

PALCO LIMITED

CIN: L27203TG1989PLC010409

DATE: 31st August, 2019

To
Corporate Relationship Department
BSE LIMITED
P J Towers, Dalal Street,
Mumbai-400001

Dear Sir,

Sub: - Annual Report for the Financial Year 2018-19
Ref: Scrip code- 513405

With reference to the Above Cited Subject, Please find the enclosed Annual Report for the financial year 2018-19 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations-2015.

The said annual report has also been uploaded on the company website.

This is for the information and necessary records

Yours truly,

FOR PALCO LIMITED

K. Venkate Reddy



VENKATA REDDY KOVVURI
Chairman & Managing Director
Din: 07778118

PALCO LIMITED

PALCO LIMITED

**29th Annual Report
2018-19**

PALCO LIMITED

CORPORATE INFORMATION

Board of Directors:

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

Chairman & Managing Director
Wholetime Director / CFO
Director

Statutory Auditor:

M.N. RAO & ASSOCIATES
Chartered Accountants

Company Secretary and Compliance Officer

Ms. Priyanka Chopra

Registered Office:

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

Registrar and Share Transfer Agents:

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

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29th Annual General Meeting of Palco Limited will be held on Thursday, 26th day of September, 2019, at 12.00 P.M at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri, Hyderabad-500036 to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the company for the financial year ended March 31, 2019 the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Bhuvaneswari Kovvuri (DIN: 07778087), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

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

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

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

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

By order of the Board of Directors
For Palco Limited

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

Place: Hyderabad
Date : 13.08.2019

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NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
2. Proxies to be effective must be received by the Company not less than 48 hours before the meeting.
3. Pursuant to provisions of section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2019, to 26th September, 2019, both days inclusive.
6. Members/Proxies are requested to bring to the meeting their copies of the Annual Report and the Attendance Slip duly filled in for attending the meeting.
7. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
8. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to send their queries to the Company atleast seven days before the date of the meeting so that the information required by them may be made available at the meeting.
9. Shareholders are requested to intimate immediately any change in the address registered with the Company. Members holding shares in dematerialized form are requested to notify any change in address to their respective Depository Participants (DPs).
10. Trading in the equity shares of the Company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the Company's equity shares is INE057C01018.
11. In compliance of the SEBI circular no. MRD/DOP/ Cir-05/2009 dated May 20, 2009, the shareholders / transferees (including joint holders) holding shares in physical form are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
12. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Depository) at the following address:
XL Softech Systems Limited,
Plot No. 3, Sagar Society,
Road No. 2, Banjara Hills,
Hyderabad - 500034.
Ph. 040-23545913, 23553214
13. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued Circular on April 21, 2011 stating that the service of documents can be made through electronic mode. In view of the circular issued by MCA, the Company proposes to deliver documents like the Notice calling the Annual General Meeting / Audited Annual Accounts / Report of the Auditors / Report of the Directors etc, in electronic form to email address provided by the shareholders and made available

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by the Depositories. The Company shall send hard copies of full annual reports to those shareholders, who request for the same.

14. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form w.e.f. December 5, 2018 with a depository except transmission and transposition of shares. In view of the above and the inherent benefits of holding shares in electronic form, we urge the members holding shares in physical form to opt for dematerialization.
15. Shareholders are requested to furnish their e-mail addresses to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in demat form, the email addresses of the shareholders registered with the DP and made available to the Company shall be the registered email ID unless communication is received to the contrary.
16. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / XL Softech Systems Ltd.
17. Details of Directors seeking appointment / re-appointment at the Annual General Meeting of the Company to be held on 26.09.2019 are provided in Annexure of this Notice.
18. The remote e-voting period commences on 23rd September, 2019 at 9.00A.M. and ends on 25th September, 2019 at 5.00PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form as on cut-off date of 20th September, 2019 may cast their vote electronically. The CDSL will disable E-voting facility after the expiry of remote e-voting period. Once the vote on resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
19. The voting rights of the shareholders shall be in proportion to their shares of the paid-up share capital of the Company as on the cut-off date.
20. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 23rd September, 2019 at 9.00A.M and ends on 25th September, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting there after.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your UserID
 - a. For CDSL :16 digits beneficiary ID,
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

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For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction(iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only fore-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <PALCO LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you as sent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobileapp while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians.

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- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to logon to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

21. As per the above instructions, any shareholder as on cut-off date that is 20th September, 2019, who require sequence number may please contact the company by sending an email to pennaralu@gmail.com or our Registrar and Transfer Agents XL Softech Systems Limited by sending an email to xlfield@gmail.com on 21st September, 2019 and 22nd September, 2019.
22. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
23. Mr. Anand Kumar Kasat, Practicing Company Secretary, Hyderabad has been appointed as the scrutinizer to scrutinize the E-voting process in affair and transparent manner.
24. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
25. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, there after unblock the votes cast through remotee-voting in the presence of atleast two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
26. Shareholders are requested to opt for NECS (National Electronic Clearance Service) for receipt of dividend. Shareholders may please update their bank account details with their Depository Participants for receiving the dividend in a hassle free manner. Opting for NECS is cost effective and also saves time.

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

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

**Place: Hyderabad
Date : 13.08.2019**

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

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

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

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

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

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

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

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

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

**Place: Hyderabad
Date : 13.08.2019**

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

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

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DIRECTORS' REPORT

Dear Members,

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

1. Financial Results:

(In Lakhs)

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

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

The Company is not in operations since 2005, as the assets of the Company had been taken over by Asset Reconstruction Company (India) Limited (ARCIL) under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Since then, the company is not operating and also the company does not have any employees and assets.

3. Dividend, Fixed Deposits and General Reserves:

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

4. Extract of the Annual Return as per 92(3), Rule 12 in form MGT 9-134 (3)(a): Annexed to the Report as "Annexure-A"

5. Number of Meetings of the Board:

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

6. Directors Responsibility Statement:

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

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

- v. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. That system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

7. Nomination & Remuneration Policy

Board of Directors looks after the criteria for determining Qualifications, Positive Attributes, and Independence of the Directors and others as per Companies Act, 2013. The Company is not paying any remuneration to the Directors, No sitting fee is paid to directors for attending the Meetings.

8. Statutory Auditor

In terms of section 139(1) of the Companies Act, 2013 M/s. M.N. Rao & associates, Chartered Accountants, Hyderabad were appointed as the Statutory Auditors of the Company to hold office for the period of 5 years from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting.

9. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jineshwar Kumar Sankhala, a Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure B" to this report.

10. Explanation / comments by the Board on every Qualifications, Reservations, Adverse Remarks or Disclaimers made by the Statutory Auditors & the Practicing Company Secretary in their Reports:

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor in their Report have raised following qualifications:

1. Board is of the opinion that the Company is not carrying any commercial operations and cannot afford to appoint Key Managerial Persons, Internal Auditor, payment of listing fee etc.
2. the Company will endeavour to comply all the compliances of SEBI and Company Act.

11. Internal Auditors:

The company has not appointed internal auditors pursuant to the provisions of section 138 and rule 13 of companies (Accounts) rules, 2014.

12. Particulars of the Loans, Guarantees, Security or Investments and the purpose for which the Loan, Guarantee or Security is proposed to be utilized by the recipient as per 186:

The Company has not given any loan, guarantee nor made investment covered under the provisions of section 186 of the Companies Act, 2013.

13. Particulars of Contracts or Arrangements with the Related Parties along with the justification for entering into such transactions as per 188(1)-134(3)(h) & Rule 8(2):

Since there are no operations there are no contract and arrangement with related parties.

14. Material Changes And Commitments Affecting The Financial Position Of The Company

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of there port.

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15. Conservation of energy, technology absorption, Research & Development and foreign exchange earnings and outgo:

The Company had no operations, during the year and therefore power and fuel consumptions are NIL.

Foreign Exchange Earnings and Out go: NIL

16. Risk management :

Pursuant to the provisions of section 134 (3) (n) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per SEBI (LODR) Regulations, 2015 the Risk management is Not applicable to the Company.

17. Corporate social responsibility :

Pursuant to the provisions of section 135 (1) and read with all other applicable provisions of the Companies Act, 2013 and the Companies (Corporate social responsibility policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), corporate social responsibility is Not applicable to the Company.

18. Performance & Financial Position of the Subsidiaries / JVs / Associate Companies:

There are no Subsidiary Companies nor is the Company subsidiary to any company.

19. Names of the Companies which have ceased to be Subsidiaries / JVs / Associates: Nil

20. Change in the nature of business, if any:

There is no business in the Company and further the Company is not carrying out any business activity.

21. Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Bhuvaneshwari Kovvuri retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

Mr. Venkat Reddy Kovvuri has been appointed as Managing Director of the Company on 28th June 2019.

Ms. Priyanka Chopra has been appointed as Company Secretary and Compliance Officer of the Company on 28th June 2019.

22. Details of the Deposits as per the Chapter V :

The Company has not accepted any deposits under the provisions of the Companies Act, 2013.

23. Details of the Deposits not in compliance of requirements of Chapter V of the Act: NIL

24. Details of the Significant & Material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status of Company's operations in future:

There are no such significant and material orders passed by the regulators / Courts / tribunals impacting the companies operations. However, the Company is not operating and is on going concern company.

25. Details in respect of the adequacy of Internal Financial Controls with reference to the Financial Statements - Rule 8(5)(viii):

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design nor operation was observed.

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26. Disclosure regarding receipt of commission by a director from the holding or subsidiary of a company, in which such person is a managing or whole-time director:

None of the Directors have received any commission from any Holding or Subsidiary (The Company does not have holding or subsidiary Company)

27. Manner of formal annual evaluation of own performance of the board, committees and individual Directors:

The Company has made the annual evaluation on the performance of the Board, Committees and Individual Directors.

28. Report on corporate governance and management discussion and analysis report

Pursuant to the Regulation 15 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance with the corporate governance provisions as specified in regulations 17 to 27 and 46 (2) and Para C, D and E of Schedule V are not applicable to the Company since its paid-up share capital though exceed Rupees 10 Crore but its net-worth does not exceed Rupees 25 Crore as on the last day of previous financial year i.e. 31st March 2019.

Accordingly, for the year under review, the reports stating compliance with the Code of Corporate Governance and the Management Discussion and Analysis have not been annexed to this Report.

29. Vigil Mechanism /Whistle Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

30. Particulars of Employees and related disclosures:

There are no employees whose details are required to be given under Section 197 of the Companies Act, 2013.

31. Appreciation:

Your Directors express their gratitude to the shareholders.

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

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

**Place: Hyderabad
Date : 13.08.2019**

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Annexure - A

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31 March, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L27203TG1989PLC010409
ii)	Registration Date	01/09/1989
iii)	Name of the Company	PALCO LIMITED
iv)	Category / Sub-Category of the Company	Public Limited, Company Limited by Shares
v)	Details	H.No:6-3-1091/13-15, Flat No:101,1st Floor Amrutha Ville Apartments, Raj Bhavan Road, Somajiguda Hyderabad TG 500082 IN
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad - 500 034

REGISTRATION AND OTHER DETAILS:

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products and services.	NIC Code of the product/service.	% to total turnover of the Company
1	NA	NA	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Company doesn't have any Subsidiary or Associate Companies.

Sl. No	Name and Address of the Company	CIN	Holding Subsidiary / Associate	% of Share Holding as an 31.3.2019	Applicable Section
-NIL-					

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the Year [As on 1 st April, 2018]				No. of Shares held at the end of the Year [As on 31 st March, 2019]				% Change during the Year
	Demat	Physical	Total	% of shares	Demat	Physical	Total	% of shares	
A. Promoters									
1. Indian	-	-	-	-	-	-	-	-	-
a. Individual/HUF	1263041	-	1263041	2.15	1263041	-	1263041	2.15	-
b. Central Govt	-	-	-	-	-	-	-	-	-
c. State Govt(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):	1263041	-	1263041	2.15	1263041	-	1263041	2.15	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Body Corp	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total(A) (2):-	-	-	-	-	-	-	-	-	-
Total Share holding of promoter (A) = (A) (1) + (A) (2)	1263041	-	1263041	2.15	1263041	-	1263041	2.15	-
B. Public Share Holding									

PALCO LIMITED

1. Institutions									
a) Mutual Funds	-	111400	111400	0.19	-	111400	111400	0.19	-
b) Banks / FI	6950	34300	41250	0.07	6950	34300	41250	0.07	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	94000	94000	0.16	-	94000	94000	0.16	0.00
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	6950	239700	246650	0.42	6950	239700	246650	0.42	-
2. Non-Institutions									
A) Bodies Corp.									
i) Indian	1581483	288700	1870183	3.18	1490381	288700	1779081	3.03	(0.15)
ii) Overseas	-	-	-	-	-	-	-	-	-
B) Individuals	-	-	-	-	-	-	-	-	-
i) Individual Shareholders holding nominal share capital upto Rs. 2 Lakh	32538300	5176078	37714378	64.22	32617088	5142578	37759666	64.30	0.08
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	16460868	279100	16739968	28.50	16408385	278300	16686685	28.41	(0.09)
Others (specify) Clearing Members	448280	448500	896780	1.53	548177	447700	995877	1.69	0.16
Non Resident Indians (NRI)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):	51028931	6192378	57221309	97.43	51064031	6157278	57221309	97.43	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	51035881	6432078	57467959	97.85	51070981	6396978	57467959	97.85	-
c) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	52298922	6432078	58731000	100	52334022	6396978	58731000	100	-

PALCO LIMITED

(ii) Shareholding of Promoters

S.No	Promoter Name(s)	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% Change in Share holding during the year.
		No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	No. of Shares	% to Total Shares of the Company	% of Shares pledged / Encumbered to total shares	
1	Vijay C P	1263041	2.15	-	1263041	2.15	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change) :

Sl. No		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
A	Vijay C P	-There is no Change in the holding of the Promoters-			
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/ bonus/ sweat equity etc):				
3	At the End of the year				

PALCO LIMITED

(iv) Share holding Pattern of top ten Share holders (other than Directors, Promoters) :

Sl. No		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	HITESH RAMJI JAVERI	600000	1.02	600000	1.02
2	MURLI DHAR DHYAWALA	505000	0.86	505000	0.86
3	RAJENDRA BABURAO SHINDE	423000	0.72	423000	0.72
4	ASHISH KUMAR GUPTA	317505	0.54	317505	0.54
5	NEHA ASHISHKUMAR PATEL	283848	0.48	283848	0.48
6	VISHAL KULSHRESTHA	274139	0.47	274139	0.47
7	MEGHA NIRANJAN PATEL	252000	0.43	252000	0.43
8	SHETH JATIN MANUBHAI HUF	0	0	241326	0.41
9	BHAVISHA ABHAY SHAH	238324	0.41	238324	0.41
10	JAGANNATH VIKRAM KANGANE	210799	0.36	210799	0.36

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(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	- Non of the Directors and Key Managerial Persons are holding any shares in the Company -			
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/ bonus/ sweat equity etc):				
3	At the End of the year				

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	69,41,282	NIL	69,41,282
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	69,41,282	NIL	69,41,282
Change in Indebtedness during the financial year				
• Addition	NIL	11,54,786	NIL	11,54,786
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	11,54,786	NIL	11,54,786
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	80,96,068	NIL	80,96,068
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	80,96,068	NIL	80,96,068

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VI. Remuneration of Directors and Key Managerial Personnel

Whole-time Directors and/or Manager:

SNo	Particulars of Remuneration	Name of Managing Director			Total Amount
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission <ul style="list-style-type: none"> • As a % of profit • Others, specify 	NIL	NIL	NIL	NIL
5.	Others please specify	NIL	NIL	NIL	NIL
	Total A	NIL	NIL	NIL	NIL
	Ceiling as per the Act	NIL	NIL	NIL	NIL

Remuneration to other directors: Nil

SNo	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors <ul style="list-style-type: none"> • Fee for attending Board Committee Meetings • Commission • Others please specify 	NIL	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL	NIL
2.	others Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending Board Committee Meetings • Commission • Others please specify 	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total B= (1) + (2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

PALCO LIMITED

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SNo	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
					Rs.
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961				
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission • As a % of profit • Others, specify	NIL	NIL	NIL	NIL
5.	Others please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act.	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
Penalty					
Punishment			- NIL -		
Compounding					
C. OTHERS OFFICERS IN DEFAULT					
Penalty					
Punishment			- NIL -		
Compounding					

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

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

**Place: Hyderabad
Date : 13.08.2019**

PALCO LIMITED

ANNEXURE - B

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
M/s PALCO LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s PALCO LIMITED** (hereinafter called the company) having its registered office H.No:6-3-1091/13-15, Flat No:101, 1st Floor Amrutha Ville Apartments, Raj Bhavan Road, Somajiguda, Hyderabad, TG 500082 IN. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under, as applicable
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during the audit period)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (not applicable during the audit period)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the audit period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable during the audit period) and

PALCO LIMITED

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the audit period) and
- i) The SEBI (Listing Obligations & Disclosure Requirements) 2015, entered into by the Company with Stock Exchange; As Applicable.

Other specifically applicable laws to the Company: The Company is not carrying out any commercial operation since many years.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

***As per Regulation 15 (2) to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply in respect of a listed entity whose paid up equity share capital does not exceed Rs.10 crores and net worth does not exceed Rs.25 crores as on March 31, 2019 to the extent that they are addition to the requirements specified under the Companies Act, 2013.**

We further report that

- The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that during the financial year under review

- The Company do not have Managing Director, Independent directors, CFO and company secretary.
- The Company has not appointed internal Auditors
- The company has not paid the Listing Fees to the Exchange
- The composition of the Committees is not as per the provisions of the companies Act 2013
- The company is not carrying out any commercial operation
- The company has not submitted the quarterly compliance under Regulation 13 (3) for the year
- The company has belatedly complied some of the provision of the Regulation under SEBI (LODR), Regulations, 2015

**For P.S. Rao & Associates
Company Secretaries**

**Sd/-
Jineshwar Kumar Sankhala
Company Secretary
M No : 21697
C P No: 18365**

**Place: Hyderabad
Date : 13.08.2019**

PALCO LIMITED

To,
The Members,
PALCO Limited,
Hyderabad.

Our Secretarial Audit Report of even date is to be read along with this letter.

- 1 The maintenance of Secretarial records is the responsibility of the Management of the Company. Further, the Company is also responsible for devising proper systems and process to ensure the compliance of the various statutory requirements and Governance systems.
- 2 It is the responsibility of the Management of the Company to ensure that the systems and process devised for operating effectively and efficiently.
- 3 Our responsibility is to express an opinion on these secretarial records based on our audit.
- 4 We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed provide a reasonable basis for our opinion.
- 5 Wherever required, We have obtained the Management representations about the compliance of laws, rules and regulations and happening of events etc.
- 6 The Compliance of the provisions of other applicable laws, rules and regulations is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
- 7 The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For P.S. Rao & Associates
Company Secretaries**

**Sd/-
Jineshwar Kumar Sankhala
Company Secretary
M No : 21697
C P No: 18365**

**Place: Hyderabad
Date : 13.08.2019**

INDEPENDENT AUDITOR'S REPORT

**To
The Members of
Palco Limited**

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Palco Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Without qualifying our report, the attention of the members is invited to Note No. 1.1 under notes to accounts regarding the financial statements which explains significant uncertainty on the company as a going concern and accordingly financial statements have not been prepared with an assumption of going concern and all liabilities are presented at their estimated settlement amounts.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

PALCO LIMITED

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

PALCO LIMITED

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Undersection 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

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- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration has not paid/provided any by the Company to its directors during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations to which would have an impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M.N. Rao & Associates,
Chartered Accountants
Firm Registration Number: 005386S

(M V Rathnam)
Partner
Membership No.008314

Place: Hyderabad
Date: 25-05-2019

Annexure-A to the Auditors' Report (referred to in paragraph 1 of our Report of even date to the Members of "Palco Limited" for the year ended March 31, 2019)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

- i. The Company doesn't have Fixed Assets. Thus, paragraph 3(i) of the Order is not applicable to the company.
- ii. The Company does not hold any physical inventory. Thus, paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has neither granted loans nor made any investment. Hence provisions of sec 185 & 186 of Companies Act, 2013 are not applicable.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally irregular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax outstanding on account of dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

PALCO LIMITED

- xi. Based upon the audit procedures performed and the information and explanations given by the management, the provisions of section 197 read with Schedule V to the Companies Act are complied.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For M.N. Rao & Associates,
Chartered Accountants
Firm Registration Number: 005386S

(M V Rathnam)
Partner
Membership No.008314

Place: Hyderabad
Date: 25-05-2019

Annexure B to the Independent Auditor's Report Of Even Date On The Financial Statements of Palco Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of **Palco Limited**

We have audited the internal financial controls over financial reporting of **Palco Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

PALCO LIMITED

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.N. Rao & Associates,
Chartered Accountants
Firm Registration Number: 005386S

(M V Rathnam)
Partner
Membership No.008314

Place: Hyderabad
Date: 25-05-2019

PALCO LIMITED

BALANCE SHEET AS AT 31st MARCH, 2019

(All the Amt's in INR Unless Specified)

PARTICULARS	Note No.	As on 31.03.2019	As on 31.03.2018
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment		-	-
(b) Capital work-in-progress		-	-
(c) Investment Property		-	-
(d) Other assets		-	-
(e) Financial Assets			
(i) Investments		-	-
(f) Deferred tax assets (net)		-	-
(g) Other non-current assets		-	-
Total non current assets		-	-
(2) Current Assets			
(a) Financial Assets			
(i) Trade receivables		-	-
(ii) Cash and cash equivalents		-	-
(iii) Loans and advances		-	-
(b) Other current assets		-	-
Total current assets		-	-
TOTAL ASSETS		-	-
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	2	587,248,800	587,248,800
(b) Other equity		(596,754,834)	(595,575,048)
Total equity		(9,506,034)	(8,326,248)
(3) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	3	8,096,068	6,941,282
(b) Deferred tax liability		-	-
(c) Provisions		-	-
(d) Other liabilities		-	-
Total Non Current Liabilities		8,096,068	6,941,282
(4) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	4	75,000	50,000
(ii) Other financial liabilities		-	-
(b) Other current liabilities	5	1,334,966	1,334,966
(c) Short-term provisions		-	-
(d) Liabilities for current tax (net)		-	-
Total Current liabilities		1,409,966	1,384,966
TOTAL EQUITY AND LIABILITIES		-	-
Notes forming part of the financial statements	1 - 6		

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For **M N Rao & Associates**

Chartered Accountants

Firm Reg.No. 005386S

M V Rathnam

Partner

Membership No. 008314

Place: Hyderabad

Date: 25th May, 2019

For and on behalf of the Board of Directors

Sd/-

Venkata Reddy Kovvuri

Director

DIN : 07778118

Sd/-

Bhuvaneswari Kovvuri

Director

DIN: 07778087

PALCO LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019

(All the Amt's in INR Unless Specified)

PARTICULARS	Note No.	For the year ending 2018-19	For the year ending 2017-18
Revenue			
I. Revenue from Operations		-	-
II. Other income		-	-
III. Total Income (I+II)		-	-
IV. Expenses			
Employee Benefits Expenses		-	-
Depreciation and Amortization Expenses		-	-
Other Expenses	6	1,179,786	1,555,539
Total Expenses (IV)		1,179,786	1,555,539
V. Profit/(loss) before Tax (III - IV)		(1,179,786)	(1,555,539)
VI. Tax expense:			
1. Current tax		-	-
2. Deferred tax		-	-
3. MAT credit		-	-
VII. Profit/(Loss) for the year		(1,179,786)	(1,555,539)
VIII. Other comprehensive income			
A. (i) Items that will not be reclassified to profit or loss			
Remeasurement of Investments		-	-
		-	-
(ii) Items that will be reclassified to profit or loss		-	-
Foreign currency translation differences		-	-
		-	-
B (i) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income net of taxes		-	-
		-	-
IX. Total comprehensive income for the period		(1,179,786)	(1,555,539)
X. Earnings per equity share			
1. Basic		(0.02)	(0.03)
2. Diluted		(0.02)	(0.03)
Notes forming part of the financial statements	1-6		

The accompanying notes are an integral part of these financial statements
As per our Report of even date

For **M N Rao & Associates**
Chartered Accountants
Firm Reg.No. 005386S

M V Rathnam
Partner
Membership No. 008314

Place: Hyderabad
Date: 25th May, 2019

For and on behalf of the Board of Directors

Sd/-
Venkata Reddy Kovvuri
Director
DIN : 07778118

Sd/-
Bhuvaneswari Kovvuri
Director
DIN: 07778087

PALCO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(All the Amt's in INR Unless Specified)

	PARTICULARS	As At March 31, 2019	As At March 31, 2018
A	Cash Flows From Operating Activities:		
	Net profit before tax	-1,179,786	-1,555,539
	Adjusted for :		
	Depreciation	-	-
	Interest & other income received	-	-
	Receivables Written Off	-	-
	Operating profits before working capital charges	-1,179,786	-1,555,539
	Changes in current assets and liabilities		
	(Increase)/Decrease in Trade Receivables	-	-
	(Increase)/Decrease in financial and non-financial assets	-	-
	Increase/(Decrease) in financial and non-financial liabilities	-	249,627
	Increase/(Decrease) in Trade payables	25,000	25,000
	Cash generated from operations	-1,154,786	-1,280,912
	Income taxes paid	-	-
	Net cash generated from operating activities	-1,154,786	-1,280,912
B	Cash Flows From Investing Activities:		
	Purchase of fixed assets	-	-
	Proceeds on sale of fixed assets	-	-
	Sale of investment property	-	-
	Interest & other income received	-	-
	Net cash used in investing activities	-	-
C	Cash Flows From Financing Activities:		
	Proceeds from issue of share warrants	-	-
	Proceeds from Borrowings	1,154,786	1,280,912
	Dividends and dividend tax paid during the year	-	-
	Net Cash generated from financing activities	1,154,786	1,280,912
D	Net increase / (decrease) in cash and cash equivalents	-	-
E	Cash and cash equivalents at the beginning of the year	-	-
F	Cash and cash equivalents at the end of the year	-	-
	Notes forming part of the financial statements		

As per our Report of even date

For **M N Rao & Associates**
Chartered Accountants
Firm Reg.No. 005386S

M V Rathnam
Partner
Membership No. 008314

Place: Hyderabad
Date: 25th May, 2019

For and on behalf of the Board of Directors

Sd/-
Venkata Reddy Kovvuri
Director
DIN : 07778118

Sd/-
Bhuvaneshwari Kovvuri
Director
DIN: 07778087

PALCO LIMITED

Statement of changes in equity

A. Equity share capital

(All the Amt's in INR Unless Specified)

Particulars	Number	in Rs.
Balance as on 1 April 2017	58,731,000	587,248,800
Changes in equity share capital during the year	-	-
Balance as on 31 March 2018	58,731,000	587,248,800
Issued during the year - ESOPs	-	-
Issue of warrants to Promoters	-	-
Balance as on 31 March 2019	58,731,000	587,248,800

B. Other Equity

Particulars	Investment subsidy	Securities Premium Reserve	Retained Earnings	Total Other Equity attributable to Equity holders
Opening Balance as at 1 April 2017	1,464,445	38,691,250	(634,175,204)	(594,019,509)
Profit for the Year	-	-	(1,555,539)	(1,555,539)
Dividend tax and Interim Dividend	-	-	-	-
Closing Balance as at 31 March 2018	1,464,445	38,691,250	(635,730,743)	(595,575,048)
Balance as at 1 April 2018	1,464,445	38,691,250	(635,730,743)	(595,575,048)
Profit for the Year	-	-	(1,179,786)	(1,179,786)
Other Comprehensive income	-	-	-	-
Issue of Equity shares	-	-	-	-
Ind AS Closing Balance as at 31 March 2019	1,464,445	38,691,250	(636,910,529)	(596,754,834)

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For **M N Rao & Associates**
Chartered Accountants
Firm Reg.No. 005386S

M V Rathnam
Partner
Membership No. 008314

Place: Hyderabad
Date: 25th May, 2019

For and on behalf of the Board of Directors

Sd/-
Venkata Reddy Kovvuri
Director
DIN : 07778118

Sd/-
Bhuvaneshwari Kovvuri
Director
DIN: 07778087

Notes forming part of the financial statements

Corporate information

PALCO Limited is not carrying any activities/operations as the company sold all its fixed assets to ARCIL at the time of takeover by the ARCIL. The company is having registered office situated at H.No. 49-437/3, Flat No.202, Shilpa Homes 4th Lane, Bapu Nagar, Chintal Hyderabad Telangana 500054.

1 Significant Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance Indian Accounting Standards (Ind As) according to the notification issued by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ('the act') read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from April 1, 2017.

1.2 Use of Accounting Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial Statements, the reported amount of revenues and expenses during the reported period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.3 Revenue recognition

The Company does not have any revenue during the year.

1.4 Property, plant and equipment & Capital work-in-progress

The Company does not have any property,plant and equipment.

1.5 Intangible Assets

The Company does not have any property,plant and equipment.

1.6 Taxes on Income

Income tax comprises current income tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

- a) Current income tax: Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.
- b) Deferred tax: Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset / liability is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

PALCO LIMITED

1.7 Earning Per Share (EPS)

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares used in outstanding during the period.

1.8 Investments

The Company does not have any investments

1.9 Impairment of non-financial assets

"The Company assess at each reporting date whether there is any indication that the carrying amount from non financial assets may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash generating unit (CGU) exceeds its estimated recoverable amount in the statement of profit and loss." Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination."

1.10 Provisions and Contingent Liabilities

A Provision is recognized if, as a result of past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the present obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.11 Financial Instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity of another entity.

Initial Recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Subsequent Measurement

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved both by collectiong contractual cash flows on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding and selling financial assets.

Financial assets at fair value through Profit and Loss

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs that are directly attributable to the acquisition of financial assets and liabilities at fair

PALCO LIMITED

value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit and Loss Account (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

"Cash and cash equivalents" Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above are considered an integral part of the Company's cash management."

1.12 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

1.13 Earning per share

Particulars	2018-19	2017-18
Profit (Loss) for the year	(1,179,786)	(1,555,539)
No.of Equity shares	58,731,000	58,731,000
Diluted earning per share	(0.02)	(0.03)
Basic earning per share	(0.02)	(0.03)

PALCO LIMITED

Notes forming part of financial statements

(All the Amt's in INR Unless Specified)

PARTICULARS	As At	As At
	March 31, 2019	March 31, 2018
Note 2		
Equity Share Capital		
(i) Authorised		
9,00,00,000 Equity shares of Rs 10 each	900,000,000	900,000,000
30,00,000 Redeemable Preference shares of Rs.100 each	300,000,000	300,000,000
(ii) Issued		
5,83,73,100 Equity Shares of Rs 10 each fully paid-up	587,310,000	587,310,000
(iii) Subscribed and fully paid up:		
5,87,18,760 Equity Shares of Rs 10 each fully paid-up	587,187,600	587,187,600
(iv) Subscribed but not fully paid up:		
12,240 Equity Shares of Rs 10 each with Rs 5 not paid-up	61,200	61,200
Total	587,248,800	587,248,800

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

PARTICULARS	As At		As At	
	March 31, 2019		March 31, 2018	
	No. of Shares	in Rs	No. of Shares	in Rs
Shares outstanding at the beginning of the year	58,731,000	587,248,800	58,731,000	587,248,800
Add: Issued and allotted during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	58,731,000	587,248,800	58,731,000	587,248,800

iii) The details of shareholder holding more than 5% shares in the Company:

Name of the Shareholders	As At		As At	
	March 31, 2019		March 31, 2018	
	No. of Shares	in Rs	No. of Shares	in Rs
	NIL	NIL	NIL	NIL

PALCO LIMITED

(All the Amt's in INR Unless Specified)

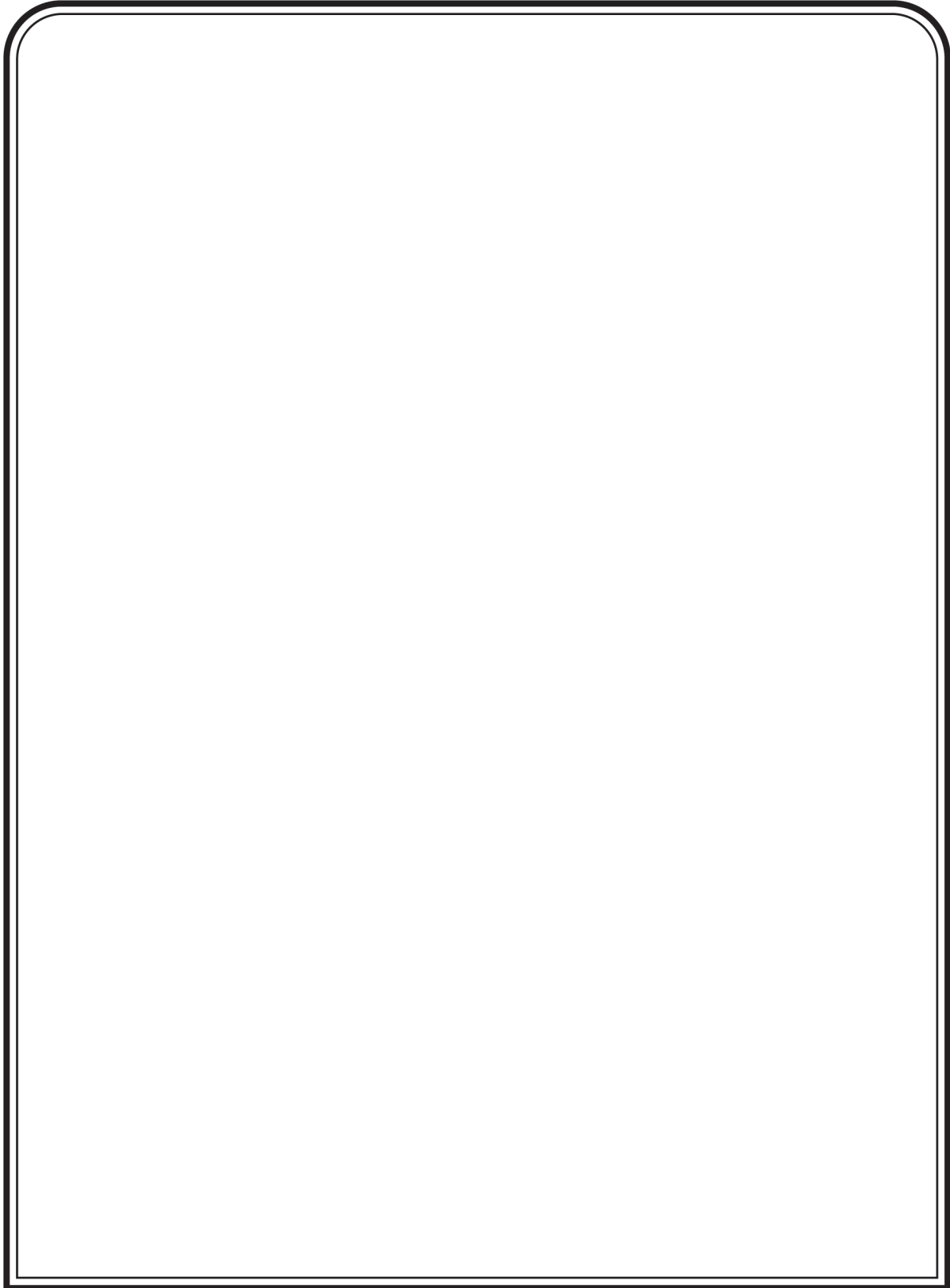
PARTICULARS	As At March 31, 2019	As At March 31, 2018
Note 3		
Borrowings		
Secured		
From Banks	-	-
Unsecured		
From Promoters	8,096,068	6,941,282
Total	8,096,068	6,941,282
Note 4		
Trade and other payables		
Trade Payables	-	-
Outstanding expenses	75,000	50,000
Total	75,000	50,000
Note 5		
Other current liabilities		
Statutory Liabilities - BSE Listing Fees	1,334,966	1,334,966
Other advances	-	-
Other Liabilities	-	-
Total	1,334,966	1,334,966

Notes forming part of financial statements

(All the Amt's in INR Unless Specified)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 6		
Other Expenses		
Auditors Remuneration	25,000	25,000
Rates & Taxes and Other Expenses	302,249	821,455
AGM expenses	739,507	709,084
Printing and stationary	113,030	-
Total	1,179,786	1,555,539

PALCO LIMITED



PALCO LIMITED

PALCO LIMITED

CIN: L27203TG1989PLC010409

Regd.office: H.No:6-3-1091/13-15, Flat No:101,1st Floor Amrutha Ville Apartments,
Raj Bhavan Road, Somajiguda Hyderabad TG 500082 IN. Tel: 040-23175566
Website:www.palcolimited.com, Email: pennaralu@gmail.com

PROXY FORM

(pursuant to section 105(6) of the Companies Act,2013 and the Rule 19(3) of the
Companies (Management and Administration)Rule, 2014)

Name and Address of the Shareholder(s).....

E-mail id : Folio No. / Dpid & Client id :

I/We being the member(s)of..... Shares of PALCO LIMITED, hereby appoint

1.Name : Email id:.....

Address :

Signature :

Or failing him

2.Name : Email id:.....

Address :

Signature :

Or failing him

3.Name : Email id:.....

Address :

Signature :

Or failing him

As my/our proxy to attend and vote (onapoll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company on Thursday, 26th day of September, 2019 at 12:00 p.m. at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri, Hyderabad-500036 IN, any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. To receive, consider and adopt the Audited statement of Profit and Loss Account for the financial year ended on 31 March 2019 and balance sheet as at that date and the reports of the board of directors and auditors thereon.
2. To appoint a Director in place of Smt. Bhuvaneshwari Kovvuri (DIN: 07778087), who retires by rotation and being eligible, offers herself for re-appointment

Special Business:

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

Signed this.....day of..... 2019

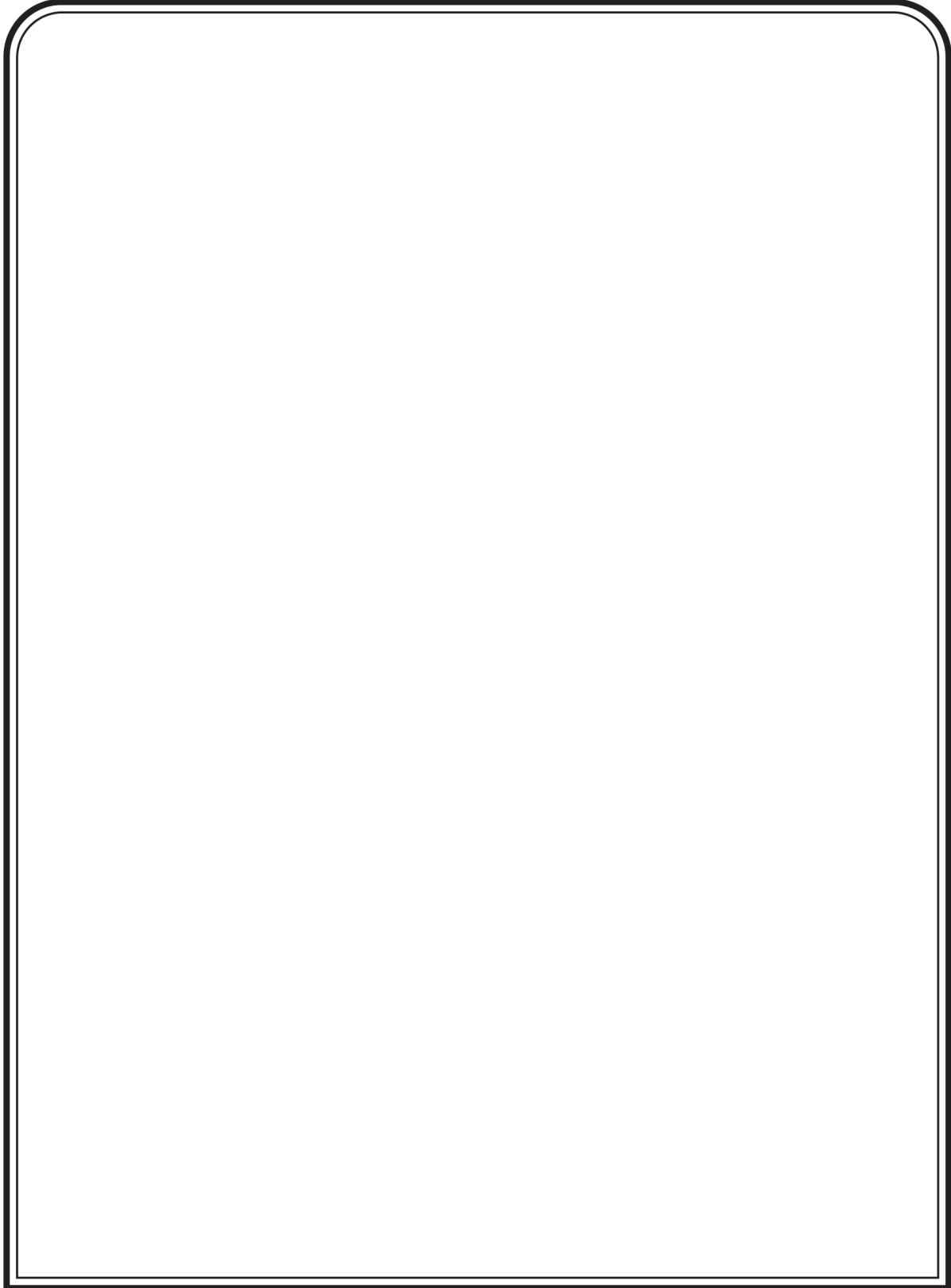
Signature of shareholder

Signature of proxyholder(s).....

Rs. 1/-
Revenue
Stamp

NOTE: The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

PALCO LIMITED



PALCO LIMITED

PALCO LIMITED

CIN: L27203TG1989PLC010409

Regd.office: H.No:6-3-1091/13-15, Flat No:101,1st Floor Amrutha Ville Apartments,
Raj Bhavan Road, Somajiguda Hyderabad TG 500082 IN. Tel: 040-23175566
Website:www.palcolimited.com, Email: pennaralu@gmail.com

ATTENDANCE SLIP

(To be presented at the entrance)

29th ANNUAL GENERAL MEETING

I here by state that I am a registered/proxy for the registered shareholder of the company. I hereby record my presence at the Annual General Meeting of the company held on Thursday, the 26th day of September, 2019 at 12:00 p.m, at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri, Hyderabad-500036 IN, or/any adjournment thereof.

Name of the Attending Shareholder:.....
(in block letters)

Name of the
proxy:.....
(to be filled in if proxy attends)

Signature of
shareholder:.....

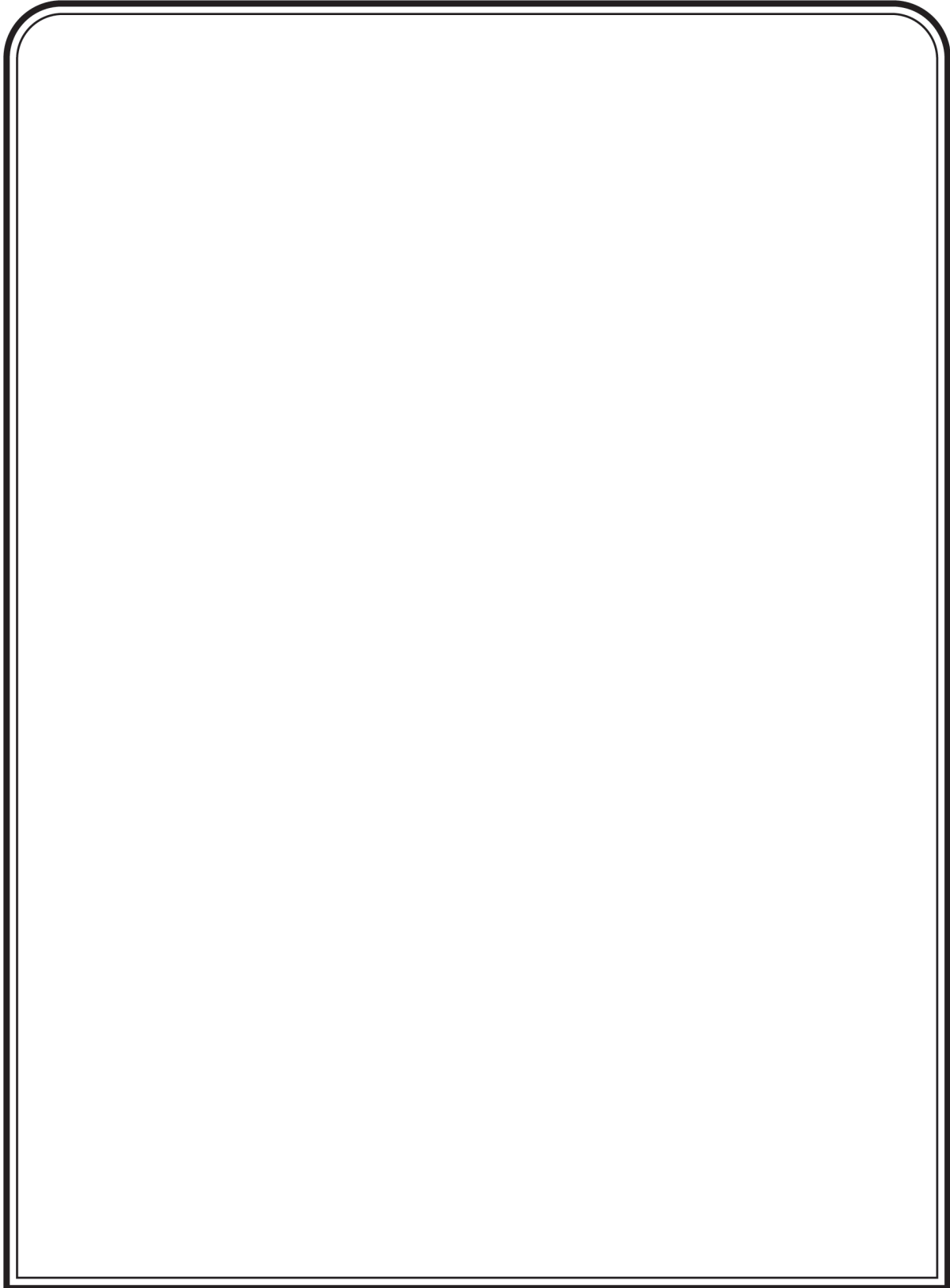
Signature of proxy:.....

Number of sharesHeld:.....

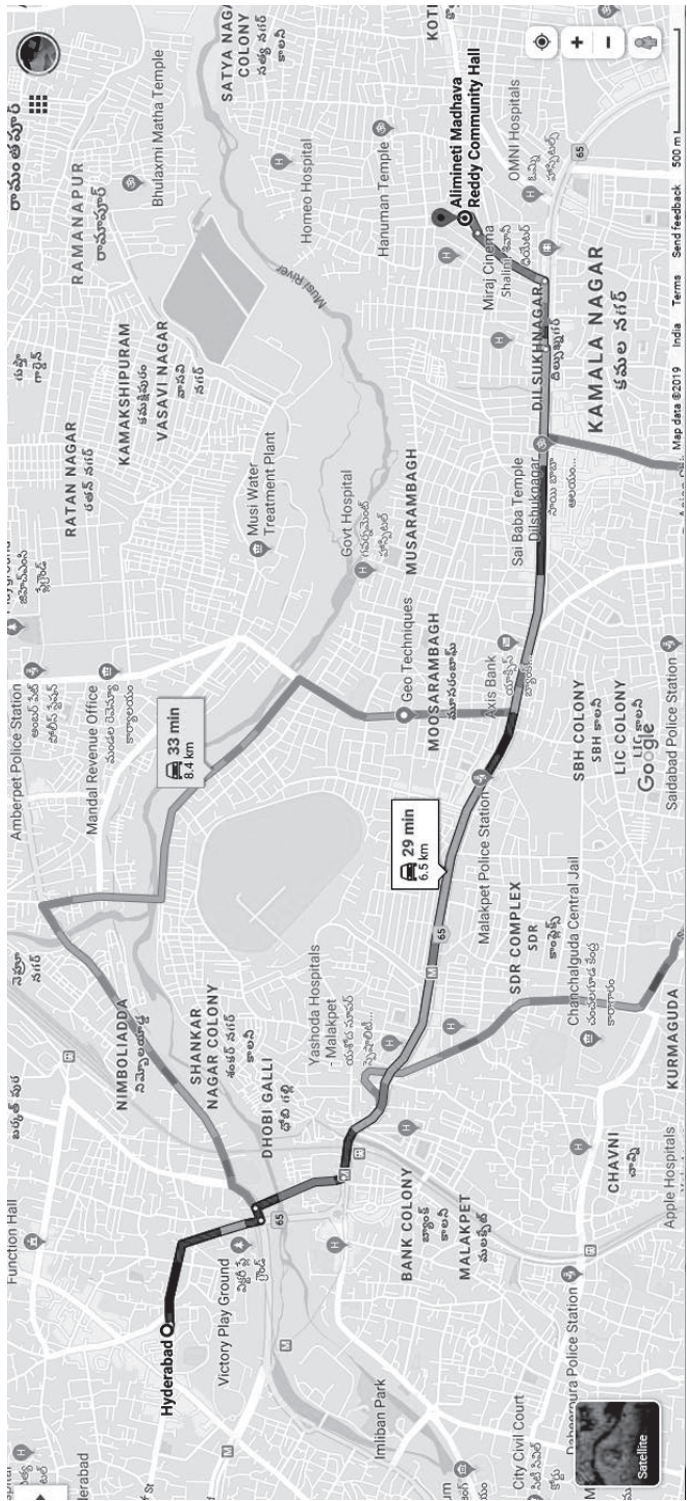
Note:

1. Shareholders/proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the gate, affixing their signature on them.
2. Members are informed that no duplicate attendance slips will be issued at the venue of the Meeting.

PALCO LIMITED



Route Map to AGM Venue



BOOK - POST
PRINTED MATTER

If undelivered, please return to :

PALCO LIMITED

H.No: 6-3-1091/13-15, Flat No: 101,
1st floor Amrutha Ville Apartments,
Raj Bhavan Road, Somajiguda,
Hyderabad, TG 500082 IN
Tel: 040 - 23175566