

# **PALCO LIMITED**

(FORMERLY KNOWN AS PENNAR ALUMINIUM COMPANY LIMITED)

**24<sup>th</sup> Annual Report**  
**2013-14**

## **PALCO LIMITED**

### **BOARD OF DIRECTORS :**

Shri Vijay Chandra Puljal  
Shri S V Ramchandra Rao  
Shri A Krishna Rao

### **AUDITORS :**

Rambabu & Co.,  
Chartered Accountants  
31, Pancom Chambers  
6-3-1090/1/A  
Rajbhavan Road  
Somajiguda  
Hyderabad – 500 082

### **REGISTERED OFFICE :**

PALCO LIMITED  
CIN :- L27203TG1989PLC010409  
Flat No.501, Sri Ramchandra Residency  
Opp : Sree Seetaramanjaneya Swami Temple  
Madhapur Road  
Kothaguda, Kondapur  
Hyderabad – 500 084  
Ph No.040-23119545  
E- Mail ID : [pennaralu@gmail.com](mailto:pennaralu@gmail.com)  
[www.palcolimited.com](http://www.palcolimited.com)

### **REGISTRAR AND SHARE TRANSFER AGENTS :**

XL Softech Systems Limited  
# 3, Sagar Society, Road No.2  
Banjara Hills, Hyderabad – 500 034

**NOTICE**

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held on Tuesday the 30<sup>th</sup> Day of September, 2014 at **Flat No.103&104 Grandeur Residency, Opp.: At Home – Apartment Hotel, Whitefields, Sri Sree Seetharamanjaneya Swami Temple Road, Kothaguda, Kondapur, Hyderabad- 500084 AT 11.00 AM** to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited statement of Profit and Loss Account for the financial year ended on 31 March 2014 and balance sheet as at that date and the reports of the board of directors and auditors thereon.
2. To appoint a Director in the place of Mr. Vijay Chandra Puljal (DIN 00090286) who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s Rambabu & Co., as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the twenty ninth Annual General Meeting of the Company and to fix their remuneration and for the purpose, to consider and if thought fit, to pass, with or without modification(s) the following resolution, as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Rambabu & Company, Chartered Accountants, Hyderabad, who retire at the conclusion of this Annual General Meeting (AGM), be and are hereby appointed as statutory auditors of the company for a period of 5 years, i.e., till the conclusion of the AGM of the company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the board of directors of the company and the auditors.”

**SPECIAL BUSINESS:**

4. To approve amendment in existing Articles of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, a new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in total exclusion, substitution and superseding of the existing Articles of Association of the Company

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To re-appoint Mr. A. Krishna Rao (DIN 00090662) as an Independent Director for a term of five years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. A. Krishna Rao (DIN 00090662), Director of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for five

consecutive years upto 29<sup>th</sup> September, 2019.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient in order to give effect to the above resolution.”

6. To re-appoint Mr. S. V. Ramachandra Rao (DIN 01869061) as an Independent Director for a term of five years and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. V. Ramachandra Rao (DIN 01869061), Director of the Company, be and is hereby re-appointed as an Independent Director of the Company to hold office for five consecutive years upto 29<sup>th</sup> September, 2019.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient in order to give effect to the above resolution.”

**By Order of the Board  
For PALCO LIMITED**

**Vijay Chandra Puljal  
(DIN 00090286)  
Director**

**Place: Hyderabad  
Date: 13.08 2014**

**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 such proxy need not be a member of the company.
2. Proxies in order to be effective must be deposited at the company's registered office at, Flat No.501,Sri Ramchandra Residency, Madhapur, Kothaguda, Kondapur, Hyderabad- 500084 not less than 48 hours before the time of holding the aforesaid meeting.
3. Members/Proxies should bring the attendance slips filled in for attending the meeting.
4. The Register of Members and Share Transfer Books will remain closed from, the 27th September, 2014 to 30th September, 2014 (both days inclusive).
5. Members are requested to notify the company at the registered office of any change in addresses quoting their folio number/s.
6. Members desiring any information on the Accounts are requested to write to the Company at least one week before the Meeting so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
7. 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

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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.

8. 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.
9. Relevant documents and registers will be available for inspection by the members at the registered office of the Company.
10. Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting.
11. 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.
12. 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.
13. The Notice of the 24th AGM and instructions for e-voting along with the Attendance Slips and Proxy Form, is being sent by electronic mode to all members whose email address are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may note that the Notice of the 24th AGM and the Annual Report 2014 will be available on the Company's website [www.palcolimited.com](http://www.palcolimited.com).
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.
15. In compliance with the provisions of section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and Clause 35B of the listing agreement, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by XL Softech Systems Ltd, in respect of all resolutions set forth in this Notice. Mr. S. Chidambaram, (Membership No.FCS 3935) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
16. The procedure and instructions for e-voting are as follows:
  - I. **In case of members receiving e-mail:**
    - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
    - (ii) Click on "Shareholders" tab.
    - (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"(iv)
    - (iv) 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.

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- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:
- (viii)

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"><li>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.</li><li>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.</li></ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly 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 <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

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- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### II. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to the Company/R&T Agents.
18. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed hereto.

**By Order of the Board  
For PALCO LIMITED**

**Vijay Chandra Puljal  
(DIN 00090286)  
Director**

**Place: Hyderabad  
Date: 13.08 2014**

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item 3

In view of the recent notification of Companies Act, 2013 and rules there under in place of Companies Act, 1956, it is necessary to adopt new set of Articles of Association giving effect to the provisions and rules framed therein. Various clauses in the existing Articles of Association necessitate amendment and/or alteration in order to reflect inter-se, various provisions and rules framed therein.

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None of the persons specified in Section 102 of the Companies Act, 2013, namely the Promoters, Directors, Key Managerial Personnel, Relatives of Promoters, Directors and Key Managerial Personnel or the entities comprising the interest of Promoters, Directors or Key Managerial Personnel, are concerned or interested in the above resolutions financially or otherwise.

### **Item 4**

The company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. A. Krishna Rao (DIN 00090662) who is a Postgraduate in personnel management and having Expertise in the field of Industrial Relations and Personnel Management, as Independent Directors at various times, in compliance with the requirements of the clause. Pursuant to the provisions of section 149 of the Act, which came in to effect from April 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The nominations committee has recommended the appointment of these directors as Independent Directors for a period of 5 years from 30th September 2014. Mr A. Krishna Rao have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV to the Act, the appointment of these directors as Independent Directors is now being placed before the shareholders for their approval.

Pursuant to section 160 of the Act, notices have been received from one shareholders signifying their intention to propose the appointment of Mr A. Krishna Rao along with a deposit of 1,00,000 (Rupees one lakh) each as required under the aforesaid section.

The names of companies and the committees in which the directors are a director/member, the letter of appointment and terms and conditions of the appointment are available for inspection at the registered office of the company during normal business hours.

Your Directors recommend the resolution for your approval. No Director, Key Managerial Person (KMP) and relative of any Director or KMP except Mr. A. Krishna Rao, Non-Executive Directors may be deemed to be concerned or interested in the resolution.

### **Item 5**

The company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. SV Ramachandra Rao (DIN 01869061) who is a Graduate from Andhra University and Annamalai University in social work, law, including specialized degrees in labour and administrative laws, personnel management and industrial relations and having vast experience in the field of labour and administrative laws, personnel management and industrial relations, as Independent Directors at various times, in compliance with the requirements of the clause. Pursuant to the provisions of section 149 of the Act, which came in to effect from April 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The nominations committee has recommended the appointment of these directors as Independent Directors for a period of 5 years from 30th September 2014. Mr. SV Ramachandra Rao have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and

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the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV to the Act, the appointment of these directors as Independent Directors is now being placed before the shareholders for their approval.

Pursuant to section 160 of the Act, notices have been received from one shareholders signifying their intention to propose the appointment of Mr. SV Ramachandra Rao along with a deposit of 1,00,000 (Rupees one lakh) each as required under the aforesaid section.

The names of companies and the committees in which the directors are a director/member, the letter of appointment and terms and conditions of the appointment are available for inspection at the registered office of the company during normal business hours.

Your Directors recommend the resolution for your approval. No Director, Key Managerial Person (KMP) and relative of any Director or KMP except Mr. S. V. Ramachandra Rao, Non-Executive Directors may be deemed to be concerned or interested in the resolution.

**By Order of the Board  
For PALCO LIMITED**

**Place: Hyderabad  
Date: 13.08 2014**

**Vijay Chandra Puljal  
(DIN 00090286)  
Director**

**Under the Companies Act, 2013**

**(1 of 2013)**

**(Company Limited by Shares)**

**ARTICLES OF ASSOCIATION**

**OF**

**PALCO LIMITED**

The regulations contained in Table F of the First Schedule to the Companies Act 2013, so far as they are applicable to a public company shall apply except that of Regulation 27, Regulation 48, Regulation 60, Regulation 76, Regulation 79, Regulation 89 to the company, save in so far as they are expressly or impliedly are modified by the following articles.

### **Interpretation**

I. (1) In these regulations—

In the interpretation of these Articles, unless repugnant to the subject or context:

“The Company” or “this Company” means PALCO LIMITED.

“Act” or “Companies Act” shall mean the Companies Act, 1956 or the Companies Act, 2013 to the extent applicable as amended from time to time and every modification or re-enactment thereof and references to Sections of the Act shall be deemed to mean and include reference to a section enacted in modification or replacement thereof.

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“In writing” and “Written” include printing, lithography, typing and other modes of representing or reproducing words in a visible form.

“Office” means the Registered Office for the time being of the Company.

“Persons” include Corporations as well as individuals.

“The Registrar” means the Registrar of Companies, Telangana.

“Seal” means the Common Seal for the time being of the Company.

Words imparting the singular number include, where the context admits or requires, the plural number and vice-versa.

Save as aforesaid, any words or expressions defined in the Companies Act, 2013, shall if not inconsistent with the subject or context, bear the same meaning in these Articles.

- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **II. Board of Directors**

1. The directors of the company may appoint an alternate director to act for a director, (hereinafter called the original director) during his absence, for a period of not less than three months, from India. An alternate director shall vacate office, if any, when the Original director returns to India. If the term of office of the original director is determined before he returns to India, any provision in the act or in there articles for the automatic reappointment of retiring director in default or of another appointment shall apply to the original director and not to the alternate director. Provided that no person shall be appointed as an Alternate Director for an Independent Director unless, he is qualified to be appointed as Independent Director under the provisions of this Act.

#### **The Seal**

2. (i) The Board shall provide for the safe custody of the seal.  
(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of any one Director and such other person as the Board may appoint for the purpose; and that director and other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **Accounts**

3. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.  
(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law.