhapur Road, Kondapur
Hyderabad - 500 084.
PH : 040-23117045
E-mail : pennaralu@gmail.com

REGISTARS AND SHARE TRANSFER AGENTS :

XL SOFTECH SYSTEMS LTD.
An ISO 9001 Company
3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad - 500 034.
Phones : 2354913 / 14 / 15
Fax : 040-23553214
E-mail : xlfield@rediffmail.com
Website : www.xlsoftech.com



NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Members of the Company will be held on Friday the 31st Day of August, 2012 **at Flat No.103&104 GRANDEUR RESIDENCY, Opp.: At Home - Apartment Hotel, Whitefields, Sri Seetharamanjaneya Swami Temple Road, Kothaguda, Kondapur, Hyderabad- 500084 AT 9.00 A.M** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vijay Chandra Puljal who retires by rotation and offers himself for reappointment.
3. To appoint M/s. Rambabu & Company, Chartered Accountants, Hyderabad, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and authorise the Board to fix their remuneration.

SPECIAL BUSINESS

4. **To consider and if thought fit, to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION.**

"RESOLVED THAT Shri. A Krishna Rao, who was appointed by the Board of Directors as an Additional Director of the Company with effect from February 14, 2012, and who holds office up to the date of this meeting as per Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be subject to retire by rotation."

5. **To consider and if thought fit, to pass, with or without modification(s) the following resolution as an ORDINARY RESOLUTION.**

"RESOLVED THAT Shri. S V Ramachandra Rao, who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 31, 2011, and who holds

office up to the date of this meeting as per Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be subject to retire by rotation."

6. **To consider and if thought fit, to pass, with or without modification(s) the following resolution as an SPECIAL RESOLUTION.**

"RESOLVED THAT pursuant to section 21 and 31 of the Companies Act, 1956 and subject to the approval of the Registrar of Companies, Hyderabad, the name of the company is changed from "Pennar Aluminium Company Limited" to "**PALCO LIMITED**" and that consequent to this change, the Memorandum of Association of the company and Articles of Association of the Company be altered accordingly.

By Order of the Board
For PENNAR ALUMINIUM COMPANY LIMITED

Place : Hyderabad
Date : 30.07.2012
NOTES

J V Nrupender Rao
Chairman

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself /herself and such proxy need not be a member of the company. The instrument appointing a proxy to be effective must be deposited with the company at its registered office / corporate office not less than 48 hours before the commencement of meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from 29.08.2012 to 31.08.2012 (**both days inclusive**) for the purpose of Annual General Meeting
3. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business items if any, is annexed hereto.
4. The Members are requested to notify change, if any, in their address to **Registrar and Transfer Agent viz., XL Softech Systems Ltd.,** at 3, Sagar society, Road no 2, Banjara Hills, Hyderabad - 500 034. All communications regarding shares



are to be addressed to our Registrars and Transfer Agents at the address mentioned above.

5. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued Circular on April 21, 2011 stating that the service of documents can be made through electronic mode. In view of the circular issued by MCA, the Company proposes to henceforth deliver documents like the Notice calling the Annual General Meeting/ Audited Annual Accounts/Report of the Auditors/ Report of the Directors etc, in electronic form to email address provided by the shareholders.
6. Shareholders are requested to furnish their e-mail id's to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in demat form, the email IDs of the shareholders registered with the DP and made available to the Company shall be the registered email ID unless communication is received to the contrary.
7. Relevant documents and registers will be available for inspection by the members at the registered office of the Company.
8. Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting.
9. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven days prior to the date of the meeting for consideration of the management to deal at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4.

The Board of Directors in its meeting held on February 14, 2012, approved the appointment of Shri. A Krishna Rao, as an Additional Non-Executive Independent Director of the Company.

As per the provisions of Section 260 of the Companies Act, 1956, Shri. Krishna Rao Ati will hold office till the ensuing Annual General Meeting and is eligible for re-appointment.

Notice under Section 257 of the Act, was received from a member proposing the appointment of Shri. A Krishna Rao as the Company's Director, along with the requisite deposit.

Brief Profile of Shri.A Krishna Rao

Shri Krishna Rao had served the industry for past few decades and has made a substantial contribution in the field of Industrial Relations and Personnel Management. He worked for Union carbide and Jardine Henderson Ltd, Calcutta and for Nagarjuna Group. He had received lifetime achievement award from National Institute of Personnel Management.

His induction on the Board would be of immense benefit to the Company.

Names of companies in which the person also holds the directorship and the membership of Committees of the Board are provided in the Additional information on Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting.

Shri. A Krishna Rao hold nil. Shares in the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors except Shri. A Krishna Rao is interested or concerned in the resolution.

Item No. 5.

The Board of Directors in its meeting held on October 31, 2011, approved the appointment of Shri. S V Ramachandra Rao, as an Additional Non-Executive Independent Director of the Company.

As per the provisions of Section 260 of the Companies Act, 1956, Shri. S V Ramachandra Rao will hold office till the ensuing Annual General Meeting and is eligible for re-appointment.

Notice under Section 257 of the Act, was received from a member proposing the appointment of Shri. Satyavada Venkata Ramachandra Rao as the Company's Director, along with the requisite deposit.

Brief Profile of Shri. S V Ramachandra Rao

Shri S V Ramachandra Rao, aged 59 years is the promoter and Managing director of Resource Inputs



Pennar Aluminium Company Limited

Ltd and HR Chambers Outsourcing Pvt Ltd. He holds degree from Andhra University, Berhampur University and Annamalai University in Social Work, law, including specialized degrees in Labour and Administrative Laws, Personnel Management and Industrial Relations. His multifariously distinguished career spans over more than 26 years and cuts across Public and Private Sector Manufacturing, Banking and Non- Banking Financial Industries across the country. Bharat Heavy Plates and Vessels Ltd, Visakhapatnam Steel Plant, Shriram Refrigeration Industries Ltd, Corporation Bank, Hyderabad Allwyn, Bakelite Hylam Ltd, Andhra Cements, Pennar group of Industries being some of the top names wherein he has worked at the helm in key strategic roles.

His induction on the Board would be of immense benefit to the Company.

Names of companies in which the person also holds the directorship and the membership of Committees of the Board are provided in the Additional information on Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting.

Shri. S V Ramachandra Rao holds nil shares in the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors except Shri. S V Ramachandra Rao is interested or concerned in the resolution.

Item No. 6:

The Board of Directors proposes to change the name of the company from 'Pennar Aluminium Company Limited' to 'PALCO Limited' so as to along with the name by which it is known to Customers and Suppliers. Shareholders are requested to pass the resolution as proposed.

None of the Directors is interested in the aforesaid resolution.

**By Order of the Board
For PENNAR ALUMINIUM COMPANY LIMITED**

**Place : Hyderabad
Date : 30.07.2012**

**J V Nrupender Rao
Chairman**



Additional information on Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting:

Particulars	Shri. Vijay Chandra Puljal	Shri. A Krishna Rao	Shri. SV Ramachandra Rao
Date of Birth	01.03.1951	16.03.1928	06.08.1950
Date of appointment	22.09.2005	14.02.2012	31.10.2011
Qualification	Ag.Msc	Postgraduate in personnel management.	degree from Andhra University, Berhampur University and Annamalai University in Social Work, law, including specialized degrees in Labour and Administrative Laws, Personnel Management and Industrial Relations
Expertise	Industrial Relations and Personnel Management	Industrial Relations and Personnel Management	Labour and Administrative Laws, Personnel Management and Industrial Relations.
List of Companies in which outside directorship held	3	2	3
Chairman/ member of the committee of other companies on which he is a director	1	1	0
No. of shares held by them in the Company	104,507	-	-

DIRECTORS REPORT

To
The Members,

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2012 and the Auditors Report thereon.

Financial Results

The Company has no operations during the year, as the assets of the Company had been taken over by Asset Reconstruction Company (India) Limited

(ARCIL) under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Dividend:

The company has not declared any dividend as there is no operations in the company and the company do not have any surplus to distribute.

Directors

In terms of the provisions of Section 255 and 256 of



the Companies Act, 1956, Shri.Vijay Chandra Puljal will retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. A Krishna Rao and Mr. S V Ramachandra Rao who were appointed as Additional Directors will cease to be directors at the Annual General Meeting. The Company has received notice under Section 257 proposing them as Directors of the Company.

Management Discussion and Analysis

A separate section titled "Management's Discussion and Analysis Report" confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms part of this Annual Report.

Directors' Responsibility Statement

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012, the applicable accounting standards have been followed and there were no material departures.
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates which 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 of the Company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'non going concern' basis.

Redemption Debentures

The Company has redeemed 2,53,775 No. of Debentures as on 31.03.2012 and paid an amount of Rs.2,61,38,825/- to the public debenture Holders who have surrendered their original debenture certificate to the Company. The Company is yet to redeem 471510 No. of Debentures to the public debentureholders. The public debentureholders who are yet to surrender their original debenture certificate

to the Company can claim @ Rs.103/- per debenture after surrendering the original debenture certificate. The same will be paid by IndusInd Bank Limited where the debentureholders money is kept under no lien account.

Auditors

The Statutory Auditors of the Company, M/s. Rambabu & Co., Chartered Accountants, Hyderabad retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received letter from them to the effect that their appointment if made would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

Boards Reply to the Auditors Qualifications :

The company is enable to continue its business as going concern because the total assets of the company is been taken over by ARCIL and been sold, due to which the company is enable to continue its operations.

Fixed Deposits

The Company has not invited / accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

Particulars of Employees:

There are no employees whose details are required to be given under Section 217(2A) of the Companies Act, 1956.

Additional Information

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1998 and forming part of report for the year ended March 31, 2012.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules are given in ANNEXURE - I.

Acknowledgement

Your Directors express their gratitude to the shareholders and debenture holders.



Pennar Aluminium Company Limited

By Order of the Board
For Pennar Aluminium Company Limited

J V Nrupender Rao
Chairman

Vijay Chandra Puljal
Director

Place : Hyderabad

Date : 18.05.2012

ANNEXURE TO THE DIRECTORS' REPORT

Details as required under Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, read with clause (e) of Subsection (1) of Section 217 of the Companies Act, 1956.

A. Conservation of Energy

The Company has no operations during the year and previous year and therefore power and fuel consumptions are NIL.

FORM - B

A. Technology Absorption Research and Development (R&D): Nil

B. Foreign Exchange Earnings and Outgo : NIL

By Order of the Board
For Pennar Aluminium Company Limited

J V Nrupender Rao
Chairman

Vijay Chandra Puljal
Director

Place : Hyderabad

Date : 18.05.2012

MANAGEMENT DISCUSSION AND ANALYSIS

The Company has no operations during the year, as the assets of the Company had been taken over by Asset Reconstruction Company (India) Limited (ARCIL) under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and hence the Board could not discuss and analyze the following:

1. Industry Structure and Development
2. Opportunities and Threats

3. Future Outlook
4. Risks and concerns
5. Internal Control Systems and their adequacy
6. Material Developments in Human Resources / Industrial Relations Front, including number of people employed:
7. Discussion on financial performance with respect to operational performance:

Compliance report on Corporate Governance

In compliance with Clause 49 of the Listing Agreement, with the stock exchanges, your Company hereby provides, to the shareholders, the report on Corporate Governance.

1. Board of Directors

- a) Composition of the Board: The Company's Board of Directors comprises Four Directors, of which Two are Non-Executive Director Non-Independent Directors and 2 are Non-executive Independent Directors. The Company has Non-Executive Chairman.
- b) Number of Board meetings held during the financial year and the dates of the Board meetings: During 2011-12, the Board met 4 times on 30.04.2011, 05.08.2011, 31.10.2011, 14.02.2012
- c) Attendance of each Director at Board meetings and the last Annual General Meeting