



Palco Metals Limited

www.palcometals.com



Board of Directors :

Mr. Kailashchandra Agrawal - Chairman
Mr. Kanaiyalal B. Agrawal - Whole Time Director
Mr. Kirankumar B. Agrawal - Director
Mr. Nareshchand C. Jain - Director
Mr. Narendra Agrawal - Director

Auditors :

Madhusudan C. Mashruwala & Co.
Chartered Accountant
301-303, "AKIK" Opp. Lions Hall,
Mithakhali, Navarngpura,
Ahmedbad- 380 006.Gujarat.

Bankers :

State Bank of India
Specialized Commercial Branch
Shahibaug Road,
Ahmedabad -380 004.

Registered Office & Works :

Opp : Khanwadi, Ramol Road,
Post. Jantanagar, Ramol,
Ahmedabad, Gujarat - 382 449

Registrar And Share Transfer Agent:

MCS Limited
Ahmedabad Branch
101, 1st Floor, Shatdal Complex,
Ashram Road, Ahmedabad - 380009



Palco Metals Limited

Company Identification No. :

L27310GJ1960PLC000998

NOTICE

NOTICE is hereby given that the FIFTY THIRD ANNUAL GENERAL MEETING of the Members of PALO METALS LIMITED will be held as Scheduled below:

Date: 30th September, 2014
Day: Tuesday
Time: 2:00 P.M.
Place: At the Registered Office of the Company at:
Opp. Khanwadi, Ramol Road,
Post Jantanagar, Ramol,
Ahmedabad
Gujarat-382449

to transact the following business:

I. ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements as at 31st March, 2014 including the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.

2. To appoint a Director in place of Mr. Narendra Agarwal (DIN: 00580711) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

3. To appoint Statutory 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 M/s. Rahul Kakani & Associates, Chartered Accountants (Firm Registration Number 130198W) be and are appointed as the Statutory Auditors of the Company, in place of retiring Auditors M/s. Madhusudan C. Mashruwala & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 105717W), to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the fifty-eighth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every Annual General Meeting), 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 Statutory Auditors

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required in order to give effect to the above resolution”.

II. SPECIAL BUSINESS

4. Appointment of Mr. Kailashchandra Agrawal (DIN: 05334077) as an Independent Director of the Company

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 Sections 149, 152 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. Kailashchandra Agrawal (DIN: 05334077), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

5. Appointment of Mr. Nareshchand Jain (DIN: 00594361) as an Independent Director of the Company

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 Sections 149, 152 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. Nareshchand Jain (DIN: 00594361), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

6. To Surrender Lease taken by the Company:

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or amendment thereto and Rules made thereunder for the time being in force), consent of the Company, be and is hereby given to the Board of Directors of the Company (‘the Board’) to surrender the lease of the premises situated at Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad, Gujarat-382449 to M/s India Metal Works and Steel Cabs Corporation, Lessor of the premises, at a consideration of Rs. 1,60,00,000/- (Rupees One Crore Sixty Lacs Only) as determined by the independent valuers.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things and to execute such other documents, forms, papers, undertakings and writings as may be required under or pursuant to the same or as they may consider necessary or desirable to give effect to the above resolution and to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable and also to settle all questions, doubt, difficulty which may arise in effective implementation of this resolution, in its absolute discretion deem fit, necessary or proper and with further authority to incur reasonable expenditure and to delegate any of the abovesaid functions to any director or person in the best interest of the Company.”

By Order of the Board,

Date: 02-09-2014
Place: Ahmedabad

Kirankumar Agrawal
Director

Kanaiyalal Agrawal
Whole Time Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.

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. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 2 and 4 to 6 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item Nos. 2, 4 and 5 of the Notice, are also annexed.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

4. A member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his / her proxy unless such other person is also a member of the Company.

5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

6. 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.

7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours (9:30 a.m. to 6:30 p.m.) up to the date of the Meeting.

8. Pursuant to Section 91 of the Companies Act, 2013, Register of members and Share transfer Book of the Company will remain closed from Friday, 26th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).

9. The Company or its Registrars and Transfer Agents (RTA) MCS Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

10. 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 / RTA.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.

12. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.

13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Limited, for consolidation into a single folio. The share certificates will be returned to the members after making requisite changes thereon.

14. Non-Resident Indian Members are requested to inform RTA immediately of:

(a) Change in their residential status on return to India for permanent settlement.

(b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

15. To support the 'green initiative' members who have not registered their e-mail addresses so far are requested to register their e-mail address with RTA /depositories for receiving all communication including annual report, notices, circulars, etc. from the company electronically.

16. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 days before the date of the AGM so that the information required may be made available at the AGM.

17. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE239L01013. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agent.

18. Trading in the shares of the Company is compulsorily in dematerialized form for all investors. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.

19. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA

20. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

21. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

A. In case of members receiving e-mail:

(a) Log on to the e-voting website www.evotingindia.com

(b) Click on "Shareholders" tab.

(c) Now Enter your User ID

1. For CDSL: 16 digits beneficiary ID,

2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

3. Members holding shares in Physical Form should enter Folio Number registered with the Co.

(d) Next enter the Image Verification as displayed and Click on Login.

(e) 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.

(f) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

- PAN*** Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
* 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 last 8 digits of the demat account/folio number in the PAN field.
* In case the folio number is less than 8 digits enter the applicable number of 0's before the jumber after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
- DOB#** 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.
- Dividend Bank Details#** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
* Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

(g) After entering these details appropriately, click on "SUBMIT" tab.

(h) 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.

(i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(j) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(k) 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.

(l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(m) 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.

(n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(o) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(p) 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 www.evotingindia.com 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.

* 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 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.

B. In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

(B) The voting period begins on Wednesday, 24th September, 2014 (9.00 a.m. IST) and ends on Friday, 26th September, 2014 (6.00 p.m. IST). 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 3rd September, 2014, 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.com under help section or write an email to helpdesk.evoting@cdslindia.com.

C. Other Instructions:

i. The e-voting period commences on Wednesday, 24th September, 2014 (9.00 a.m. IST) and ends on Friday, 26th September, 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 3rd September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 3rd September, 2014.

iii. Mr. Punit Lath, Practicing Company Secretary (Membership No. ACS 26238) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

v. The result shall be declared at or after the Annual General Meeting of the company. The result declared alongwith the scrutinizer's report shall be placed on company's website www.palcometals.com and on the website of CDSL within two days of passing of resolutions at the Annual General Meeting of the company and communicated to Ahmedabad Stock Exchange Limited.

By Order of the Board,

Date: 02-09-2014
Place: Ahmedabad

Kirankumar Agrawal
Director

Kanaiyalal Agrawal
Whole Time Director

Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2 and 4 to 6 of the accompanying Notice:

Item No. 2:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

In terms of Section 149 read with Section 152(6) of the Companies Act, 2013, which has been brought into force with effect from 1st April, 2014, the provisions of retirement of directors by rotation are not applicable to Independent Directors and the office of two-thirds of all Non-Independent Directors will be liable to determination by retirement of directors by rotation. Hence, the period of office of Mr. Narendra Agarwal (DIN: 00580711), Director has become liable to determination by retirement by rotation. Accordingly, Mr. Narendra Agarwal (DIN: 00580711) will retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Narendra Agarwal (DIN: 00580711) is interested in the resolutions set out at Item No. 2 of the Notice with regard to his appointment. The relatives of Mr. Narendra Agarwal (DIN: 00580711) may be deemed to be interested in the resolution set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Notice for approval by the shareholders.

Item No. 4:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Kailashchandra Agrawal (DIN: 05334077) as an Additional Director of the Company with effect from 18th March, 2014.

In terms of the provisions of Section 161(1) of the Act, Mr. Kailashchandra Agrawal (DIN: 05334077) would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kailashchandra Agrawal (DIN: 05334077) for the office of Director of the Company.

Mr. Kailashchandra Agrawal (DIN: 05334077) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Nomination and Remuneration Committee has recommended the appointment of Mr. Kailashchandra Agrawal (DIN: 05334077) as Independent Director to hold office for five consecutive years for a term upto 31st March, 2019.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Kailashchandra Agrawal (DIN: 05334077) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Kailashchandra Agrawal (DIN: 05334077) possesses appropriate skills, experience and knowledge, inter alia, in the field of Information Technology and Management.

In the opinion of the Board, Mr. Kailashchandra Agrawal (DIN: 05334077) fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Kailashchandra Agrawal (DIN: 05334077) is independent of the management.

A brief profile of the Mr. Kailashchandra Agrawal to be appointed is given below:

Mr. Kailashchandra Babulal Agrawal (54 Years), is management consultant in the field of ERP, BPR, Finance, Investment and Project Management. He Holds B Com with first rank in Advanced Statistics (1980) with three gold medals, M Com with first rank in Statistics (1983) with one gold medal, CCP with first rank (1981), and Master of Business Administration (1991) from Gujarat University.

He has 30 years of experience in diversified industries on different projects. He was first employee of Mardia Leasing & Financial Services where he took a lead to start first terminal of NSE in Gujarat during 1995. He headed Symix Financials & Manufacturing ERP implementation for engineering company during 1998 with Wipro as implementation partner. For a Hitachi group company he headed IT for implementing Oracle Financials during 2001 along with PwC as implementation partner & Comsat Max as networking partner. He has experience of preparing & starting end to end project for manufacturing industries with more than 100 Crores investment layout.

Other details of the Independent Director, whose appointment is proposed at Item No. 4 of the accompanying Notice, have been given in the annexure attached.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Kailashchandra Agrawal (DIN: 05334077) is appointed as an Independent Director.

Copy of the draft letter for appointment of Mr. Kailashchandra Agrawal (DIN: 05334077) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Kailashchandra Agrawal (DIN: 05334077) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchange(s), appointed Mr. Nareshchand Jain (DIN: 00594361) as Independent Director in the year 2006, 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 1, 2014, every listed public 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 Nomination and Remuneration Committee has recommended the appointment of Mr. Nareshchand Jain (DIN: 00594361) as Independent Director to hold office for five consecutive years for a term upto 31st March, 2019.

Mr. Nareshchand Jain (DIN: 00594361) is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

Mr. Nareshchand Jain (DIN: 00594361), non-executive director of the Company, have given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and under Clause 49 of the Listing Agreement.

The Company has received notice in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nareshchand Jain (DIN: 00594361) for the office of Director of the Company.

In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Nareshchand Jain (DIN: 00594361) as Independent Director is now being placed before the Members for their approval.

Copy of the draft letter for respective appointment of above Director as Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

A brief profile of the Mr. Nareshchand Jain to be appointed is given below:

Mr. Nareshchand Jain is a B.E.(Hons) Mechanical Engineer. He had worked with Bharat Aluminum Co. Limited. formally a Govt. of India Enterprise from 1981 to 1996 in a Senior Position. He was also a consultant of M/s Sterlite Industries Limited, Silvassa to set up their Rod Rolling Mill. Presently he is the manufacturer of Plant, Equipment and Machineries for Aluminum Industries in the name of Arihant Engineers.

Other details of the Mr. Nareshchand Jain, whose appointment is proposed at Item No. 5 of the accompanying Notice, have been given in the annexure attached.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Nareshchand Jain (DIN: 00594361) is interested in the resolution set out respectively at Item No. 5 of the Notice with regard to his appointment. The relatives of Mr. Nareshchand Jain (DIN: 00594361) may be deemed to be interested in the resolution set out respectively at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Item No. 6: Surrender of Lease

As you know, the Company took a piece of land situated at Survey No. 636 A, paike, sub division no. 2 comprising 16000 sq. yards, at Ramol, Taluka: Daskroi, District: Ahmedabad, on lease for 99 years from India Metal Works and Steel Cabs Corporation, a Partnership Firm at the yearly lease rent of Rs. 4800/- (Four Thousand Eight Hundred Rupees) w.e.f 1st December, 1960. Lease agreement was also executed for this purpose. Since then the Company had been using this land and made construction of factory premises on the same and used it for its business activities. At present, approx. 45 years of lease period is still available to the Company.

The Company had ceased its business activities for the past some years and has sold all its Plant & Machinery and other assets & liabilities by way of slump sale to Palco Recycle Industries Limited (PRIL) through Agreement of sale dated 12th May, 2010 and Supplemental Agreement of sale dated 13th November, 2011. Pursuant to the Agreement of sale with Palco Recycle Industries Limited, the Company has transferred all the assets and liabilities as mutually agreed upon at a consideration of Rs. 900.59 Lacs. Necessary approval of the equity shareholders was obtained by the Company through Postal Ballot in terms of requirement of Section 192A of the Companies Act, 1956.

At this juncture, the Company does not have any income from operations from such land. The lease hold land is lying unused and the Company is also not carrying on any business activities thereon.

The surrender of lease will be effected at a consideration as determined by the independent valuers. Therefore, it is deemed expedient to surrender the unused lease hold land back to the lessor viz. India Metal Works and Steel Cabs Corporation at a consideration of Rs. 1,60,00,000/- (Rupees One Crore Sixty Lacs Only) determined by the Independent Registered Valuer. Hence, the Company would get consideration to the extent of Rs. 1,60,00,000/- on surrender of abovesaid lease hold right in respect of aforesaid unused lease hold land.

It should be noted that son of Mr. Kanaiyalal Agrawal, Whole Time Director of the Company is one of the partners of M/s. India Metal Works and Steel Cabs Corporation, Lessor of the premises. Moreover, nephew of Mr. Kiran Agrawal, Director of the Company is also one of the partners of M/s India Metal Works and Steel Cabs Corporation. To that extent both Mr. Kanaiyalal Agrawal and Mr. Kiran Agrawal would be deemed to be interested in this transaction of surrender of lease of the unused land by the Company to its lessors.

Looking to the above surrender of lease, a view is possible that such sale and transfer does not amount to a sale, lease and/or disposal of an undertaking in terms of Section 180(1)(a) of the Companies Act, 2013 (the Act) and the Board can effect the surrender of lease without any shareholders' resolution pursuant to Section 293(1)(a) of the Companies Act, 1956/Section 180(1)(a) of the Companies Act, 2013. Further, the Company has obtained independent professional opinion for non requirement of approval of shareholders under section 180(1)(a) or Section 188 of the Act i.e. related party transactions from the shareholders of the Company.

Notwithstanding the above, as a measure of good corporate governance and out of abundant caution, approval of the shareholders is being sought for such surrender of lease in terms of Section 180(1)(a) and other applicable provisions, if any of the Act.

The Report of the Independent Registered Valuer and other relevant documents are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours (9:30 a.m. to 6:30 p.m.) up to the date of the Meeting.

Mr. Kanaiyalal Agrawal and Mr. Kiran Agrawal are interested in the resolutions set out at Item No. 6 of the Notice with regard to Surrender of lease as son of Mr. Kanaiyalal Agrawal and nephew of Mr. Kiran Agrawal are the partners of the partnership firm viz. India Metal Works and Steel Cabs Corporation, Lessor of the land and to whom the surrender of lease would be done by the Company at a consideration of Rs. 1,60,00,000/-. The relatives of the Directors may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Resolution at Item No. 6 of the Notice for approval of the shareholders by a Special Resolution.

By Order of the Board,

Date: 02-09-2014
Place: Ahmedabad

Kirankumar Agrawal
Director

Kanaiyalal Agrawal
Whole Time Director

Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting

Particulars	Mr. Narendra Agarwal	Mr. Nareshchand Jain	Mr. Kailashchandra Agrawal
Date of Birth	17-10-1966	27-07-1959	08-08-1960
Date of Appointment	15-12-2012	28-03-2006	18-03-2014
Qualifications	B.Com	B.E. Mechanical	M.B.A
Expertise in specific functional areas	Builders & Developers	Production & Maintenance	I.T & Management
Directorships held in other companies (excluding foreign companies)	Vital Marketing & Finance Pvt. Ltd. Parijat Buildwell Private Limited	Palco Recycle Industries Limited	Palco Recycle Industries Limited RSPH Corporate Advisors Private Limited
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil	Nil	Nil
Number of shares held in the Company	190000	Nil	Nil

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present the Fifty Third Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2014.

1. FINANCIAL RESULTS:

Particulars	(Rs. In lacs)	(Rs. In lacs)
	Financial year Ended 31-03-2014 (12 Months)	Financial Year Ended 31-03-2013 (12 Months)
Operating Profit / Loss (Before Interest and Depreciation)	7.63	17.46
Less: Interest/Finance Cost	0.16	0.07
Profit / Loss before Depreciation	7.47	17.39
Less: Depreciation	-	-
Profit / Loss for the year	7.47	17.39
Add: Extraordinary Income (Net)	-	-
Add: Prior period Income	-	-
Profit / Loss before Tax	7.47	17.39
Fringe Benefit Tax	-	-
Provision for Taxation	2.08	4.88
Profit / Loss after Tax	5.39	12.51

2. DIVIDEND:

With a view to conserve the resources, the board of directors of the company have not recommended any dividend for the year under review.

3. DIRECTORS:

During the year under review, Mr. Kailashchandra Babulal Agrawal (DIN: 05334077) was appointed as an Additional Director of the Company with effect from 18th March, 2014. It is proposed to appoint him as Director of the Company, at the Annual General Meeting.

Mr. Narendra Agarwal (DIN: 00580711), Director retires by rotation from the Board in pursuance of provisions of the Companies Act, 2013 and being eligible offers himself for reappointment.

The Board at its meeting held on 2nd September, 2014, subject to approval of the shareholders, appointed Mr. Kailashchandra Agrawal (DIN: 05334077) and Mr. Nareshchand Jain (DIN: 00594361), existing Independent Directors, as Independent Directors on the Board of Directors of the Company, for a period of five consecutive years upto 31st March, 2019, pursuant to the provisions of Sections 149, 150, 152, 178 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder ("the Act") read with Schedule IV of the Act.

Brief resume, area of expertise and other details of terms of appointment of these Directors forms integral part of the Notice of the Annual General Meeting.

All the Independent Non-Executive Directors of the Company have furnished declarations that they qualify the conditions of being Independent as per Section 149(6) & (7) of the Companies Act, 2013.

4. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a. That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- b. Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are responsible and prudent so as to give true and fair view of the state of affairs of the company as at 31st March, 2014 and of profit or loss of the company.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The annual accounts have been prepared on going concern basis.

5. PERSONNEL:

Industrial relations continued to remain cordial and peaceful during the year under review.

6. LISTING:

The Equity Shares of the Company are listed on the Ahmedabad Stock Exchange.

7. CORPORATE GOVERNANCE:

The Report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

8. DEMATERIALISATION OF EQUITY SHARES:

Shareholders have an option to dematerialize their shares with either of the depositories viz. NSDL and CDSL. The ISIN allotted is INE239L01013

9. GENERAL:

9.1 INSURANCE:

The Company's properties continued to be adequately insured against risks such as fire, riots, strikes etc.

9.2 AUDITORS:

M/s. Madhusudan C. Mashruwala & Co., Chartered Accountants, Ahmedabad, the retiring Auditors of the Company have expressed their unwillingness to be reappointed as the Auditors of the Company. The Board of Directors recommend the appointment of M/s. Rahul Kakani & Associates, Chartered Accountants, Ahmedabad as the statutory Auditors of the Company in place of M/s. Madhusudan C. Mashruwala & Co., Chartered Accountants, from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. Rahul Kakani & Associates, Chartered Accountants have also expressed their willingness to act as Auditors of the Company.

We take this opportunity to thank Madhusudan C. Mashruwala & Co., Chartered Accountants, Ahmedabad, for their co-operation & understanding.

9.3 AUDITORS REPORT

The comments of the Auditor in their Report and the Notes forming part of the accounts are self explanatory and need no comments.

9.4 PARTICULARS OF EMPLOYEES:

There is no employee drawing remuneration requiring disclosure under the Companies (Particulars of Employees) Rules, 1975.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information in accordance with the provisions of Section 217(1)(e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo is attached as per Annexure – I, and conservation of energy as per Annexure – II.

11. ACKNOWLEDGEMENT:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thank the employees at all levels, who, through their dedication, co-operation, support and smart work, have enabled the Company to achieve rapid growth.

By Order of the Board,

Date: 02-09-2014
Place: Ahmedabad

Kirankumar Agrawal
Director

Kanaiyalal Agrawal
Whole Time Director

ANNEXURE - I

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo

Particulars	Current Year (2013-14)	Previous Year (2012-13)
Foreign Exchange Earning	-	-
Foreign Exchange Outgo	-	-

The information in accordance with the provisions of Section 217 (1) (e) of The Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, regarding conservation of Energy:

ANNEXURE - II

SR NO.	Particulars	For, 31st March, 2014	For, 31st March, 2013
A	Power and Fuel		
	1. Electricity	-	-
	A) Purchased		
	Unit	-	-
	Total Amount in (lacs)	-	-
	Rate/ Unit (Rs.)	-	-
	B) Own Generation		
	Through diesel generator	-	-
	Unit	-	-
	Total Amount (Rs. In lacs)	-	-
	Rate/ Unit (Rs.)	-	-
	2. Coal	-	-
	3. Furnace oil	-	-
	4. LSHS of HDPE Fabrics/Sheets(Kg.)	-	-
B	Consumption per Unit of Production Of HDPE fabrics/ sheets (kg.)	-	-

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW ABOUT THE COMPANY:

The Company was incorporated in 1960, since then it has never looked back. Your Management has come in the Company in 1996-97 when the company had balance sheet with the loss. Your Management with the bright insight turned the company's fortune. The company started to earn profit, its share was again made relisted at ASE, Company issued the Bonus share in 2006 as well as in 2011 to its esteemed shareholders.

BUSINESS STRATEGY:

Your company has undergone the restructuring process last financial year under which it had sold its operation to Palco Recycle Industries Limited due to which the value of the Company's investment in that company has been increased to large extent.

RISK AND CONCERNS:

Risk may be defined as the possibilities that an event (anticipated or unanticipated) can adversely affect the business objective and goals. At Palco Metals Ltd, risk governance reconciles estimation, control and quantification through an institutionalized approach, which include consistence implementation and monitoring, supplemented by audits. The management conducts regular to arrest the abnormalities.

All the risks are discuss in the senior management meeting periodically to ensure that the risk mitigation plants are implemented and adverse impact of risk are avoided or kept within manageable proportions. Currency exchange rates could undergo changes with the Indian rupee turning volatile for most part of the year. This could have a potential impact on the export earning of the company. The company is conscious of the impact of the volatile movement. Hedging is done wherever is necessary and forward cover are taken to mitigate probable risks. The company has adopted conservative policy in booking the unfavorable impact of exchange fluctuation. Prudential accounting norms are followed in line with the accounting standard.

HUMAN RESOURCES MANAGEMENT:

The mission of human resource function is to build and sustained motivated leadership pipeline and to provide an empowering environment in which people can feel enthused to deliver their best for the progress of both the company and themselves. The company considers its human resource as a valuable asset. The company endeavors to harness this resource through structure training programs, with the company currently implementing the expansion programs, training of its personnel assumes greater significance.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The company continuously updates its systems and procedure in order to keep it contemporary and to ensure that it is commensurate with size and nature of its business, the effectiveness of internal control is regularly verified by internal audit department of the company supplemented by independent outside

internal auditors. They conduct regular audit based on annual internal audit programmed agreed with audit committee of board covering all the offices, factories and all the areas of business. The audit committee closely monitors this process. Audit findings are closely reviewed by audit committee along with management response. The committee also reviews the effectiveness of company's internal control and their effectiveness on actual operation and regularly monitors implementation of audit recommendation. The system ensures effective utilization of company resource and protections of assets from loss, theft, misappropriation and relevant risks.

CONCLUSION:

Our Company is dedicated to ensure that ongoing Growing initiatives achieve profitable faster. Given the strategic thrust over achieving identified distinctive vision in its business, our company is set as emerge stronger in the long run.

By Order of the Board,

Date: 02-09-2004
Place: Ahmedabad

Kanaiyalal Agrawal
Whole Time Director

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. It goes beyond mere financial measurement of the performance of the company, taking into consideration a basket of parameters such as employee satisfaction, shareholders satisfaction, commitment to quality etc. The management of the company believes that the corporate governance is the reflection of our culture, policies, our commitment to values and our relationship with Stakeholders. The Company is committed to Corporate Governance and endeavors to adhere to the highest standards of corporate value and ethics.

The Company has implemented the mandatory requirements of the Code of Governance as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has adopted the Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further the mechanism adopted by the Company encourages the employees and Directors of the Company to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees and directors who avail of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The details of complaints received and the action taken are reviewed periodically by the Audit Committee. None of the Company's personnel have been denied access to the Audit Committee.

3. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Directorships in other public companies incorporated in India ##	No. of other Board Committee ##		No. of Board Meetings Attended during 2013-14	Attendance at last AGM
			Membership	Chairmanship		
Kailashchandra Agrawal # Chairman	Independent Non Executive	1	2	2	1	N.A.
Kirankumar Agrawal	Promoter- Non executive	2	1	0	12	Yes
Kanaiyalal Agrawal	Promoter- Executive	3	0	0	12	Yes
Nareshchand Jain	Independent Non Executive	1	2	0	12	No
Narendra Agarwal	Promoter- Non executive	0	0	0	3	Yes

appointed as Additional Director w.e.f. 18-03-2014.

These numbers exclude the directorship/committee membership held in the Company and in private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 (corresponding Section 8 of the Companies Act, 2013) and alternate directorship. Further, it includes only the chairmanship/membership of the Audit Committee, Shareholders' Grievance Committee & Remuneration Committee. All Directors have informed the Company about the committee positions they occupy in other companies as per Clause 49 of the Listing agreement, which were placed before the Board.

b) Details of the Directors seeking Appointment/ Reappointment in forthcoming Annual General Meeting:

Brief resume, area of expertise and other details of terms of appointment of the Directors seeking appointment/ Reappointment forms integral part of the Notice of the Annual General Meeting.

c) Shareholding of Non-Executive Directors As On March 31, 2014:

Sr. No.	Name of Director	No. of Shares held
1.	Kailashchandra Agrawal	0
2.	Nareshchand Jain	0
3.	Narendra Agarwal	190000
4.	Kirankumar Babulal Agrawal	4000

d) Board Procedures:

The Board of Directors meets regularly to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Whole Time Director briefs the Directors at every Board Meeting, overall performance of the company.

All major decisions/ approvals are taken at the meeting of the Board of Directors such as policy formation, business plans, budgets, and investment opportunities, Statutory Compliance etc. The meetings of the board of directors were held on 01-04-2013, 12-04-2013, 07-05-2013, 30-05-2013, 30-07-2013, 12-08-2013, 06-09-2013, 09-09-2013, 20-09-2013, 11-11-2013, 10-02-2014 and 18-03-2014.

4. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Kailashchandra Agrawal	Chairman is independent	The functions of the Audit Committee are as per Company Law and Listing Agreement	All the members were present at the meeting held on 30th May, 2013,
Nareshchand Jain	Director and majorities are independent.	with Stock Exchange(s) which include approving and implementing the audit	12th August 2013, 11th November 2013
Kirankumar Agrawal	Two members have thorough financial and accounting knowledge.	procedures, review of financial reporting system, internal control procedures and risk management policies.	and 10th February, 2014.

* The Audit Committee of the Company has been re-constituted w.e.f. 18th March, 2014 by appointing Mr. Kailashchandra Agrawal as Chairman of the Committee.

5. NOMINATION AND REMUNERATION COMMITTEE (REMUNERATION COMMITTEE)

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation package for the Managing Director. It also reviews from time to time the overall compensation structure and related policies with a view to attract, motivate and retain employees.

The committee comprises the following Directors as members:

Shri Nareshchand Jain, Non- Executive Independent
Shri Kailashchandra Agrawal, Member- Non- Executive Independent
Shri Kirankumar Agrawal, Non- Executive Independent

Details of remuneration paid:

1. The Company paid Managerial Remuneration of Rs. 1,80,000 to Mr. Kanaiyalal Agrawal, Whole Time Director during the year 2013-14.

2. The other Directors were not paid sitting fees. No Commission or Stock Option has been offered to the Directors

6. STAKEHOLDER RELATION COMMITTEE (SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE)

The Board has constituted a Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, Share Transfer, Non receipt of Balance Sheet etc.

Shri Kailashchandra Agrawal, Chairman, Shri Nareshchand Jain, and Shri Kirankumar Agrawal, are the Members of the Committee.

Mr. Pramod Ramanlal Agrawal is the Compliance Officer for the above purpose.

The Company received NIL complaints during the year and all were resolved to the satisfaction of the shareholders. There was no valid request for transfer of shares pending as on 31st March, 2014.

6. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2010-11 (12 Months)	29-09-2011	11:30 a.m.	Registered office at: Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad, Gujarat-382449
2011-12 (12 Months)	29-09-2012	12:00 Noon	
2012-13 (12 Months)	30-09-2013	10:00 a.m.	

During the year under review, following two special resolutions were passed through postal ballot:

1. Special resolution under Section 372A of the Companies Act, 1956 to authorize the Board of Directors of the Company to make any loans / investments or give guarantee or provide any security up to a limit of Rs. 75 Crores to Palco Recycle Industries Limited; and

2. Special resolution under Section 372A of the Companies Act, 1956 to authorize the Board of Directors of the Company to make any loans / investments or give guarantee or provide any security up to a limit of Rs. 10 Crores to Palco Recycle Exchange Limited.

Further no special Resolution was passed through Extra Ordinary General meeting and as of day, there is no proposal to pass any special resolution through postal ballot.

Details of Special Resolution passed in the last three Annual General Meeting:

Special Resolution for the re- appointment of Mr. Kanaiyalal Agrawal as Whole Time Director of the Company for a period of five years w.e.f. 1st August, 2011, in Annual General Meeting dated 29th September, 2011.

7. DISCLOSURES:

a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company at large.

b) There has neither been any intentional non compliance of any legal provision of applicable law, nor any penalty, structure imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

8. MEANS OF COMMUNICATION:

a) In compliance with the requirements of the Listing Agreement, the Company is regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in Western Times (English and Gujarati).

Results are not displayed on Website and Quarterly results are not sent individually to the Shareholders.

b) During the year ended on 31st March, 2014, no presentation was made to Institutional Investors or analyst or any other enterprise.

c) Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDER'S INFORMATION

a	Registered Office	Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad. Gujarat-382449	
b	Annual General Meeting	Day: Tuesday Date: 30th September, 2014 Time: 2.00 P.M. Venue: Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad. Gujarat-382449	
c	Financial Calendar	1st Quarter Results	Mid August, 2014.
		Half yearly Results	Mid November, 2014.
		3rd Quarter Results	Mid February, 2015.
		4th Quarter Results	End May, 2015
		Audited yearly Results	End May, 2015.
d	Book Closure Dates	From	To
		26th September, 2014	30th September, 2014
e	Registrar and Share Transfer Agents	In terms of SEBI Circular No. D&CC/FITTC/CIR15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR 18/2003 dated 12th February, 2003, on appointment of common agency for share registry work, the Company has appointed the below mentioned agency as Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company: MCS Limited Ahmedabad Branch 101, 1st Floor, Shatdal Complex, Ashram Road, Ahmedabad – 380009	
f	ISIN	INE239L01013	
g	Dividend Payment Date	The Company has not declared Dividend	
h	Stock Exchange Code	Stock Exchange	Code
		Ahmedabad Stock Exchange Limited	04601

i) Stock Price Data: There has been no trading activity in the shares of the Company during the financial year 2013-14.

j) Share Transfer System:

The transfer of shares in physical form is processed and completed by M/s. MCS Limited generally within a period of 15 days from the date of receipt thereof.

In case of Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

k) Distribution of Shareholding as on March 31, 2014:

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of Shares held	% of Shareholding
Up to 500	1524	97.1319	155400	3.8850
501 to 1000	13	0.8286	8720	0.2180
1001 to 2000	9	0.5736	14200	0.3550
2001 to 3000	2	0.1275	5200	0.1300
3001 to 4000	1	0.0637	4000	0.1000
4001 to 5000	1	0.0637	12000	0.3000
5001 to 10000	2	0.1275	73520	1.8380
10001 to above	17	1.0834	3726960	93.174
Grand Total	1569	100	4000000	100

l) Category of Shareholders as on March 31, 2014:

Category	No. of Shares held	% of Shareholding
Promoters including Promoter Company	2727040	68.1760
Financial Institutions/ Banks	0	0
Mutual Fund	0	0
Bodies Corporate	100	0.0025
NRIs	0	0
Foreign National	0	0
Other (Clearing Member)	0	0
Public	1272860	31.8215
Total	4000000	100

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.

n) Dematerialisation of : The Company has entered into Shares Agreement with NSDL/CDSL for Dematerialisation of Shares.

As on 31st March, 2014, a total of 947240 Shares of the Company which form 23.68% of the Share Capital of the Company stands dematerialised.

10. CODE OF CONDUCT

The Company has an approved Code of Conduct applicable to Directors and Senior Management personnel. A certificate of affirmation in this regard forms part of this Report as Annexure 1.

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are disclosed in detail in Notes to Accounts annexed to the financial statements for the year. Adequate care was taken to ensure that the potential conflict of interest did not harm the interests of the Company at large.

12. CEO / CFO CERTIFICATION

The Whole Time Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement.

13. PLANT LOCATIONS:

The Company's Plant is situated at: Opp. Khanwadi, Ramol Road,
Post Jantanagar, Ramol,
Ahmedabad
Gujarat- 382449

14. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form:

MCS Limited
Ahmedabad Branch
101, 1st Floor, Shatdal Complex,
Ashram Road, Ahmedabad - 380009

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query, relating to shares:

Registered Office : Opp. Khanwadi, Ramol Road,
Post Jantanagar, Ramol, Ahmedabad
Gujarat- 382449

Telephone Nos. : +91-9228010691

Compliance Officer : Mr. Pramod Ramanlal Agrawal

By Order of the Board,

Date: 02-09-2014
Place: Ahmedabad

Kirankumar Agrawal
Director

Kanaiyalal Agrawal
Whole Time Director

Annexure 1 to Corporate Governance Report

CERTIFICATE

PALCO METALS LIMITED

DECLARATION UNDER CLAUSE 49 (I) (D) (ii)

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2014.

Date: 02-09-2014
Place: Ahmedabad

Kanaiyalal Agrawal
Whole Time Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Palco Metals Limited
Ahmedabad

We have examined the compliance of conditions of Corporate Governance by M/s. Palco Metals Limited, for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affair of the Company.

Place: Ahmedabad
Date: 26-05-2014

For, Madhusudan C Mashruwala & Co.
Chartered Accountants
(Firm Reg. No.: 105717W)
(U.M.Mashruwala)
Partner
Membership No.: 038254

INDEPENDENT AUDITOR'S REPORT

To,
The Member of
PALCO METALS LTD.
Ahmedabad

We have audited the accompanying financial statements of PALCO METALS LTD.(the Company) which comprise the Balance Sheet as at 31st March,2014, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") r.w Sec 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation of internal control relevant to preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March,2014;

- (b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date;
(c) In the case of cash flow statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004' and on the basis of such checks of the books and records of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
 - c) The Balance Sheet ,Statement of Profit and Loss and cash flow statement, dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956r.w Sec 133 of the Companies Act, 2013;
 - e) On the basis of written representations received from the directors as on 31tt March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31ttMarch, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

FOR MADHUSUDAN C. MASHRUWALA & CO.
CHARTERED ACCOTJNTANTS

(U. M. MASHRUWALA)
PARTNER

Mem. No.038254

F.R. No. 105717W

AHMEDABAD

DATE: 26.05.2014

ANNEXURE TO THE AUDITORS REPORT

1(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

1(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

1(c) According to the information and Explanation and on examination Books of Accounts, company has not disposed off any substantial part Fixed Assets during the Year.

2(a) Company is not having any closing stock hence this point is not applicable.

2(b) There is no closing inventory in hence this clause is not applicable.

2(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3(a) There are 3 firms covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans. The maximum amount involved during the year was Rs. 8.55 crores and the year-end balance of loans granted to such parties was Rs. 0.92 crores

3(b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company. The company has given interest free advances.

3(c) The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.

3(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956

3(e) The Company has not taken any Loans Secured or Unsecured from the other companies listed in the register maintained under section 301 of the Companies Act, 1956.

3(f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

3(g) The company have been repaying the principal amounts as stipulated and have been regular in the payment of interest.

4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures

5(a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

5(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of

the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6 As per the information and explanation given to us and as per our examination of books of accounts, the company has not taken any deposit, hence there is no contravention of the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.

7 In our opinion, the company has an internal audit system commensurate with the size and nature of its business

8 The Central Government has not prescribed the maintenance of cost records in respect of the Company under section 209 (1) (d) of the Companies Act, 1956.

9(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

9(b) According to the information and explanations given to us, the following is details of litigation, which are still pending for deposit as the same is being disputed and the company has filled a case:-

Sr. no.	Financial year	Forum where dispute is pending	Amount of tax under litigation (Rs.)
1.	2008-09	CIT(APPEALS)	1,67,680
2.	2009-10	Income Tax Appellate Tribunal	9,87,740

10 There are no accumulated losses. Hence this clause is not applicable.

11 In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders

12 The company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.

13 In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

13(a) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

13(b) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

13(c) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

13(d) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14 In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

15 In our opinion and as per the explanations given to us, the company has given a guarantee for Rs.27.50 crores for loan borrowed by Palco Recycle industries Ltd., and the terms and conditions of the guarantee given by the company for loans taken by others from bank/financial institutions, are not prejudicial to the interest of the company

16 No term loan has been taken by the company hence this clause is not applicable.

17 According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

18 According to the information and explanations given to us and as per the records of the company, no allotment of preferential shares have been made during the year to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956

19 The company has not issued any debentures hence this clause is not applicable.

20 No money is raised by way of public issue during the current financial year, hence this clause is not applicable.

21 According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

AHMEDABAD
DATE: 26.05.2014

FOR MADHUSUDAN C. MASHRUWALA & CO.
CHARTERED ACCOTJNTANTS

(U. M. MASHRUWALA)
PARTNER
M. No.038254
301-301, AKIK, Opp. Lions Hall,
Mithakhali Six Road. Ahmedabad – 380006
Firm Reg. No. – 105717W

PALCO METALS LIMITED
"Balance Sheet as at 31st March, 2014"

Particulars	Note No	For the year ended on 31/03/2014	(Rs. In Lacs) For the year ended on 31/03/2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	700.00	700.00
(b) Reserves and Surplus	3	1,326.44	1,321.05
(2) Share application money pending allotment			
-			
(3) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Other current liabilities	4	0.30	46.23
(c) Short-term provisions	5	2.53	85.46
Total		2,029.27	2,152.74
II.Assets			
(1) Non-current assets			
(a) Fixed assets	6		
(i) Tangible assets		970.86	970.86
(ii) Intangible assets		0.17	0.17
(b) Non-current investments	7	887.05	387.05
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	8	92.16	636.30
(2) Current assets			
(a) Cash and cash equivalents	9	23.62	23.54
(b) Short-term loans and advances		-	-
(c) Other current assets	10	55.41	134.81
Total		2,029.27	2,152.74

Significant Accounting Policies

The Accounting Policies & Notes are an integral part of the financial Statements
As per our report of even date

For Madhusudan C Mashruwala & Co
Chartered Accountants
U.M Mashruwala
Partner
M.No. 38254

For Palco Metals Limited

Kiran B.Agrawal Kanaiyalal B. Agrawal
Director Whole Time Director

Date : 26/05/2014
Place : Ahmedabad.

PALCO METALS LIMITED
STATEMENT OF PROFIT AND LOSS
"Profit and Loss statement for the year ended 31st March, 2014"

Particulars	Note No	(Rs. In Lacs)	
		For the year ended on 31/03/2014	For the year ended on 31/03/2013
I. Revenue from operations		-	-
II. Other Income	11	20.15	33.39
III. Total Revenue (I +II)		20.15	33.39
IV. Expenses:			
Financial costs	12	0.16	0.07
Employee benefit expense	13	2.05	2.36
Other expenses	14	10.46	13.58
Total Expenses		12.68	16.01
V. Profit before exceptional and extraordinary items and tax (III - IV)		7.47	17.39
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		7.47	17.39
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		7.47	17.39
X. Tax expense:			
(a) Current tax		2.08	4.88
(b) Earllier Year Income Tax			
(c) Excess Income Tax Provision W/o		-	-
(d) Deferred tax			
XI. Profit/(Loss) from the perid from continuing operations (VII - VIII)		5.39	12.51
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		5.39	12.51
XVI. Earning per equity share:			
(a) Basic		0.13	0.31
(b) Diluted			

Significant Accounting Policies

The Accounting Policies & Notes are an integral part of the financial Statements
As per our report of even date

For Madhusudan C Mashruwala & Co
Chartered Accountants
U.M Mashruwala
Partner
M.No. 38254

For Palco Metals Limited

Kiran B.Agrawal Kanaiyalal B. Agrawal
Director Whole Time Director

Date : 26/05/2014
Place : Ahmedabad

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Note 1: Significant Accounting Policies

A. Method of accounting

The accounts are prepared on the historical cost basis adjusted by revaluation of fixed assets.

B. Fixed assets and Depreciation

The value of goodwill is shown at cost price. No depreciation is provided on the leasehold hand. Depreciation is provided on written down value method as per Sec.205(2) of the Companies Act, 1956 at the rates and in the manner prescribed in the Schedule XIV of the Companies Act.

C. Income recognition and expenditure:

Sales are shown after providing for adjustment of trade discount and goods return. Income and expense are recognized on accrual basis.

D. Foreign currency transactions

All foreign currency transactions have been accounted at the rate prevailing on the date of the transaction. As per AS 11, all outstanding foreign currency transactions are valued at appropriate exchange rate prevalent on the close of financial year and any fluctuations are provided for in the Profit and Loss Account.

E. Taxes on income

Current tax is determined on the basis of the amount of tax payable on the taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

PALCO METALS LIMITED

Notes forming part of Balancesheet and Profit & Loss Account

Note No	For the year ended on 31/03/2014	(Rs in Lacs) For the year ended on 31/03/2013
2. (a) Share Capital		
Equity Share Capital		
Authorised Share capital		
70,00,000 Equity Shares of Rs. 10/- each	700.00	700.00
30,00,000 8.50% Non- Cumulative Redeemable of Rs. 10 each	300.00	300.00
	1,000.00	1,000.00
Issued, subscribed & fully paid share capital		
40,00,000 Equity Shares of Rs. 10/- each fully paid in cash"	400.00	400.00
(40,00,000 Equity Shares of Rs. 10/- each)		
Preference Share Capital		
30,00,000 8.50% Non- Cumulative Redeemable Rs. 10 each	300.00	300.00
Total	700.00	700.00

(b) Reconciliation of the number of Shares in outstanding of the company.

Particulars	Equities Shares			
	As at 31 March 2014		As at 31 March 2013	
	Number	Amount in lakh	Number	Amount in lakh
Shares outstanding at the beginning of the year	4,000,000.00	400.00	4,000,000.00	400.00
Shares Issued during the year (Bonus Share)	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	4,000,000.00	400.00	4,000,000.00	400.00

Reconciliation of the number of Shares in outstanding of the company.

Particulars	Preference Shares			
	As at 31 March 2014		As at 31 March 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	3,000,000.00	300.00	3,000,000.00	300.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	3,000,000.00	300.00	3,000,000.00	300.00

(C) Shares in the company held by each shareholder holding more than 5 percent shares(Regroup)

Name of Shareholder	For the year ended on 31/03/2014	For the year ended on 31/03/2013
Krishna Capital & Securities Ltd. (Shares in No.s)	1,560,000	1,560,000
(Percentage of Share holding)	39.00	39.00
3 Reserves and Surplus		
Capital Reserves		
Balance at the beginning of the year	0.03	0.03
Addition(deduction)during the year	-	-
Balance at the end of the year	0.03	0.03
Revaluation Reserves		
Balance at the beginning of the year	969.04	969.04
Addition(deduction)during the year	-	-
Balance at the end of the year	969.04	969.04
Surplus in the Statement of Profit & Loss A/c.		
Balance at the beginning of the year	351.99	339.48
Addition(deduction)during the year	5.39	12.51
Balance at the end of the year	357.38	351.99
Total	1,326.44	1,321.05
4 Other current liabilities		
Provision for Expenses	0.21	1.00
Statutory Dues	0.01	0.01
Other payables	0.08	45.22
Total	0.30	46.23
* Other Payable includes the account of Palco Recycle Industries Limited which represents the amount payable pursuant to agreement to sell business and is regarding the money received from debtors and deposits matured.		
5 Short-term provisions		
Provision for employee benefits	-	0.06
Other Provisions	2.53	85.41
Total	2.53	85.46

PALCO METALS LIMITED
"Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2014"

Note : 6 Fixed Asset

(Rs. In Lacs)

Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012
I	<u>Tangible Assets</u>											
	Leasehold Land		970.86	-	-	970.86	-	-	-	-	970.86	970.86
	SUB TOTAL (A)		970.86	0.00	0.00	970.86	0.00	0.00	0.00	0.00	970.86	970.86
II	<u>Intangible Assets</u>		0.17	-	-	0.17	-	-	-	-	0.17	0.17
	SUB TOTAL (B)		0.17	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.17	0.17
III	<u>Capital Work-in-progress</u>		-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV	<u>Intangible Assets Under Development</u>		-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total [A + B + C + D] (Current Year)		971.03	0.00	0.00	971.03	0.00	0.00	0.00	0.00	971.03	971.03
	(Previous Year)		971.03	0.00	0.00	971.03	0.00	0.00	0.00	0.00	971.03	1283.35

7	Non-current investments		
	Investments in Equity instruments (Unquoted)		
	(Valued at cost)		
	846250 Equity Shares of Rs10/- each fully paid up in Palco Recycle Exchange Ltd	84.63	84.63
	700 Equity Share of Rs. 10/- Saptak Tradelink Pvt. Ltd.	0.07	0.07
	123500 Equity Shares of Rs. 3 each fully paid up in Manidhari Strips Pvt Ltd.	3.71	3.71
	Unit : ANMA (A'bad Non-Metal Association)	0.50	0.50
	Equity Shares of Palco Recycle Industries Ltd. (2947500 shares of Rs 10 each)	794.75	294.75
	1,60,000 Equity Shares of Rs10/- each fully paid of Vinod Realities Pvt Ltd"	-	-
	34,000 Equity Shares of Rs10/- each fully paid Shares of SFC Palco Metals Limited	3.40	3.40
	Share Application of Palco Recycle Ind. Ltd.	-	-
	Total	887.05	387.05
8	Long Term Loans and Advances		
	Secured considered good		
	Other loans and advances		
	Sub Total	-	-
	Unsecured considered good		
	Capital Advances		
	Security Deposits	-	-
	Loans and advances to related parties	92.16	625.25
	Other loans and advances	-	11.05
	Sub Total	92.16	636.30
	Total	92.16	636.30
9	Cash and cash equivalents		
	Balances with banks	1.02	0.89
	"Cheques, drafts on hands	-	-
	Cash on hand	1.60	1.65
	Others- Fixed Deposits	-	-
	FD with SBI Bank (LC Margin)	-	-
	FD with SBI Bank (Liquid Security)	20.00	20.00
	FD with SBS Bank (Guarantee Margin)	1.00	1.00
	Total	23.62	23.54
10	Other Current Assets		
	Loans and advances to related parties (Secured/ Unsecured/ Doubtful)		
	Others		
	a) Income Tax Paid	46.85	128.75
	b) Advance to Creditors for Expenses	-	-
	c) Interest accrued on Deposits	8.56	6.06
	Total	55.41	134.81

11	Other Income		
	Interest income	19.33	7.08
	Rent income	-	15.00
	Net gain/ loss on sale of investments	-	1.60
	Other non-operating income (net of expenses directly attributable to such income) VAT /Excise Duty Refund	0.83	9.72
	Total	20.15	33.39
12	Finance Costs		
	Interest expenses	0.15	0.03
	Other borrowing costs	0.01	0.04
	Total	0.16	0.07
13	Employee Benefits Expense		
	Salaries and wages	2.05	2.36
	Staff welfare expenses	-	-
	Total	2.05	2.36
14	Other Expenses		
	Adminstrative Exps	0.95	2.13
	Auditor Remuneration	0.08	0.08
	ROC Filing fees	0.02	0.13
	VAT Assessment Exp.	2.88	-
	Website developement Exp.	0.17	0.13
	Postage Telephone & Telegram	0.16	0.50
	Insurance	1.17	3.07
	Rates and Taxes, excluding taxes on income	2.82	3.01
	Miscellaneous expenses	2.22	4.54
	Total	10.46	13.58

15. Lease hold land was revalued in the financial year 2007-08. As a result, the gross value of assets includes revaluation amount of Rs.69,72,000/- which is transferred to Revaluation Reserve.

16. Pursuant to an agreement to sell on slump sale basis with Palco Recycle Industries Ltd.(PRIL) executed on 12th May, 2010, as well as "Supplementary Agreement" executed on 30th November,2011, the company has transferred the entire business to PRIL. In terms of clause no. 5.04 of the agreement to sell and the clauses of the supplementary agreement entered into on 30th November,2011, the requisite approval from SEBI and Ministry of Company Affairs is awaited.

17. Earnings per share

Basic earning per share is computed by dividing the net profit after tax by the weighted average number of shares outstanding for the period. As on the reporting date, there are no potential equity shares outstanding which may have a diluting impact on the earnings per share.

The calculation of EPS as per AS 20 is as under:

Particulars	Year ended 31-03-2014	Year ended 31-03-2013
Profit attributable to equity share holders (Rs. in lacs)	5.39	12.51
Basic/weighted number of equity shares (in lacs)	40	40
Nominal value of equity share(in Rs.)	10	10
Basic/diluted earnings per share(in Rs.)	0.13475	0.31275

18. Payment to auditors

Particulars	31-03-2014 (Rupees in lacs)	31-03-2013 (Rupees in lacs)
Audit fees for statutory audit	0.075	0.075
Total	0.075	0.075

19. Licensed and installed capacity and production: Not Applicable

20. Foreign Traveling expenditure of Directors

31-03-2014	31-03-2013
Rs.NIL	Rs.NIL

21. Foreign exchange earning Nil during the current year and Nil during the previous year.

22. No provision for gratuity and leave encashment is made during the year.

23. Remuneration to Directors

31-03-2014	31-03-2013
Rs.1,80,000	Rs. 1,80,000

24. Deferred tax working as per AS-22

Particulars	31-03-2014 Rupees in lacs	31-03-2013 Rupees in lacs
Deferred tax Liability(A)	NIL	NIL
Deferred tax Asset on account of depreciation (B)	NIL	NIL
Total (A)+(B)	NIL	NIL

No provision for deferred tax liability is made as there are no timing differences.

25. Related Party Disclosure as per AS-18

a)Name of related party and description of relationship where control exists:

1. Associates: a) Palco Recycle Industries Ltd.,
b) Palco Recycle Exchange Limited,
c) SFC Palco Metals Ltd. (Ceased to be associates w.e.f. 24-02-2014)
2. Enterprise over which Key Management personnel exercise significant influence:-
i. Palco Recycle Industries Ltd.

- ii. Palco Recycle Exchange Limited,
- iii Vinod Realities Pvt. Ltd.,
- iv. Radius Global Private Limited (Formerly Known as Krishna Worldwide Pvt. Ltd.)
- v. ABC Metals and Trading Consultancy Pvt. Ltd.
- vi . ABC Resource Traders Private Limited
- vii. Palco E-Waste Recyclers Private Limited
- viii. Krishna Sharebroking Services Private Limited

b) Name of related party and description of the relationship with whom transactions took place:

1. Associates: a)Palco Recycle Exchange Limited,
b)Palco Recycle Industries Limited.

2. Key Management Personnel:

- i.Kiran B Agrawal
- ii. Kanaiyalal B. Agrawal

3.The following transactions with related parties took place in the ordinary course of business:

(Rupees in lacs)

Sr No.	Particulars of transactions	Subsidiary	Associate	Total
1.	Inter- Corporate Deposit given during the year			
	-Palco Recycle Exchange Ltd.		37.91 (450)	37.91 (450)
	-Palco Recycle Industries Ltd.	* (see note below)	176.87 (405.25)	176.87 (405.25)
2.	Inter- Corporate Deposit repaid by related party during the year			
	-Palco Recycle Exchange Ltd.		165.75 (NIL)	165.75 (NIL)
	-Palco Recycle Industries Ltd.		536.90 (NIL)	582.12 (NIL)
3.	Interest income			
	-Palco Recycle Exchange Ltd.		12.90 (NIL)	12.90 (NIL)
4.	Rent Income			
	-Palco Recycle Industries Ltd.	* (see note below)	NIL (15)	NIL (15)
5.	Inter Corporate Deposit taken during the year			
	-Palco Recycle Industries Ltd.	* (see note below)	NIL (9.70)	NIL (9.70)
6.	Inter Corporate Deposit repaid during the year			
	-Palco Recycle Industries Ltd.	* (see note below)	45.22 (NIL)	45.22 (NIL)
7.	Payment to key managerial personal		-	#

(*Note: Palco Recycle Industries Ltd. ceased to be a subsidiary of the company w.e.f. 06-12-2012 and so the previous year figures have been re-grouped and shown under the column of associate company)

Payment of Rs.1,80,000/- is made as director's salary to Shri Kanaiyalal B Agrawal in current year and in the previous year also)

26. The details required under segment reporting as per AS 17 is not furnished as the company is not having any reportable segments.

27. The previous year figures have been regrouped and reworked wherever necessary.

28. Contingent liabilities:-

The Company is contingently liable as it has given corporate guarantee for Rs.27.50 crores for loan borrowed by Palco Recycle Industries Ltd.

For, Madhusudan C Mashruwala & Co.
Chartered Accountants

For Palco Metals Ltd.

U.M Mashruwala
Partner
M.No. 38254
FRN NO.105717W
Place: Ahmedabad
Date: 26-05-2014

Kiran B Agrawal Kanaiyalal B Agrawal
Director Whole Time Director

Place: Ahmedabad
Date: 26-05-2014

Cash Flow Statement of Palco Metals Ltd.

Annexed to the stand alone balance sheet for the financial year ended 31st March 2014

Details	Year Ended 31-03-2014 Amt. Rs in lacs	Year Ended 31-03-2013 Amt. Rs in lacs
(A) Cash flow from operating activities		
Net Profit before tax and extra ordinary items	7.47	17.39
Adjustment:		
Debit/Credit balance w/off	0.83	0
Depreciation	0	0
Interest paid	0.16	0.07
Miscellaneous expenditure written off	0	0
Provision for doubtful debts	0	0
Profit on sale of fixed assets	0	0
Profit on sale of investments	0	1.6
Loss on sale of fixed assets	0	0
Loss on sale of investments	0	0
Dividend income	0	0
Interest income	19.33	7.08
Operating Profit before working capital changes	-12.53	8.78
(Increase)/Decrease in debtors	0	0
(Increase)/Decrease in stock	0	0
(Increase)/Decrease in Loans and Advances	544.14	-596.76
Increase/(Decrease) in Current Liabilities and Provisions	-45.93	-58.61
Cash generated from operations	485.68	-646.59
Taxes paid	0	0
Net cash flow from operating activities	485.68	-646.59
(B) Cash flow from investing activities		
Purchase of fixed assets	0	0
Purchase of investments	-500	0
Capital Work-in-progress	0	0
Sale of fixed assets	0	0
Sale of investments	0	642.85
Interest received	14.56	1.02
Dividend received	0	0
Net cash flow from investing activities	-485.44	643.87
(C) Cash flow from financing activities		
Borrowings	0	0
Dividend paid,including dividend tax	0	0

Interest paid	-0.16	-0.07
Issue of new shares	0	0
Redemption of share capital	0	0
Net cash flow from financing activities	-0.16	-0.07
Net increase/(decrease) in cash & cash equivalents	0.08	-2.79
Cash and cash equivalents at the beginning of the year	23.54	26.33
Cash and cash equivalents at the end of the year	23.62	23.54

Notes:

1.The cash flow statement has been prepared under the Indirect method as set out in the AS-3 issued by the Institute of Chartered Accountants of India.

2.Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

3.During the year, the company had made advance to an entity from whom the company had borrowed money in preceeding year. While making cash flow statement, the net effect of unsecured loan borrowed and loan advanced by the company is reflected under the head "Increase/decrease in loans & advances."

As per our report of even date attached herewith

For, Madhusudan C. Mashruwala & Co.

Chartered Accountants

U.M. Mashruwala

Partner

M.No:-038254

FRN NO. 105717W

For Palco Metals Limited

(Kaniyalal Agrawal) (Kiran Agrawal)

While Time Director Director

Place :-Ahmedabad

Date:-26-05-2014

PALCO METALS LIMITED

(CIN: L27310GJ1960PLC000998)

Registered Office: Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol,
Ahmedabad, Gujarat-382449

ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

DP ID**

REGD. FOLIO NO.

CLIENT ID

NO. OF SHARES HELD

Full name of the member attending _____

Full name of the first joint-holder _____

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy _____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the 53RD ANNUAL GENERAL MEETING being held at Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad, Gujarat-382449 on Tuesday, the 30th September, 2014 at 2:00 P.M.

Member's / Proxy's Signature

(To be signed at the time of handing over of this slip)

** Applicable to the members whose shares are held in dematerialized form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L27310GJ1960PLC000998

Name of the company: Palco Metals Limited

Reg. office: Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad Gujarat-382449

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

- 1. Name: _____
- Address: _____
- E-mail Id: _____
- Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 53rd Annual general meeting of the company, to be held on Tuesday, 30th day of September, 2014 At 2:00 p.m. at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO.	RESOLUTIONS	OPTIONAL	
		For	Against
Ordinary Resolution			
1.	To receive, consider and adopt the Financial Statements as at 31st March, 2014 including the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and reports of the Directors' and Auditors' thereon.		
2.	To appoint a Director in place of Mr. Narendra Agarwal (DIN: 00580711) who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
3.	To appoint Statutory Auditors and fix their remuneration		
Special Business			
4.	Appointment of Mr. Kailashchandra Agrawal (DIN: 05334077) as an Independent Director of the Company		
5.	Appointment of Mr. Nareshchand Jain (DIN: 00594361) as an Independent Director of the Company		
6.	To Surrender Lease taken by the Company		

Signed this ___ day of _____ 2014

Signature of shareholder:

Signature of Proxy holder(s):

Affix a Rs. 1/-
Revenue
Stamp

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 53rd Annual General Meeting.
- 3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4. Please complete all details including details of member(s) in above box before submission.

**BOOK POST
(PRINTED MATTER)**

To,

If undelivered, Please return to :

**PALCO METALS LIMITED
Opp. Khanwadi, Ramol Road,
Post Jantanagar, Nr. Ramol Police Station,
Ahmedabad - 382449, Gujarat.**