

PALCO LIMITED

PALCO LIMITED

**29th Annual Report
2018-19**

PALCO LIMITED

CORPORATE INFORMATION

Board of Directors:

Mr. Venkata Reddy Kovvuri
Smt. Bhuvaneswari Kovvuri
Mr. Sri SaiTeja Reddy Kovvuri

Chairman & Managing Director
Wholetime Director / CFO
Director

Statutory Auditor:

M.N. RAO & ASSOCIATES
Chartered Accountants

Company Secretary and Compliance Officer

Ms. Priyanka Chopra

Registered Office:

H.No:6-3-1091/13-15, Flat No:101,
1st Floor Amrutha Ville Apartments,
Raj Bhavan Road, Somajiguda,
Hyderabad, TG 500082 IN

Registrar and Share Transfer Agents:

XL Softech Systems Ltd
3, Sagar Society Road No.2
Banjara Hills, Hyderabad - 500 034

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of Palco Limited will be held on Thursday, 26th day of September, 2019, at 12.00 P.M at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri, Hyderabad-500036 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, 2019 the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Bhuvaneswari Kovvuri (DIN: 07778087), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **Approval for the appointment of Venkat Reddy Kovvuri as Chairman & Managing Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under(including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the appointment of Venkat Reddy Kovvuri as Chairman & Managing Director of the Company without any remuneration for a period of 3 (three) years with effect from 28th June, 2018 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Venkat Reddy Kovvuri."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions".

By order of the Board of Directors
For Palco Limited

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

Place: Hyderabad
Date : 13.08.2019

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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 20th September, 2019, to 26th September, 2019, 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 atleast 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. 040-23545913, 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

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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 26.09.2019 are provided in Annexure of this Notice.
18. The remote e-voting period commences on 23rd September, 2019 at 9.00A.M. and ends on 25th September, 2019 at 5.00PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on cut-off date of 20th September, 2019 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 23rd September, 2019 at 9.00A.M and ends on 25th September, 2019 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 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting there after.
 - (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 UserID
 - 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:

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	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	<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 where in 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 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 are in favor of 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.

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- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to logon 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.
- 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 20th September, 2019, 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 21st September, 2019 and 22nd September, 2019.
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. Anand Kumar Kasat, Practicing Company Secretary, Hyderabad has been appointed as the scrutinizer to scrutinize the E-voting process in 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, there after unblock the votes cast through remote e-voting in the presence of atleast 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.

**By order of the Board of Directors
For Palco Limited**

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

**Place: Hyderabad
Date : 13.08.2019**

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

The Board of Directors of the Company in its meeting held on 28th June, 2019, has appointed Mr.Venkat Reddy Kovvuri as Chairman and Managing Director of the Company for a period of three (3) years w.e.f. 28th June, 2019 subject to the approval of members. Further, Venkat Reddy Kovvuri was re-designated as Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013

The present term of Venkat Reddy Kovvuri as Managing Director of the Company will expire by efflux of time on 28th June, 2022. The Board authorised the Nomination and Remuneration Committee to approve in the accordance with the provisions of Schedule V to the Companies Act, 2013.

Pursuant to the provisions of section 196, 197 read with Schedule V to the Companies Act, 2013

the company needs to obtain the consent of its members by way of special resolution. Hence, the Board recommends the resolution for your consideration and approval.

Venkat Reddy Kovvuri shall be deemed to be interested / concerned in the aforesaid resolution.

Except as a fore said, none of the Directors, Key Managerial Personnel and their relatives is interested in this resolution except to the extent of their shareholding in the Company

**By order of the Board of Directors
For Palco Limited**

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

**Place: Hyderabad
Date : 13.08.2019**

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

Particulars	Smt. Bhuvaneswari Kovvuri	Sri Venkat Reddy Kovvuri
Date of Birth	19.03.1976	14.06.1962
Date of Appointment	30.03.2017	30.03.2017
Qualification	B.A.	B Com Graduated and Semi qualified chartered Accountant
Expertise	managing the books of accounts and other finance related matters.	Finance and Administration
List of Companies in which outside directorship held	0	MUFITHUMB IT SOLUTIONS PRIVATE LIMITED
Chairman / member of the committee of other companies on which he is Director	0	0
No. of Shares held by them in the Company	0	0

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report on the operations of Palco Limited together with the audited financial statements for the year ended March 31, 2019. The financial results of the Company are as follows:

1. Financial Results:

(In Lakhs)

PARTICULARS	(2018-19)	(2017-18)
Net Income & Other Income	Nil	Nil
Operating expenditure	11.80	15.56
Operating Profit	(11.80)	(15.56)
Interest & Depreciation	Nil	Nil
Provision for taxes (Current & Deferred)	Nil	Nil
Profit/Loss after Tax(PAT)	(11.80)	(15.56)

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.

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:

The Company has conducted 4 board meetings during the year on following dates with a gap not exceeding 4 months between any two meetings 25.05.2018, 09.08.2018, 14.11.2018, and 12.02.2019

6. Directors Responsibility Statement:

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2018-19 and of the profit or loss of the Company for that period;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The annual accounts for the year 2018-19 have been prepared on a going concern basis.