

PALCO LIMITED

**28th Annual Report
2017-18**

Corporate Information :**Board of Directors:**

Mr. Venkata Reddy Kovvuri (DIN: 07778118)

Smt. Bhuvaneswari Kovvuri

(DIN : 07778087)

Mr. Sri Sai Teja Reddy Kovvuri

(DIN: 08069343)

Statutory Auditor:

M.N. RAO & ASSOCIATES

Chartered Accountants

Flat No. 303, Plot No.135,
Prabha Mansion, Kalyan Nagar Phase I,
Hyderabad – 500038
Telangana State.

Registered Office:

H.No. 49-437/3, Flat No. 202,
Shilpa Homes, 4th Lane,
Bapunagar, Chintal,
Hyderabad - 500 054.
Telangana State.

Registrar and Share Transfer Agents:

XL Softech Systems Ltd

#3, Sagar Society Road No.2

Banjara Hills, Hyderabad – 500 034

Secretarial Auditor:

Mr. S Chidambaram

Company Secretary in Practice

Flat No.4A, Sampathji Apartments

6-3-85510/A, Saddat Manzil, Ameerpet

Hyderabad – 500 016

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Annual General Meeting of Palco Limited will be held on Saturday, the 29th day of September, 2018, at 11.30 A.M at Flat No. 202, Shilpa Homes Apartments, Door No. 49-437/A/3, 4th Lane, Behind R.S.K School, Bapunagar, Chinthal, Hyderabad - 500054 to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the company for the financial year ended March 31, 2018 the reports of the Board of Directors and Auditors thereon.
2. Appointment of Statutory Auditors

To Appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Thirty third Annual General Meeting of the Company and to fix their remuneration.

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 rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Board of Directors, M/s. M.N Rao & Associates, Chartered Accountants (Firm Registration No. 005386S) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') until the conclusion of the Thirty Third AGM of the Company to be held in the year 2023.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix remuneration of the Statutory Auditors and reimburse their travelling and out of pocket expenses.”

SPECIAL BUSINESS

3. To confirm the appointment of Mr. Srisaitejareddy Kovvuri (DIN: 08069343) 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, Mr. Srisaitejareddy Kovvuri, who was appointed as an Additional Non-Executive Director by the Board of Directors with effect from 10th February, 2018 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 Mr. Srisaitejareddy Kovvuri 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.

For Palco Limited

Sd/-
Venkata Reddy Kovvuri
(DIN: 07778118)
Director

Place: Hyderabad
Date: 09.08.2018

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 25th September, 2018 to 29th September, 2018, 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 INE 057C01018
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.040-23545913, 23553214
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 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. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form w.e.f. December 5, 2018 with a depository except transmission and transposition of shares. In view of the above and the inherent benefits of holding shares in electronic form, we urge the

members holding shares in physical form to opt for dematerialization.

15. 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.
16. 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.
17. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on 29.09.2018 are provided in Annexure of this Notice.
18. The remote e-voting period commences vide EVSN No. 180828109 on 26th September, 2018 at 9.00 A.M and ends on 28th September, 2018 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 22nd September, 2018 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.
19. 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.

20. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <26th September, 2018 at 9.00 A.M > and ends on <28th September, 2018 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 <22nd September, 2018> 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:

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 (iv).

- (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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) 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.

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- 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.

21. As per the above instructions, any shareholder as on cut-off date that is 22nd September, 2018, 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 23rd September, 2018 and 24th September, 2018.
22. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
23. 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.
24. 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.
25. 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.
26. 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.

For Palco Limited

Sd/-
Venkata Reddy Kovvuri
(DIN: 07778118)
Director

Place: Hyderabad
Date: 09.08.2018

Explanatory Statement

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

Item # 3 Appointment of Mr. Srisaitejareddy Kovvuri (DIN: 08069343) as an Additional Director

The Board has appointed **Mr. Srisaitejareddy Kovvuri (DIN: 08069343)** as an Additional Non-Executive Director of the Company by Board resolution passed on 10th February, 2018 with effect from 10th February, 2018 pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, **Mr. Srisaitejareddy Kovvuri** 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 **Mr. Srisaitejareddy Kovvuri** for the office of director.

The Company has received from **Mr. Srisaitejareddy Kovvuri**

- (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

The resolution seeks the approval of members for the appointment of **Mr. Srisaitejareddy Kovvuri** as an Non-Executive Director of the pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is liable to retire by rotation.

No director, key managerial personnel or their relatives, except **Mr. Srisaitejareddy Kovvuri, Smt. Bhuvaneswari Kovvuri and Shri Venkata Reddy Kovvuri**, to whom the resolution relates, is interested or concerned in the resolution.

For Palco Limited

Sd/-
Venkata Reddy Kovvuri
(DIN: 07778118)
Director

Place: Hyderabad
Date: 09.08.2018

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Information required to be furnished as Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Particulars	Mr. Srisaitejareddy Kovvuri
Date of Birth	5.11.1998
Date of Appointment	10th February 2018
Qualification	(B.Com)
Expertise	Student
List of Companies in which outside directorship held	0
Chairman/member of the committee of other companies on which he is Director	0
No. of Shares held by them in the Company	0

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on the operations of Palco Limited together with the audited financial statements for the year ended March 31, 2018. The financial results of the Company are as follows:

1. Financial Results

(In lakhs)

Particulars	2017-18	2016-17	2015-16
Net Income & Other Income	Nil	Nil	NIL
Operating expenditure	15.56	45.23	23.06
Operating Profit	(15.56)	(45.23)	(23.06)
Interest & Depreciation	Nil	Nil	NIL
Provision for taxes (Current & Deferred)	Nil	Nil	NIL
Profit/Loss after Tax(PAT)	(15.56)	(45.23)	(23.06)

2. Review of Operations and State of Company's Affairs

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.

3. 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.

4. 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”

5. Number of Meetings of the Board: During the year ended 2017-18, the Board of Directors met Five Times.

6. Directors Responsibility Statement:

Your Directors state that:

- in the preparation of the annual accounts for the year ended 31st March, 2018, 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;
- the Directors have selected such accounting policies and applied them consistently and made judgments 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, 2018 and of the profit of the Company for the year ended on that date;
- 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;
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate but the Company is non-operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate but the Company is not-operating effectively