

PALCO LIMITED

(FORMERLY KNOWN AS PENNAR ALUMINIUM COMPANY LIMITED)

25th Annual Report
2014-15

PALCO LIMITED

Corporate Information :

Board of Directors :

Mr. Vijay Chandra puljal
Mr.S V Ramchandra Rao
Mrs Surekha Manepalli

Statutory Auditor :

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

Registered Office :

Flat No.501
Sri Ramchandra Residency
Opp.: Sitaramanjenya Swami Temple
Madhapur Road, Kothaguda
Kondapur
Hyderabad – 500 084
Telangana, INDIA
CIN : L27203TG1989PLC010409

Registrar and Share Transfer Agents :

XL Softech Systems Ltd
3, Sagar Society Road No.2
Banjara Hills, Hyderabad – 500 034
Ph: 040-2354 5913, 23553214

Secretarial Auditor :

Mr. S Chidambaram
Company Secretary in Practice
Flat No.4A, Sampathji Apartments
6-3-85510/A, Saddat Manzil, Ameerpet
Hyderabad – 500 016

Across the pages

Notices of Annual General Meeting	3 - 9
Directors' Report	10 - 14
Management Discussion and Analysis Report	15 - 23
Particulars Of Employees	24 - 24
Secretarial Audit Report	25 - 26
Compliance Report on Corporate Governance	27 - 34
Clause 49(IX) of the Listing Agreement	35 - 35
Auditors Report	36 - 39
Financial Statements	
Balance Sheet	40 - 40
Profit and Loss Account	41 - 41
Cash Flow Statement	42 - 42
Notes forming part of the Financial Statements	43 - 49
Route Map to AGM Venue	50 - 50
Attendance Slip	51 - 51
Proxy Form	52 - 52
Updation of Shareholder Information	54 - 54

PALCO LIMITED

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of the Company will be held on Wednesday the 30th Day of September, 2015 at Flat No. 501, Sri Ramchandra Residency, Madhapur 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 2015 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 re-appointment.
3. To appoint Auditors and fix their remuneration 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 subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Suryanarayana & Suresh, Chartered Accountants, ICAI Registration No. 006631S) be and are hereby appointed as Auditors of the Company for the period of Five years to hold office from the conclusion of this Annual General Meeting upto the conclusion of the 2020 Annual General Meeting in place of the retiring Auditors, M/s. Rambabu & Co., Chartered Accountants (ICAI Registration No. 002976S). M/s. Suryanarayana & Suresh, Chartered Accountants, ICAI Registration No. 006631S) to audit the accounts of the Company for the financial year 2016-20 at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee of Directors.”

SPECIAL BUSINESS

4. To confirm the appointment of Ms. Surekha Manepalli (DIN: 07138689) as Director who was appointed as Additional Director and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

“RESOLVED THAT Pursuant to the provisions of Section 149, 161 of the Companies Act, 2013 and the Rules made there under and subject to the Articles of Association of the Company, Ms. Surekha Manepalli, who was appointed as an Additional Non-Executive Independent Director by the Board of Directors with effect from 27.03.2015 and who holds office until the date of the ensuing Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Surekha Manepalli as a candidate for the office of a director of the Company, be and is hereby appointed as a director of the Company for the period of five years not liable to retire by rotation

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

**Place : Hyderabad
Date : 12.08.2015**

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

PALCO LIMITED

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
2. Proxies to be effective must be received by the Company not less than 48 hours before the meeting.
3. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2015 to 30th September, 2015, both days inclusive.
6. Members / Proxies are requested to bring to the meeting their copies of the Annual Report and the Attendance Slip duly filled in for attending the meeting.
7. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
8. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to send their queries to the Company at least seven days before the date of the meeting so that the information required by them may be made available at the meeting.
9. Shareholders are requested to intimate immediately any change in the address registered with the Company. Members holding shares in dematerialized form are requested to notify any change in address to their respective Depository Participants (DPs).
10. Trading in the equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is INE057C01018.
11. In compliance of the SEBI circular no. MRD/DOP/ Cir-05/2009 dated May 20, 2009, the shareholders/ transferees (including joint holders) holding shares in physical form are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
12. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Depository) at the following address:

XL Softech Systems Limited,
Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills, Hyderabad - 500034.
Ph: 040-2354 5913, 2355 3214
13. 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 deliver documents like the Notice calling the Annual General Meeting/Audited Annual Accounts/Report of the Auditors/Report of the Directors

PALCO LIMITED

etc, in electronic form to email address provided by the shareholders and made available by the Depositories. The Company shall send hard copies of full annual reports to those shareholders, who request for the same.

14. Shareholders are requested to furnish their e-mail addresses to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in demat form, the email addresses 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.
15. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / XL Softech Systems Ltd.
16. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on 30th September, 2015 are provided in Annexure of this Notice.
17. The remote e-voting period commences vide EVSN No. 150829037 on 26th September, 2015 at 9.00 A.M and ends on 29th September, 2015 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on cut-off date of 23rd September, 2015 may cast their vote electronically. The CDSL will disable E voting facility after the expiry of remote e-voting period. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
18. The voting rights of the shareholders shall be in proportion to their shares of the paid-up share capital of the Company as on the cut-off date.
19. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on <26th September, 2015 at 9.00 A.M > and ends on <29th September, 2015 at 5.00 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 <23rd September, 2015> 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:

PALCO LIMITED

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> <ul style="list-style-type: none"> 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).

- (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 <PALCO LIMITED> 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) 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.

PALCO LIMITED

- 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.

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.

20. As per the above instructions, any shareholder as on cut-off date that is 23rd September, 2015, who require sequence number may please contact the company by sending an email to pennaralu@gmail.com or our Registrar and Transfer Agents XL Softech Systems Limited by sending an email to xlfield@gmail.com on 24th September, 2015 and 25th September, 2015.
21. A member may participate in the AGM even after exercising his/her right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
22. Mr. S Chidambaram, Practicing Company Secretary, Hyderabad has been appointed as the scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
23. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
24. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
25. Shareholders are requested to opt for NECS (National Electronic Clearance Service) for receipt of dividend. Shareholders may please update their bank account details with their Depository Participants for receiving the dividend in a hassle free manner. Opting for NECS is cost effective and also saves time.

PALCO LIMITED

Explanatory Statement [Pursuant to Section 102(1) of the Companies Act, 2013]

Item #4 Appointment of Ms. Surekha Manepalli as an Independent Director

The Board has appointed Ms Surekha Manepalli as an Additional Non-Executive Independent Director of the Company by circular resolution passed on 27th March 2015 with effect from 27th March, 2015, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Surekha Manepalli will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Ms. Surekha Manepalli for the office of director.

The Company has received from Ms. Surekha Manepalli

- (i) Consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Surekha Manepalli as an Independent Director of the Company for the period of 5 years pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Ms. Surekha Manepalli the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the letter for the appointment of Mr. Surekha Manepalli as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 4 of the notice for your approval. No director, key managerial personnel or their relatives, except Ms. Surekha Manepalli, to whom the resolution relates, is interested or concerned in the resolution.

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

**Place : Hyderabad
Date : 12.08.2015**

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

PALCO LIMITED

Information required to be furnished as per Clause 49 of the Listing Agreement

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed/re-appointed are given below;

Particulars	Shri. Vijay Chandra Puljal	Surekha Manepalli
Date of Birth	01.03.1951	19.07.1954
Date of Appointment	22.09.2005	27.03.2015
Qualification	Ag.Msc	B.A
Expertise	Industrial Relations and personnel Management	Has a vast experience in the area of Interior Designing.
List of Companies in which outside directorship held	02	NIL
Chairman/member of the committee of other companies on which he is Director	NIL	NIL
No. of Shares held by them in the Company	676671	NIL

PALCO LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report together with the audited Accounts of the Company for the financial year ended 31st March, 2015 and the Auditors Report thereon.

1. **Financial Results:** The financial results of the Company for the year ended 31st March 2015 are summarized below:

Particulars	2014-15	2013-14
Net Income & other income	NIL	NIL
Operating Expenditure	13.72	8.34
Operating Profit (PBDIT)	NIL	NIL
Interest & Depreciation	NIL	NIL
Provision for Taxes (Current and deferred)	NIL	NIL
Profit / (loss) after Tax (PAT)	(13.72)	(8.34)

The Company is not in operations since 2005, 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. Since then, the company is not operating and also the company does not have any employees and assets. The company also does not have any executive directors.

2. **Dividend, Fixed Deposits and General Reserves:**

The company has not declared any dividend nor invited / accepted deposits from the public and there are No General Reserves with the Company as there were no operations in the company.

3. **Extract of the Annual Return as per 92(3), Rule 12 in form MGT 9 – 134(3)(a): Annexed to the Report as “Annexure – A”**

4. **Number of Meetings of the Board: During the year ended 2014-15, the Board of Directors met Four times viz. on 13 May, 2014; 11 Aug, 2014; 08 November 2014 and 11 February, 2015.**

5. **Directors Responsibility Statement:**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'non-going concern' basis;