
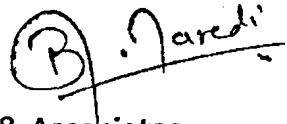
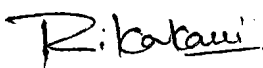
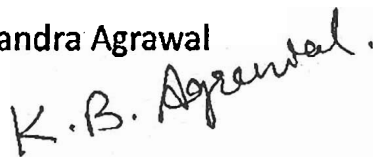




**FORM A**

**(Pursuant to Clause 31(a) of the Listing Agreement)**

Format of covering letter of the annual audit report to be filled with the  
stock exchanges

1.	Name of the Company:	Palco Metals Limited
2.	Annual financial statements for the year ended on	31 <sup>st</sup> March,2015
3.	Type of Audit observation	Not Applicable
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	Whole Time Director	Mr.Kanaiyalal Agrawal 
	CFO	Mr. Badal Naredi 
	Auditor of the Company	For Rahul Kakani & Associates Chartered Accountant Firm Registration No.(130198W)   (Rahul Kakani) Partner Membership No.:-132796
	Audit Committee Chairman	Mr. Kailashchandra Agrawal 



**Palco Metals Limited**

[www.palcometals.com](http://www.palcometals.com)

**PART "B" : ASSOCIATES AND JOINT VENTURES**

(Statement pursuant to Section 129 (3) of the Companies Act , 2013 related to Associate Companies and Joint Ventures)

Sr. No.	Name of Associates	Last Audited Balance sheet date	No. of Shares held	Amount of Investment	Extent of Holding	Networth Attributable to shareholding as per latest audited balance sheet	Consolidated in consolidation	Not Consolidated in consolidation	Description of how there is significant influence	Reason of Not Consolidation
1	Palco Recycle Industries Limited	31/03/2015	4947500	79475000	46.02%	58.23%	Yes	N,A	Note A given below	N.A

**Note:**

- A. There is significant influence due to percentage of holding and same promoters.
- B. SFC metallurgical Limited ceased to be the associate of the company during the year.

Date : 14th August,2015

Place: Ahmedabad

**For, Palco Metals Limited  
By Order of the Board of Directors**

Sd\  
Kailashchandra Agrawal  
Chairman

Sd\  
Kirankumar Agrawal  
Director

Sd\  
Kanaiyalal Agrawal  
Whole Time Director



#### **BOARD OF DIRECTORS**

Shri Kailashchandra Agrawal- Chairman  
Shri Kanaiyalal Agrawal - Whole Time Director  
Shri Kirankumar Agrawal - Director  
Shri Narendra Agarwal - Director  
Shri Nareshchand Jain - Director  
Mrs. Rakhi Jitendra Agrawal - Director

#### **STATUTORY AUDITORS**

Rahul Kakani & Associates.  
Chartered Accountants,  
Ahmedabad

#### **COMPANY SECRETARY**

Mrs. Nisha Agrawal

#### **BANKERS**

State Bank of India

#### **REGD. OFFICE**

B-209, 2nd Floor, Mondeal Square, Nr.  
Prahaladnagar Garden, Prahaladnagar,  
Ahmedabad-380015.

#### **LISTING :**

Bombay Stock Exchange  
Ahmedabad Stock Exchange

**ISIN :** INE239L01013

**CIN :** L27310GJ1960PLC000998

**REGISTRARS &  
SHARE TRANSFER AGENTS**  
MCS SHARE TRANSFER AGENT LIMITED  
Ahmedabad Branch  
101, 1st Floor, Shatdal Complex,  
Ashram Road, Ahmedabad - 380009



**Palco Metals Limited**

## NOTICE

NOTICE is hereby given that the 54th Annual General Meeting of the Members of PALCO METALS LIMITED will be held on Tuesday, the 29th September, 2015 at 11.30 a.m. at Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad Gujarat-382449 to transact the following business :

### ORDINARY BUSINESS

#### 1. ADOPTION OF FINANCIAL STATEMENTS

To approve and adopt financial statements of the Company, the Reports of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2015

#### 2. APPOINTMENT OF DIRECTOR

To appoint a director in place of Mr. Kanaiyalal Agrawal (DIN: 00594240), who retires by rotation and being eligible offers himself for re-appointment.

#### 3. RATIFICATION OF THE APPOINTMENT OF STATUTORY AUDITORS

To ratify appointment of M/s. Rahul Kakani & Associates., Chartered Accountants, Ahmedabad having Firm Registration No. 130198W as Statutory Auditors of the company and to fix their remuneration and if thought fit, to pass the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the appointment of M/s. Rahul Kakani & Associates., Chartered Accountants, Ahmedabad having Firm Registration No. 130198W), as Statutory Auditors of the Company from the conclusion of this meeting till the conclusion of the 55th Annual General Meeting of the Company to be held in year 2016, be and is hereby ratified on a remuneration and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit as may be mutually agreed between the Board of Directors the Company and the Statutory Auditors.”

### SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification(s) the following resolutions as an Ordinary Resolution:

4. To appoint Smt. Rakhi Jitendra Agrawal (DIN: 07021709 ) as an Independent/Non Executive Woman director

**“RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement Smt. Rakhi Jitendra Agrawal (DIN: 07021709 ) appointed as an women

Independent Director in Board Meeting Dated 26th March, 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2020 not liable to retire by rotation.”

Date : 14th August, 2015

Place: Ahmedabad

**By Order of the Board of Directors**

**Sd/-**

**Kailashchandra Agrawal  
Chairman**

**Sd/-**

**Kirankumar Agrawal  
Director**

**Sd/-**

**Kanaiyalal Agrawal  
Whole Time Director**

**NOTES:-**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. A person can act as proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of total share capital of the Company carrying voting rights. Provided that member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. Corporate members intending to send their authorized representatives to attend the AGM are requested to also send the duly certified copy of Board resolution authorizing their representatives to attend and vote on their behalf at the AGM.
3. The relevant Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Business items set out in the notice is annexed hereto.
4. As required in terms of paragraph IV(G)(i) of Clause 49 of the Listing Agreement, the details of the directors seeking appointment/reappointment at the Meeting are given in detail, is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 22nd September, 2015 to Tuesday, the 29th September, 2015 (both days inclusive).

**6. Members are requested to :**

(i) Notify promptly the change in their registered address, if any, to the Registrar and Share Transfer Agent M/s. MCS SHARE TRANSFER AGENT LIMITED quoting folio number, if the shares are held in physical form and to their Depository Participant, if the shares are held in demat form.

(ii) Notify promptly their E-mail address for speedier and faster means of communication with the company, by sending communication either to our Registrar and Share Transfer Agent M/s.MCS SHARE TRANSFER AGENT LIMITED Ltd. by quoting their Ledger Folio No., if the shares are held in physical mode and to their Depository Participants, if the shares are held in demat mode, quoting their DP ID and Client ID.

(iii) Bring their copy of the Annual Report and the attendance slips duly filled in with them, for attending the meeting. Demat holders are requested to bring their Client ID and DP ID No. for easier identification of attendance at the meeting.

(iv) Approach the Registrar & Share Transfer Agent for consolidation of folios, if physical shareholdings are under multiple folios.

(v) Address their questions/queries in writing to the Company, desirous of obtaining any information concerning the accounts and operation of the company, so as to reach at least seven days before the date of the meeting.

(vi) In view of the circular issued by SEBI, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.

(vii) Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form can file nomination in prescribed Form SH-13 and for cancellation / variation in Nomination in the prescribed Form SH-14 with the Company's RTA.

**7.** The Securities and Exchange of Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, M/s. MCS SHARE TRANSFER AGENT LIMITED Ltd.

**8.** The Company's Shares have been activated for dematerialization both with National Securities Depository Ltd. and Central Depository Services (India) Ltd. Those shareholders who wish to hold shares in electronic form may approach their Depository Participants. The existing ISIN No. of the Equity Shares of the company is INE239L01013

**9.** The Notice of 54th Annual General Meeting and the Annual Report 2014-15 will also be

available on the Company's website [www.palcometals.com](http://www.palcometals.com) for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

10. All documents referred to in the accompanying notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturday and Sunday between 11.00 a.m. to 3.00 p.m. up to the date of Annual General Meeting of the company.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges, a member of the Company holding shares either in physical form or in dematerialized form, may exercise his right to vote by electronic means in respect of the resolution(s) contained in this notice.
12. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of NSDL as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).
13. The Company shall also provide facility for voting through polling paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
14. The members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. The Board of Directors have appointed Mr. Punit Lath Company Secretary in Practice and as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Bombay Stock Exchanges
16. The cut-off date for the purpose of voting (including remote e-voting) is 22nd September, 2015 .
17. Members are requested to carefully read the instructions for remote e-voting before casting their vote. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Saturday, 26th September, 2015 from 9.00 a.m. (IST) and ends on Monday, 28th September, 2015 at 05.00p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd September, 2015, may cast their vote electronically. The e-voting



module shall be disabled by NSDL for voting thereafter.

(ii) Members are requested to follow the instructions given below to cast their vote through e-voting:

**Specific Instructions and process to be followed for e-voting:**

1. Log on to the e-voting website <https://www.evoting.nsdl.com/>
2. Click on “Shareholders - Login” tab.
3. USER ID and PASSWORD

In case Members receive an email from NSDL [for Members whose email IDs are registered with Depository Participant(s)], then open email and open PDF file viz, “Palco Metals Limited e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file continues your User ID and Password/PIN for e-voting. This Password will be an initial password.

If you are already registered with NSDL e-voting Platform and have used this facility earlier, then you use your existing USER ID and Password for login.

If you are a first time user and/or holding shares in Physical form, please follow the steps given below:

- USER ID and PASSWORD for e-voting is provided in the table given on the face of this instruction slip. This is an initial password.
  - Once you log in, the Password Change Menu appears. Change the Password of your choice with minimum 8 digits/characters or a combination thereof. It is strongly recommended not to share your Password with any other person and keep the same confidential
4. After you have logged in, “E-VOTING” screen appears. Click on e-voting: Active Voting Cycles
  5. Select “EVEN” (Electronic Voting Event Number) of Palco Metals Limited. For EVEN, you can login any number of times on e-voting platform of NSDL till you have completed your voting on the resolution during the voting period.
  6. “Cast Vote” page appears. You are ready for e-voting
  7. Cast your vote by selecting appropriate option and click “Submit”. Also “Confirm” when prompted.
  8. Once you confirm, the message “Vote Cast Successfully” will be displayed.
  9. Vote once casted cannot be modified.
  10. For the Institutional shareholders (Members other than Individuals, HUF, NRIs, etc.) are also required to send scanned copy (pdf/jpg format) of the board resolution/ authority letter etc. together with the attested specimen signature(s) of the duly authorised signatory(ies) who are

authorised to vote, to the Scrutinizer through email at : punit.lath@yahoo.com  
with a copy marked to evoting@nsdl.co.in

**General Instructions :**

11. The voting period begins at 09.00 a.m. IST on Saturday, 26th September, 2015 (IST) and ends on Monday, 28th September, 2015 at 05.00p.m. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form (as on the cut-off date which is 22nd September, 2015), may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on this cut-off date. The e-voting module shall be disabled by NSDL for voting after 5.00 p.m. IST on 28th September, 2015.
12. 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 <https://www.evoting.nsdl.com/> or write an email to [helpdesk@nsdl.co.in](mailto:helpdesk@nsdl.co.in)
13. Members who do not have e-voting facility can take the benefit of Ballot Form enclosed herewith. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
14. Mr. Punit Lath, Practising Company Secretary (Membership No. ACS 11950) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
15. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward her report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorised by the Chairman for this purpose.
16. The Results shall be declared after the Annual General Meeting (AGM). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.palcometals.com](http://www.palcometals.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited, on which shares of the Company are listed

Date : 14th August, 2015

Place: Ahmedabad

**By Order of the Board of Directors**

**Sd/-  
Kailashchandra Agrawal  
Chairman**

**Sd/-  
Kirankumar Agrawal  
Director**

**Sd/-  
Kanaiyalal Agrawal  
Whole Time Director**

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

**Item No. 4**

Smt. Rakhi Jitendra Agrawal (DIN: 07021709) is an Additional Independent Director appointed by the Board in its meeting Dated 26th March, 2015 upto the ensuing Annual General Meeting.

In terms of section 149 and other applicable provisions of the Companies Act, 2013, Smt. Rakhi Jitendra Agrawal being eligible, it is proposed to be appoint her as an Independent Director for five consecutive years for a term up to the conclusion of the 59th AGM in the Calendar Year 2020. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Smt. Rakhi Jitendra Agrawal as a candidate for the office of Director of the Company.

Smt. Rakhi Jitendra Agrawal is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director.

The Company has received a declaration from Smt. Rakhi Jitendra Agrawal that she meets with criteria of independence as prescribed both under section 149 [6] of the Act and clause 49 of the Listing Agreement. Brief resume of Smt. Rakhi Jitendra Agrawal shareholding and relationships between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are annexed to this Notice.

In the opinion of the Board and Nomination and Remuneration Committee, Smt. Rakhi Jitendra Agrawal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. Copy of the draft letter of appointment of Smt. Rakhi Jitendra Agrawal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the resolution in relation to appointment of Smt. Rakhi Jitendra Agrawal as an Independent Director, for the approval by the shareholders of the Company.

Save and except Smt. Rakhi Jitendra Agrawal, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No.4

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchange.

**Details of Directors seeking appointment / re-appointment at the forthcoming  
Annual General Meeting**

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Kanaiyalal Babulal Agrawal DIN 00594240	Rakhi Jitendra Agrawal DIN 07021709
Date of Birth	13/03/1965	23/08/1983
Date of Appointment	17/08/1996	26/03/2015
Experience in specific functional areas	Decision making Management	Administrative and Management
Qualifications	B.Com, C.A., MBA	B.A
Directorship held in other Public Limited Companies	Palco Recycle Industries Limited Palco Recycle Exchange Limited Regal Entertainment and Consultants Limited.	--
Member / Chairman of Committees in other Public Limited Companies	NIL	NIL
No. of Shares held in Company	186200	NIL
Interse Relationship with any Director /KMP	No relationship with any Director or KMP	No relationship with any Director or KMP

Date : 14th August,2015

Place: Ahmedabad

**By Order of the Board of Directors**

**Sd\-**

**Kailashchandra Agrawal  
Chairman**

**Sd\-**

**Kirankumar Agrawal  
Director**

**Sd\-**

**Kanaiyalal Agrawal  
Whole Time Director**

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting this 54th Annual Report together with the Audited Statements of Accounts for the year ended on 31st March, 2015.

### FINANCIAL RESULTS:

Particulars	(Rs. in Lacs)	
	2014-15	2013-14
<b>Sales and Other Income (Including Excise Duties)</b>	<b>20.02</b>	<b>20.15</b>
Profit before Interest and Finance Charges	9.63	7.63
Depreciation and Taxes & prior period Adjustment		
Less : Interest & Finance Charges	0.10	0.16
Depreciation	0.00	0.00
<b>Profit before Taxation</b>	<b>9.53</b>	<b>7.47</b>
Provision for Taxation		
- Current	2.20	2.08
- Deferred	0.00	0.00
- Wealth Tax	0.00	0.00
-Short / (Excess) Provision of earlier year W/O	0.00	0.00
-Short / (Excess) Provision of Wealth Tax	0.00	0.00
<b>Profit after Tax</b>	<b>7.33</b>	<b>5.39</b>
Less Prior Period Adjustment	0.00	0.00
<b>Net Profit</b>	<b>7.33</b>	<b>5.39</b>
Balance brought forward from previous year	0.00	0.00
Less Corporate Dividend Tax	0.00	0.00
Less: Proposed Dividend	0.00	0.00
Less Transfer to General Reserve	<u>0.00</u>	<u>0.00</u>
Surplus carried forward to Balance Sheet	<b>7.33</b>	<b>5.39</b>
Earning Per Share	<b>0.18</b>	<b>0.13</b>

### DIVIDEND

Your company has not operated and has not registered any sales during the year under review. Hence, with a view to conserve the resources, the board of directors of the company have not recommended any dividend for the year under review.

### PERFORMANCE

During the year, as the Company is not operating any business there is no sales and purchases under consideration. Company has earned the income from other sources amounting to Rs. 20.02Lakh as compared to last year of Rs. 20.15 Lakh. Further the profit of company after tax is Rs.7.33 Lakh as compared to last year of Rs .5.39 Lakh.

However your Director are pleased to inform you that Equity shares of the company had got the listing approval from Bombay Stock Exchange Limited on 15.04.2015. Now the equity shares of the company are listed and traded at BSE with scrip code 539121.

#### **PERFORMANCE OF SUBSIDIARIES AND ASSOCIATES:**

Company is holding investment in Equity Shares of Palco Recycle Industries Limited. Palco Recycle Industries Limited has achieved the sales of Rs. 80, 14, 43,437 (-5.8% as compared to last year) as against the sales of 85, 10, 45, 001/- (YOY). Profit before tax comes to Rs. 29,68,978 as against the Rs. 57,77,128 of the last year. Net profit after tax comes to Rs. 11,27,822/- as against the profit of 47,15,406 of last year.

#### **NAME OF THE COMPANIES WHICH HAVE CEASED TO BE ASSOCIATES DURING THE YEAR:**

SFC Metallurgical Limited was ceased to be associate of the company during the year as the company has sold its investment in the same.

#### **FUTURE PROSPECTS**

Your Company is craving for opportunity, of marketing tie ups, with manufacturers, for sale of aluminum ingots, wire rods, etc.

#### **DEPOSITS**

The Company has not invited / accepted any deposits from the public under the provisions of Section 73 of the Companies Act, 2013 and rules made there under.

#### **BOARD MEETING AND BOARD EVALUATION**

The Board met 11 times during the financial year 2014-15, the details of which are given in the Corporate Governance Report.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration, Stakeholders Relationship and Risk Management. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately.

#### **DIRECTORS & KEY MANAGERIAL PERSONAL**

##### **A) DIRECTORS**

During the year under review, Mrs. Rakhi Jitendra Agrawal (DIN: 07021709) was appointed as an Additional Director of the Company with effect from 26th March, 2015. It is proposed to appoint her as Woman Independent Director of the Company, at the Annual General Meeting.

In accordance with the provisions of section 152 of the Companies Act, 2013 read with Articles of Association of company Mr. Kanaiyalal Agrawal (DIN: 00594240), Director retires by rotation at the forthcoming Annual General meeting and being eligible offers himself for reappointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

In accordance with the provisions of Section 178 and section 134 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the performance of Committees of the Board, namely, Audit Committee, Risk Management Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee and also the directors individually. The manner in which the evaluation was carried out and the process adopted has been mentioned in the Corporate Governance Report.

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration and also framed the criteria for determining qualifications, positive attributes and independence of directors. The Nomination and Remuneration Policy setting out the policy of Boards and Senior management remuneration and criteria for Board nominations are given in the Corporate Governance Report forming part of the Annual Report.

The particulars of the directors retiring by rotation are given in the notice / explanatory statement portion of the accompanying notice.

#### **B) KEY MANAGERIAL PERSONAL**

During the year under review and with approval of the Board of Directors of the Company Mr. Gaurav Pushkarbhai Jani is appointed as a Company Secretary of the Company on 6<sup>th</sup> December 2014. Gaurav Jani tendered his resignation and on his resignation Ms. Nisha Agrawal is appointed as a Company Secretary of the Company with effect from 09<sup>th</sup> June 2015 and Mr. Badal Naredi is appointed as a Chief Financial Officer of the Company with effect from 09<sup>th</sup> June 2015.

#### **CORPORATE GOVERNANCE REPORT**

The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49 is attached to the Report on corporate governance.

#### **LISTING OF SECURITIES:**

Your company has applied for listing of securities at Bombay Stock Exchange limited on 29/11/2014 and as a result of which in principal approval for listing of securities from the Bombay stock Exchange was received with effect from 15<sup>th</sup> April, 2015. The Equity shares of company are traded on Bombay Stock Exchange 4<sup>th</sup> May, 2015. The Securities of your Company are listed at Bombay Stock Exchange Limited, Ahmedabad Stock Exchange Limited. The Company has been generally regular in complying with the provisions of the Listing Agreement.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the loss of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis.
- The Directors have laid down proper internal financial controls to be followed by the Company and such controls are adequate and operating effectively.
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **STATUTORY AUDITORS**

M/s. Rahul Kakani & Associates, Chartered Accountants (Reg. No. 130198W), Ahmedabad, Auditors of the Company hold office until the conclusion of the 58th Annual General Meeting. The Company has received a letter to the effect that their appointment would be within the prescribed limits under Section 141(3)(g) of the companies Act, 2013. The Board hereby requests the members to ratify the appointment of M/s. Rahul Kakani & Associates, Chartered Accountants, Ahmedabad as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

Your Directors request you to appoint Auditors as proposed and as set out in the accompanying notice of the Annual General Meeting.

No qualification or adverse remark is put by the auditor in their report dated 25<sup>th</sup> May, 2015.

## **SECRETARIAL AUDIT**

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2013, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report Annexure-A. Qualifications in the report are general and self explanatory in nature.

As per the remark "Company has not appointed the Chief Financial Officer of the company" in Secretarial Audit Report, the Board herewith comments that the company was in search of suitable candidate as per its requirements and on getting the same candidate Board in its meeting dated 17th June 2015 Company appointed Mr. Badal Naredi as CFO of the company w.e.f 9<sup>th</sup> June, 2015.



**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-B.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:**

There is no employee drawing remuneration for which information is required to be submitted under The Companies (Particulars of Employees) Rules, 1975 as amended, hence not given.

Further at present the company is not in operations and has very few employees on its payroll. Details of the remuneration given to Whole time Director and Company Secretary only KMP in the company is given in the Form MGT 9 annexed as Annexure B to the report. Further there are no other employees on the pay roll of the company.

**RELATED PARTY TRANSACTIONS**

All the transactions entered with related party for the year under review were on arms length basis and in the ordinary course of business and that the provision of section 188 of the Companies Act, 2013 are not attracted. Further there are no material related party transactions with the promoters, Directors, KMP.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the Listing Agreement.

All the related party transaction are placed before the Audit committee as also to the Board for approval.

This Policy was considered and approved by the Board has been uploaded on the Company's website [www.palcometals.com](http://www.palcometals.com).

**VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism for directors and employees to report genuine concerns has been established. The same has been posted on the Company's website [www.palcometals.com](http://www.palcometals.com) and the details of the same are given in the Corporate Governance Report

**RISK MANAGEMENT**

As required under Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Company has a mechanism to identify, assess, monitor and mitigate various risks to its key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Company has formulated a Risk Management Policy which is also available on the Company's website at [www.palcometals.com](http://www.palcometals.com).

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC**

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and Management Discussion and Analysis Report as required in Clause 49 of the listing agreement is furnished in Annexure c and is attached to this report.

## **RISK MANAGEMENT**

The company has formed the Risk Management Committee consisting of Mr. Kanaiyalal Agrawal, Whole Time Executive Director and Mr. Kirankumar agrawal Non – Executive Director. Further company has framed the risk management policy which identifies the areas of risks including the risks that threaten the existence of company and develops the measures to mitigate the risks in the areas. Risk Management committee further reviews the implementation of risk management policy.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e. (a) net worth of the Company to be ` 500 crore or more; or (b) turnover of the company to be ` 1,000 crore or more; or (c) net profit of the company to be ` 5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of Section 135 are not applicable to the Company.

## **CORPORATE GOVERNANCE**

The Report on corporate governance as stipulated under the Listing Agreement forms part of this Report. The requisite certificate from M/s Rahul kakani & Associates, Chartered Accountant confirming compliance with the conditions of corporate governance is attached to the Corporate Governance Report. The report also contains the details as required to be provided on Board evaluation, remuneration policy, implementation of risk management policy, whistle blower policy/vigil mechanism etc.

The Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under the Listing Agreement.

## **APPRECIATION**

Your Directors wish to place on record their deep appreciation of the continued support and guidance provided by the Central and State Governments and all Regulatory bodies.

Your Directors also take opportunity to thanks the esteemed shareholders, customers, business associates, and Company's Banks for the faith reposed by them in your Company and its management.

Your Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their support in the future as well.

Date : 14th August,2015

Place: Ahmedabad

**By Order of the Board of Directors**

**Sd\-**

**Kailashchandra Agrawal  
Chairman**

**Sd\-**

**Kirankumar Agrawal  
Director**

**Sd\-**

**Kanaiyalal Agrawal  
Whole Time Director**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Palco Metals Limited  
Ahmedabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Palco Metals Limited**.

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Secretarial Audit 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2015 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Palco Metals Limited** for the financial year ended on 31/03/2015 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 **(Not Applicable to the Company during the Audit Period)**

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the company 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 to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**
3. We have also examined compliance with the applicable clauses of the following:
- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (b) The Listing Agreements entered into by the Company with Ahmedabad Stock Exchange(s), if applicable;
4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

#### **OBSERVATIONS :**

- (i) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we report that the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of :
  - (a) External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - (b) Foreign Direct Investment (FDI) were not attracted to the company under the financial year under report;
  - (c) Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad were not attracted to the company under the financial year under report.
  - (d) As per the information and explanations provided by the company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.
- (ii) I further report that Company has not appointed the Company Secretary as required under section 203 of the Companies Act, 2013 and company secretary as compliance Officer as required under the listing agreement entered into with respective stock exchange from 1<sup>st</sup> April, 2014 to 5<sup>th</sup> December, 2014.

- (iii) I further report that appointment of CFO i.e. Chief Financial Officer of the company as required under section 203 of the companies act, 2013 is pending as on 31st March, 2015 for which management is in search of proper candidate.

5. We further report that :

- (i) The Board of Directors of the Company is 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.
- (ii) 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.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

6. We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.

7. We further report that there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Signature:**

**Sd/-**

**Punit Santosh Lath**

**ACS No. 26238, COP No. 11139**

**Date : 1<sup>st</sup> August, 2015**

**Place : Ahmedabad**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2015**

"Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014."

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L27310GJ1960PLC000998
2	Registration Date	21/11/1960
3	Name of the Company	PALCO METALS LIMITED
4	Category/Sub-category of the Company	Non Government Public Company Limited by shares
5	Address of the Registered office & contact details	B-209, Mondeal Square, Near Prahlanagar Garden, Prahlanagar, Ahmedabad 380015, Gujarat. Tele. No. +91-9228010690/1/2, Email: cs1@palcorecycle.com"
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	MCS Share Transfer Agents Ltd. 101, Shatdal Complex, 1st floor, opp Bata Showroom, Ashram Road , Shreyas colony Ahmedabad-380009, Gujarat Tele. No. (079)26582878 / 79 / 80, (079)26584027 Fax No. :- (079)26581296 Email :- mcsahmd@gmail.com

**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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Not Applicable as no sales is registered by the company		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES"**

S.	Name and address of No. the Company	CIN/GLN	Holding / Subsidiary held / Associate	% of shares Section	Applicable
1	Palco Recycle Industriesd	U27209GJ2007PLC051853	Associate	46.02	2(6)

**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 01-April-2014]			% of Total Shares	No. of Shares held at the end of the year [As on 31-March-2015]			% of Total Shares	% Change during the year
	Demat	Physical	Total		Demat	Physical	Total		
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	38,760	594,960	633,720	15.84%	409,960	223,760	633,720	15.84%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	856,660	1,236,660	2,093,320	52.33%	1,236,660	856,660	2,093,320	52.83%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	895,420	1,831,620	2,727,040	68.18%	1,646,620	1,080,420	2,727,040	68.18%	0.00%

**(2) Foreign**

a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	895,420	1,831,620	2,727,040	68.18%	1,646,620	1,080,420	2,727,040	68.18%	0.00%

**B. Public Shareholding****1. Institutions**

a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
I) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):	-	-	-	0.00%	-	-	-	0.00%	0.00%

**2. Non-Institutions**

a) Bodies Corp.									
i) Indian	100	0	100	0.00%	100	0	100	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%

**b) Individuals**

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	400	177,820	178,220	4.46%	400	177,820	178,220	4.46%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	51,320	1,043,320	1,094,640	27.37%	51,320	1,043,320	1,094,640	27.37%	0.00%

**c) Others (specify)**

Non Resident Indians Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	51,820	1,221,140	1,272,960	31.82%	51,820	1,221,140	1,272,960	31.82%	0.00%
Total Public (B)	51,820	1,221,140	1,272,960	31.82%	51,820	1,221,140	1,272,960	31.82%	0.00%

**C. Shares held by Custodian for GDRs & ADRs**

	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	947,240	3,052,760	4,000,000	100.00%	1,698,440	2,301,560	4,000,000	100.00%	0.00%

**(ii) Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	Krishna Capital & Securities Limited	1,560,000	39.00%	-	1,560,000	39.00%	-	0.00%
2	Narendra Agarwal	190,000	4.75%	-	190,000	4.75%	-	0.00%
3	Thakkar Financial Services Private Limited	190,000	4.75%	-	190,000	4.75%	-	0.00%
4	Vital Marketing & Finance Private Limited	190,000	4.75%	-	190,000	4.75%	-	0.00%
5	Kanaiyalal Agrawal HUF	186,200	4.66%	-	186,200	4.66%	-	0.00%
6	Lalitkumar Naredi	180,000	4.50%	-	180,000	4.50%	-	0.00%
7	Krishna Share Broking Services Private Limited	148,120	3.70%	-	148,120	3.70%	-	0.00%
8	Rajkumari Ashokkumar Agrawal	73,520	1.84%	-	73,520	1.84%	-	0.00%
9	Radius Global Private Limited (Formerly known as Krishna Worldwide Pvt. Ltd)	5,200	0.13%	-	5,200	0.13%	-	0.00%
10	Kirankumar Babulal Agrawal	4,000	0.10%	-	4,000	0.10%	-	0.00%

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

S. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			2,727,040	68.18%	2,727,040	68.18%
	Changes during the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
				-	0.00%	-	0.00%
	At the end of the year			2,727,040	68.18%	2,727,040	68.18%

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):"

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MANOJ GOPICHAND AGRAWAL						
	At the beginning of the year	01.04.2014		190,000	4.75		
	Changes during the year			-	-	190,000	4.75
	At the end of the year	31.05.2015		190,000	4.75		
2	SACHIN DINESH AGRAWAL						
	At the beginning of the year	01.04.2014		190,000	4.75		
	Changes during the year			-	-	190,000	4.75
	At the end of the year	31.05.2015		190,000	4.75		
3	PRAMOD AGRAWAL						
	At the beginning of the year	01.04.2014		190,000	4.75		
	Changes during the year			-	-	190,000	4.75
	At the end of the year	31.05.2015		190,000	4.75		
4	NIRANJAN KHEMKA						
	At the beginning of the year	01.04.2014		180,000	4.50		
	Changes during the year			-	-	180,000	4.50
	At the end of the year	31.05.2015		180,000	4.50		
5	SUMIT GUPTA						
	At the beginning of the year	01.04.2014		95,000	2.38		
	Changes during the year			-	-	95,000	2.38
	At the end of the year	31.05.2015		95,000	2.38		
6	SUMIT GUPTA						
	At the beginning of the year	01.04.2014		95,000	2.38		
	Changes during the year			-	-	95,000	2.38
	At the end of the year	31.05.2015		95,000	2.38		
7	MANISH PATEL						
	At the beginning of the year	01.04.2014		51,320	1.28		
	Changes during the year			-	-	51,320	1.28
	At the end of the year	31.05.2015		51,320	1.28		
8	MANISH BHAILALBHAI PATEL						
	At the beginning of the year	01.04.2014		51,320	1.28		
	Changes during the year			-	-	51,320	1.28
	At the end of the year	31.05.2015		51,320	1.28		
9	RAMANLAL SHAMBHULAL AGRAWAL						
	At the beginning of the year	01.04.2014		40,000	1.00		
	Changes during the year			-	-	40,000	1.00
	At the end of the year	31.05.2015		40,000	1.00%		
10	BANSILAL RAMKISHAN SHAH						
	At the beginning of the year	01.04.2014		12,000	0.30		
	Changes during the year			-	-	12,000	0.30
	At the end of the year	31.05.2015		12,000	0.30%		



**(v) Shareholding of Directors and Key Managerial Personnel:**

S No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Narendra Agarwal						
	At the beginning of the year	01.04.2014	-	190,000	4.75%	190,000	4.75%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31.05.2015	-	190,000	4.75%	190,000	4.75%
2	Kanaiyalal Agrawal HUF						
	At the beginning of the year	01.04.2014	-	186,200	4.66%	186,200	4.66%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31.05.2015	-	186,200	4.66%	186,200	4.66%
3	Kirankumar Babulal Agrawal						
	At the beginning of the year	01.04.2014	-	4,000	0.10%	4,000	0.10%
	Changes during the year	-	-	-	0.00%	-	0.00%
	At the end of the year	31.05.2015	-	4,000	0.10%	4,000	0.10%

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amt. Rs./Lacs)
				Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
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	NIL	NIL	NIL
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
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	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:"

SN.	Particulars of Remuneration	Name	Name of MD/ WTD/ Manager	Total Amount Rs.(in Lac)
			Kanaiyalal Agrawal	
			Whole Time Director	
			(From 1st April,2014 to 30th November,2014)	
1	Gross salary		105,000.00	105,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-
	(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		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	- as % of profit		-	-
	- others, specify		-	-
5	Others, please specify		-	-
	Total (A)		105,000.00	105,000.00
	Ceiling as per the Act			

B. Remuneration to other Directors					
SN.	Particulars of Remuneration	Name of Directors (Rs/Lac)			Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration (A+B)	-	-	-	105,000.00
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD		Name of Key Managerial Personnel			Total Amount
SN.	Particulars of Remuneration	Mr. Gaurav Jani (From 1st Dec.2014 to 31st March, 2015)			(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary	-	-	60,000.00	60,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961"	-	-	Nil	Nil
2	Stock Option	-	-	N.A	N.A
3	Sweat Equity	-	-	-	N.A
4	Commission	N.A	N.A	N.A	N.A
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	N.A	N.A
	Total	-	-	60,000.00	60,000.00

#### 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)"
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Date : 14th August,2015

Place: Ahmedabad

By Order of the Board of Directors

Sd\-

Kailashchandra Agrawal  
Chairman

Sd\-

Kirankumar Agrawal  
Director

Sd\-

Kanaiyalal Agrawal  
Whole Time Director

## ANNEXURE C

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC

The information in accordance with the provisions of Section 134 (3) (m) of The Companies Act, 2013, read with the rule 8 (3) of Companies (Accounts) Rules, 2014, regarding conservation of energy and technology absorption and Foreign Exchange earnings and outgo is herein given below and forms part of the Directors report:

#### (A) CONSERVATION OF ENERGY:

In line with the company's commitment towards conservation of energy, company throughout the year, aimed at improving energy efficiencies through improved operational and maintenance practices. The steps taken in directions are as under:

- \* Replacement of HPMV lightings by LED lightings.
- \* Usage of 5 Star rated electronic appliances.

No capital investment was done on energy conservation.

#### (B) TECHNOLOGY ABSORPTION

Company does not have any production facilities or any operations where Technology upgradation can be done hence information is not applicable to the company.

#### (C) Foreign Exchange Earnings and Outgo:

The foreign exchange earned in terms of actual inflows during the year and the Foreign exchange outgo during the year in terms of actual outflow is given herein below:

Particulars	Current Year 2014-2015
Foreign Exchange Earning	Nil
Foreign Exchange Outgo	Nil

Date : 14th August, 2015

Place: Ahmedabad

By Order of the Board of Directors

Sd/-

Kailashchandra Agrawal  
Chairman

Sd/-

Kirankumar Agrawal  
Director

Sd/-

Kanaiyalal Agrawal  
Whole Time Director

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and developments :

FY15 was a mixed year for the Global economy. The US economy continued to be resilient and grew at around 2%, while Chinese growth momentum continued its downward trajectory with the economy growing at 7.4% as compared with double digit growth during the last decade. The rest of the developed world grew at a moderate pace amidst various hiccups on the economic front, viz. Middle East crisis, oil crash, Euro zone uncertainty etc., to name a few.

Aluminium fundamentals improved in 2014, with large-scale smelting curtailments by global majors supporting aluminium price recovery, and the global primary aluminium industry swinging back to a deficit position for the first time in seven years. The average aluminium LME price for the year was around 6% higher than FY14.

FY15 was an extremely challenging year for your Company. However Palco recycle Industries Limited an associate of your company has shown good performance.

### Opportunities and Threats.

Company is looking for various growth avenues and opportunities and tries to seize the opportunities and is continuously working hard towards it. Fluctuating Currency rates, Volatile commodity prices and Depressing macro economics conditions in the world market are threats for the company.

### Outlook

The long-term fundamentals of the Indian economy which is expected to remain strong. Key fundamentals generally include demographics, rising income and purchasing power of population and large investment in pipeline. The growth of the economy is being driven primarily by domestic investment and consumption, with limited dependence on exports or the demand situation in other economies. At the same time, there are some concerns, particularly with regard to inflation. Inflationary pressures emerging from commodity prices have shown signs of becoming more generalized.

### RISK AND CONCERNS:

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

Currency exchange rates could undergo changes with the Indian rupee turning volatile for most part of the year. This could have a potential impact on the export earning of the company. The company is conscious of the impact of the volatile movement. Hedging is done wherever is necessary and forward cover are taken to mitigate probable risks. The company has adopted

conservative policy in booking the unfavorable impact of exchange fluctuation. Prudential accounting norms are followed in line with the accounting standard.

**Internal control systems and their adequacy:**

The Company has adequate internal control system in operation commensurate with the size and nature of its business for enduring efficiency of operation and protection of Company's assets. The Audit Committee formed by the company review on periodical basis the compliance with the Company's policies, procedures and prevailing laws. Audit findings are closely reviewed by audit committee along with management response. The committee also reviews the effectiveness of company's internal control and their effectiveness on actual operation and regularly monitors implementation of audit recommendation. The system ensures effective utilization of company resource and protections of assets from loss, theft, misappropriation and relevant risks.

For related party transaction company has approved the related party policy and as per the policy every transaction has to be approved by the Audit committee. Further company has approved the nomination and Remuneration policy for paying remuneration to Board of Directors and KMP.

**HUMAN RESOURCES**

The Company's philosophy is to provide to its employees friendly working environment and a performance oriented work culture. The company believes that human resources are important asset for giving Company a competitive edge in a competitive environment.

Date : 14th August,2015

Place: Ahmedabad

**By Order of the Board of Directors**

**Sd\-**  
**Kailashchandra Agrawal**  
**Chairman**

**Sd\-**  
**Kirankumar Agrawal**  
**Director**

**Sd\-**  
**Kanaiyalal Agrawal**  
**Whole Time Director**

## **CORPORATE GOVERNANCE REPORT**

### **(Pursuant to Clause 49 of the Listing Agreement)**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

#### **1. CORPORATE GOVERNANCE PHILOSOPHY**

The Company's philosophy on Corporate Governance envisages the attainment of high level transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers and institutional and other lenders and places due emphasis on regulatory compliance.

The Company in pursuance of Code of Corporate Governance, strongly believe that it must organize its affairs to the utmost satisfaction of all the concerned. The Company believes that the governance norms originating in the stock market institutions as an integral part of its Corporate Governance Philosophy should be respected both in letter and spirit. The Company endeavor to ensure transparency, control and accountability, in all areas of its operations.

The Company will continue its journey in raising the standards in Corporate Governance and will also review its systems and procedures constantly to keep pace with the changing economic environment.

#### **2. BOARD OF DIRECTORS**

The Board of Directors of the company comprises of the combination of Executive and Non-Executive Directors. As on March 31, 2015, the Company has 6 Directors of which 5 are Non-Executive Directors. Three of the six Board Members are Independent Directors. The Chairman of the Board is a Non-Executive Director. Further the Company has a Whole Time Director. The Composition of the Board is in conformity with Clause 49 of the Listing Agreements with the Stock Exchanges. As required under Section 149(3) of the Companies Act, 2013. Ms. Rakhi Agrawal, a woman director has been appointed as an Independent Director on the Board. Membership in Audit Committee, Nomination & Remuneration Committee and Stakeholders Committee comprises majority of Independent Directors with Chairman as Independent Director.

The Board has formulated a policy on Remuneration and the criteria for Board nominations which outlines the appointment criteria and qualifications for appointment on the Board of PML and the matters related to remuneration of Directors. The said policy has been published elsewhere in the Annual Report. The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in clause 49 of the listing agreement.

The names and category of Directors on the Board as on 31st March, 2015 and as on the date of this report, the number of Directorship and Committee Membership held by them in other Public Companies, their attendance at the Board Meetings held during the financial year 2014-15 and also at the last AGM held is given below :

Name of Directors	Attendance Particulars			Nos. of Directorship and Committee Membership / Chairmanship held in other Public Companies		
	Board Meetings Held	Board Meeting Attended	Last Annual General Meeting	Other Directorship	Committee Membership	Committee Chairman
1. Shri Kanaiyalal Agrawal#(WTD)	11	11	Yes	3	3	3
<b>Promoter Directors / Non Executive</b>						
2. Shri Kirankumar Agrawal#	11	11	Yes	2	5	0
3. Shri Narendra Agarwal	11	09	No	0	0	0
<b>Independent Non-Executive Directors</b>						
4. Shri Kailashchandra Agrawal	11	11	Yes	1	5	4
5. Shri Nareshchand Jain	11	11	No	1	5	1
6. Smt. Rakhi Agrawal*	01	01	NA	0	0	0

# WTD – Whole Time Director, MD – Managing Director

\*\* Appointed as Woman director on Board dated 26.03.2015

During the financial year 2014-15, Eleven Board Meetings were held Viz. on 26th May, 2014, 12th August, 2014, 2nd September, 2014, 10th October, 2014, 10th November, 2014, 6th December, 2014, 16th December, 2014, 18th December, 2014, 26th December, 2014, 2nd March, 2015 and 26th March, 2015.

As required by Clause 49 VI A of the Listing Agreement, the particulars of Directors seeking re-appointment are given in the accompanied notice portion.

## 2A) INDEPENDENT DIRECTORS:

In respect of appointment of Independent directors, the Company has complied with the definition of Independence as per Clause 49 of the Listing Agreement and provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013. None of the Non-Executive Independent Directors have any material pecuniary relationship or transaction with the Company

### Code of Conduct

The Company has adopted the code of conduct for all Board members and Senior Management as required under Clause 49 of the Listing Agreement. The Code is posted on the Company's website: [www.palcometals.com](http://www.palcometals.com). All Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis and a declaration to this effect signed by Mr. Kanaiyalal Agrawal Whole Time Director is attached to this Report.

## **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually and the Committees viz., Audit, Nomination & Remuneration, Stakeholders Relationship and Risk Management. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors covering various aspects such as attendance, quality contributions to Board deliberations, providing perspectives and feedback going beyond the information provided by the management, commitment to shareholder and other stakeholders interests etc.

A separate exercise was carried out to evaluate the performance of individual directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interests of the Company and its minority shareholders etc. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at their meeting held separately.

## **Board training and Induction**

At the time of appointment, the Director is explained in detail the compliances required from him under the Companies Act and Listing Agreement and other relevant regulations and his affirmations taken.

By way of an introduction to the Company, the WTD interacts with the newly appointed Director and explains the functioning of the Company's market share, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his role as a Director of the Company.

## **Separate Meeting of the Independent Directors :**

The Independent Directors held a Meeting on 26th March, 2015, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

- I) Reviewed the performance of non-independent directors and the Board as a whole;
- II) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

## **Board Committees**

The Board has constituted Committees consisting of Executive and Non-Executive Directors to ensure focused attention on various facets of business and for better accountability. Pursuant to the Companies Act, 2013, as on March 31, 2015 the Company has the following Committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee

Each of the above Committees has been mandated to operate within a given framework. The Company Secretary acts as Secretary to all the Committees. The Minutes of the proceedings of the Committee Meetings are circulated to the Directors and noted at the Board Meeting.



### 3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreements entered into with Stock Exchanges. As on March 31, 2015, the Audit Committee of the Board comprises three members

#### i) Terms of reference:

The terms of reference of Audit Committee adopted as on 26th May, 2015 covers the matters specified under Clause 49 of the Listing Agreement and the Companies Act, 2013. The Terms of reference of the Committee are given below:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Examination of the financial statement and the auditors' report thereon;
4. Approval or any subsequent modification of transactions of the company with related parties;
5. Scrutiny of inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers, if any and related matters.
9. Seeking comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and reviewing financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
10. Obtaining professional advice from external sources in order to conduct investigation.
11. Overseeing the working of vigil mechanism.
12. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
13. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
14. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.

- e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report
15. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  16. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  17. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  18. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  19. Discussion with internal auditors of any significant findings and follow up there on;
  20. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  21. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  22. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  23. To review the functioning of the Whistle Blower mechanism;
  24. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  26. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

**ii) Composition:**

The Audit Committee of the Company consists of 2 Independent Directors (Mr. Kailashchandra Babulal Agrawal and Mr. Nareshchand Jain) and 1 Executive Director (Mr. Kirankumar Babulal Agrawal). The Chairman of the Audit Committee is financially literate and majority of them have accounting related or financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

**iii) No. of meetings held and attended during the year:**

During the year the 5 Audit Committee Meetings were held i.e. on 26/05/2014, 12/08/2014, 02/09/2014, 10/11/2014, 02/03/2015 and the maximum gap between the two Audit Committee Meetings did not exceed four months. The attendance of the Members at the meeting was as under :

<b>Name of the Director</b>	<b>Position</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Kailashchandra Babulal Agrawal (Chairman Independent Non Executive Director)	Chairman	5	5
Nareshchand Jain (Non Executive Independent Director)	Member	5	5
Kirankumar Babulal Agrawal	Member	5	5

**4. NOMINATION & REMUNERATION COMMITTEE**

Pursuant to Section 178 (1) of the Companies Act, 2013 "Nomination & Remuneration Committee" was constituted on 26th May, 2014. The composition of the Nomination and Remuneration Committee and particulars of meetings held and attended by the members of the Committee are given below:

<b>Name of the Director</b>	<b>Position</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Nareshchand Jain (Chairman Independent Non Executive Director)	Chairman	3	3
Kailashchandra Babulal Agrawal (Independent Non Executive Director)	Member	3	3
Kirankumar Babulal Agrawal (Non Independent Director)	Member	3	3

**I) Terms of reference:**

The Committee adopted terms of reference on 26th May, 2014 in accordance with the Companies Act, 2013 and the Listing Agreement. The Terms of reference of the Committee are given below:

1. To identify persons who are qualified to become directors and who may be appointed in senior management i.e. personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads; in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

3. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Nomination and Remuneration Committee.

4. To carry out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee

### **Remuneration to Executive Directors**

The remuneration of Executive Directors comprise of fixed salary payable monthly. However in meeting dated 06th December, 2014 Nomination and Remuneration Committee advised Board to discontinue the remuneration of Executive Directors. In response to same Board in its meeting dated 06th December, 2014 resolved to discontinue the remuneration to Executive Directors. Hence no remuneration was paid with effect from 1st November, 2014.

Details of remuneration paid for the period 1st April to 30th October, 2014 is given as follows:-

<b>Name of Director</b>	<b>Salary</b>	<b>Allowance &amp; Perquisites</b>	<b>Total</b>
Mr. Kanaiyalal Babulal Agrawal	1,05,000	Nil;	1,05,000

### **Remuneration to Non Executive Directors:**

Non-Executive Directors are paid sitting fees for every Board and Audit Committee Meetings and other Committee Meetings. The Company also reimburses the out of pocket expenses if any incurred by the Directors for attending the Meetings. No other remuneration is being paid to Non Executive Directors.

### **Remuneration Policy :**

In the Board Meeting Dated 6th December, 2014 Nomination and remuneration committee approved the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel which was accepted by the Board in its meeting dated 6th December, 2014. The same policy can be seen at the website of the company [www.palcometals.com](http://www.palcometals.com).

## **5. STAKEHOLDERS RELATIONSHIP COMMITTEE :**

Pursuant to Section 178 (5) of the Companies Act, 2013 "Stakeholders Relationship Committee" was constituted on 26th May, 2014. The composition of the Nomination and Remuneration Committee and particulars of meetings held and attended by the members of the Committee are given below:

<b>Name of the Director</b>	<b>Position</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Kailashchandra Babulal Agrawal (Independent Non Executive Director)	Chairman	1	1
Nareshchand Jain (Independent Non Executive Director)	Member	1	1
Kirankumar Babulal Agrawal (Non Independent Director)	Member	1	1

**i) Terms of reference :**

The Committee adopted terms of reference on 26th May, 2014 in accordance with the Companies Act, 2013 and the Listing Agreement. The Terms of reference of the Committee are given below:

1. To consider and resolve the grievances of security holders of the company like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Stakeholders Relationship Committee.
3. To carry out any other function as is mentioned in the terms of reference of the Stakeholders Relationship Committee

**6. RISK MANAGEMENT COMMITTEE**

Pursuant to Clause 49 of the Listing Agreement "Risk Management Committee" was constituted on 10th November, 2014. The composition of the Risk Management Committee and particulars of meetings held and attended by the members of the Committee are given below:

<b>Name of the Director</b>	<b>Position</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>
Kailashchandra Babulal Agrawal (Independent Non Executive Director)	Chairman	1	1
Kirankumar Babulal Agrawal (Non Independent Director)	Member	1	1

**i) Terms of reference:**

The Committee adopted terms of reference on 10th November, 2014 in accordance with the Listing Agreement. The Terms of reference of the Committee are given below:

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, measured, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the Company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate laws & regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

iv) Name and Designation Address of Compliance Officer:

Ms. Nisha Agrawal,  
Company Secretary  
B/209, Mondeal Square,  
Prahladnagar Road, S G Highway,  
Ahmedabad - 380015

No. of shareholders complaints received during the year:	Nil Complaint(s)
No. of complaints not resolved to the satisfaction of shareholders:	Nil
No. of pending share transfers:	Nil

All valid transfer received during the financial year 2014-15 have been acted upon by the RTA and there is no pending share transfers.

In terms of Clause 47(f) of the Listing Agreement, the designated e-mail address for investors complaints is [investorgrievance@palcometals.com](mailto:investorgrievance@palcometals.com)

## 6. GENERAL BODY MEETINGS

### Annual General Meetings

The venue, date and time of the Annual General Meetings held during the preceding three years and the Special Resolution passed thereat are as under:

Financial Year	Date and Time	Venue	Special Resolution Passed
2011-12 51st AGM	29th September, 2012 at 12.00 p.m.	Opp. Khanwadi, Ramol Road, Post. Janta Nagar, Ahmedabad – 382 449	No
2012-13 52nd AGM	30th September, 2013 at 10.00 a.m.	Opp. Khanwadi, Ramol Road, Post. Janta Nagar, Ahmedabad – 382 449	No
2013-14 53rd AGM	30th September, 2014 at 02:00 p.m.	Opp. Khanwadi Ramol Road, Ahmedabad – 382 449	One-consent to Board to Surrender the lease of the premises situated at Opp. Khanwadi, Ramol Road, Post. Jantanagar, Ahmedabad, Gujarat-382 449 pursuant to provision of section 180 1(a) of the companies act, 2013

### Extra Ordinary General Meetings

No Extra Ordinary General Meeting was held during last three years.

### Postal Ballot

No postal ballot was conducted during the year Financial Year 2014-2015. No special resolution is proposed to be conducted through postal ballot.

## 7. DISCLOSURES

(i) During the year, there were no material related party transactions that may have potential conflicts with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Accounts. Disclosures from Senior Management that there had been no material financial and commercial transactions that had a potential conflict with the interest of the Company at large, were placed before the Board.

(ii) There was no non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or Securities Exchange Board of India or any statutory authority on any mater related to the capital markets during the last three years.

(iii) Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy and Vigil Mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also

provides for adequate safeguards against victimization of the persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. No employee of the Company was denied access to the Audit Committee. The said whistle blower policy and vigil mechanism has been hosted on the website of the Company at : [www.palcometals.com](http://www.palcometals.com)

(iv) The Company has complied with all the mandatory requirements on Corporate Governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges. Compliance reports in the prescribed format has been submitted to the Stock Exchanges for all the quarters.

## **8. MEANS OF COMMUNICATION**

The Annual Reports, notices and other communications have been sent to each shareholder through the permitted mode. As per the statutory requirements under Clause 41 of the Listing Agreement with the Stock Exchanges, the quarterly/annual financial results and the segment-wise reports are generally published in "Western Times", (a regional daily in Gujarati and English language). The financial results, shareholding pattern and other updates on the working of the Company have been posted on the Company's website [www.palcometals.com](http://www.palcometals.com). Besides the above, the Company also submits, inter-alia, to the Stock Exchanges, the full version of the Annual Report; quarterly report on corporate governance; quarterly/ yearly financial results; quarterly shareholding pattern; quarterly secretarial audit report; details of appointment/resignation of Directors and Company Secretary and such other reports as may be specified.

## **9. SEBI COMPLAINTS REDRESS SYSTEM (SCORES)**

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

## **11. USAGE OF ELECTRONIC PAYMENT MODES FOR MAKING PAYMENTS TO INVESTORS**

In view of the SEBI vide its circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013, the Electronic Clearing Services (ECS/NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS/NECS, members holding shares in physical form are requested to provide bank account details such as Bank & Branch Name MICR, IFSC codes etc. to the Company or its Registrar and Share Transfer Agents (R&T).

The Format of NECS Form have been given last page of this Annual Report 2013-14.

## **12. GREEN INITIATIVE IN CORPORATE GOVERNANCE: GO PAPERLESS**

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling annual general meeting, Corporate Governance Report, Directors Report, audited Financial statements, auditors report, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with MCS Share Transfer Agent Ltd. Registrar and transfer agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

### 13. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date : Monday, 29th September, 2015  
Time : 11.30 a.m.  
Venue: Registered Office:  
Opp. Khanwadi, Ramol Road,  
Post. Jantanagar, Ramol,  
Ahmedabad – 382449.

b) Financial Calendar: The Company follows April to March as its financial year. The results for every quarter beginning from April is declared in the month following the quarter, however, the result for the fourth quarter are clubbed with the declaration of audited accounts within 60 days of the year, whenever possible.

c) Book Closure Date(s): Monday, 22nd September, 2015 to Monday, 29th, September, 2015 (both days inclusive).

d) Dividend Payment date : Not Applicable

e) Listing on Stock Exchange : The equity shares of the company are listed on the Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and

Ahmedabad Stock Exchange Ltd. (ASE),  
Kamdhenu Complex, Panjara Pole,  
Ahmedabad – 380015, Gujarat.

The Company has paid the listing fees for the year 2015-16 to the Bombay Stock Exchange Ltd., Mumbai and Financial Year 2014-2015 to Ahmedabad Stock Exchange

f) Stock Code / Name: BSE 539121 Script Name: PALCO

The ISIN Number of the Company on both the depositories, NSDL and CDSL is INE239L01013. Our Corporate Identity Number as allotted by Ministry of Corporate Affairs is L27310GJ1960PLC000998 and our Company is registered in the state of Gujarat.

g). Market Price Data: High., Low during each month in last financial year

There has been no trading activity in the shares of the Company during the financial year 2013-14.

h) Registrar & Share Transfer Agents: In terms of SEBI Circulars dated 27.12.2002 & dated 12.02.2003 on appointment of common agency for share registry works, the Company has appointed the below mentioned agency as Registrar & Share Transfer Agent, for both physical and demat segment of equity shares of the company, which provides all shareholders related services :

#### **MCS Share Transfer Agent Ltd**

h) Share Transfer System: The transfer of shares in physical form is processed and completed by MCS Share Transfer Agent Ltd within a period of 15 days from the date of receipt thereof. In case of shares in electronic form, the transfer is processed by NSDL/CDSL through the respective Depository Participants. Demat requests are



normally confirmed within an average period of 15 days from the date of receipt.

**(I) Distribution of Shareholding as on 31st March, 2015.**

Shareholding of Nominal Shares		Number of Shareholders	% of Total	Share	% of Total
1	500	1530	96.9582	155400	3.8850
501	1000	13	0.8238	8720	0.2180
1001	2000	9	0.5703	14200	0.3550
2001	3000	2	0.1267	5200	0.1300
3001	4000	1	0.0634	4000	0.1000
4001	5000	1	0.0634	12000	0.3000
5001	10000	2	0.1267	73520	1.8380
10001	4000000	20	1.2674	3726960	93.1740
		<b>1578</b>	<b>100.00</b>	<b>4000000</b>	<b>100.00</b>

**(j) Category of Equity Shareholders as on 31st March, 2015.**

Sr. No.	Category	No. of Shares	% of Share Capital
<b>A.</b>	<b>PROMOTERS SHAREHOLDING</b>		
1.	Promoters, Promoters Group, Directors & Their Relatives	2727040	68.176
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>		
2.	Mutual Funds / UTI	-	-
3.	Banks / Financial Institutions	-	-
4.	Foreign Institutional Investors	-	-
5.	Bodies Corporate	-	-
6.	NRIs	-	-
7.	Clearing Members	-	-
8.	Trust	20	0.000
9.	Indian Public	1272940	31.824
<b>TOTAL</b>		<b>4000000</b>	<b>100</b>

j) Dematerialisation of Shares: The Company's shares are under demat mode. The ISIN No. of the Company is INE239L01013. Members who are desirous of holding their shares in demat form are requested to apply to their Depository Participants in prescribed demat requisition form along with original share certificate. About 44.85% of the total Equity capital of the Company is held in demat form as on 31st March, 2015.

k) Registered Office: The Company's Registered Office is located at:  
B-209, 2nd Floor, Mondeal Square,  
Nr. Prahaladnagar Garden,  
Prahaladnagar, Ahmedabad - 380015, Gujarat.

l) Address of RTA Agent for Correspondence: For both physical & Electronic form:

M/S. MCS Share Transfer Agent Ltd.  
101, Shatdal Complex,  
1st Floor, Opp. Bata Show Room,  
Ashram Rd, Shreyas Colony,  
Ahmedabad – 380009  
Email: investor.grievance@palcometals.com

- m) For any assistance regarding dematerialization of shares, share transfers, change of address, non-receipt of dividend or any other query, relating to shares:

Palco Metals Limited  
B-209, 2nd Floor, Mondeal Square,  
Nr. Prahaladnagar Garden,  
Prahaladnagar,  
Ahmedabad, Gujarat.  
Compliance Officer : Mrs. Nisa Agrawal  
Tele No. 9228010691/0  
Website: www.palcometals.com  
Email : investor.grievance@palcometals.com

- o) As required by Clause 49 of the Listing Agreement declaration regarding compliance of code of conduct is given in annexure 1

As required by Clause 49 of the Listing Agreement with the stock exchange the Auditors' Certificate on Corporate Governance is given as Annexure 2 to this report.

As required by Clause 49 ix of the listing agreement with the Stock Exchange the Whole time Director's certification with respect to review of Financial statements and cash flow statement is attached herewith as annexure 3 to this report.

**By Order of the Board of Directors**

**Sd/-  
Kailashchandra Agrawal  
Chairman**

**Sd/-  
Kirankumar Agrawal  
Director**

**Sd/-  
Kanaiyalal Agrawal  
Whole Time Director**

## ANNEXURE 1

Declaration regarding compliance by Board Members and Senior Management with the Company's Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2015 as envisaged in Clause 49 of the Listing Agreement with the Stock Exchanges.

Date : 14th August, 2015  
Place : Ahmedabad

Kanaiyalal Agrawal  
Whole Time Director

## ANNEXURE 2

### Corporate Governance Compliance Certificate

To,  
The Members  
Palco Metals Limited.

In accordance with Clause 49 of the Listing Agreement entered into by Palco Metals Limited with the Bombay Stock Exchange Limited, Mumbai, We have examined all relevant records of the Company relating to its compliance of condition of Corporate Governance as stipulated in clause 49 for the financial year ended 31.03.2015.

It is the responsibility of the Company to prepare and maintain the relevant necessary records under the SEBI Guidelines, Listing agreement and other applicable laws. Our responsibility to carry out an examination on the basis of our professional judgment so as to award a responsible assurance of the correctness and completeness of the records for the purpose of this certificate.

We have obtained all the information and explanation which to the best of our knowledge and belief where necessary for the purpose of the certificates and have been provided with such records, documents, certificates etc. as had been required by us.

We certified that from the records produced and explanation given to us by the company for the purposes of this certificate and to the best of our information the company has generally complied with the mandatory requirements of the said clause 49 of the Listing Agreement except stated as above.

FOR RAHUL KAKANI & ASSOCIATES  
CHARTERED ACCOUNTANTS

Place: Ahmedabad  
Date: 14th August, 2015

M. No. 40230  
FRM No.: 107525W

### ANNEXURE 3

Whole Time Director Certification  
(As per Clause 49 ix of the listing Agreement)

I Being the Whole Time Director of Palco Metals Limited in terms of provision of Clause 49 ix of the listing agreement certify to the Board that :

A. I have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :

1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 14th August, 2015  
Place : Ahmedabad

Kanaiyalal Agrawal  
Whole Time Director

## **Independent Auditor's Report**

To the Members of  
**PALCO METALS LIMITED**  
Ahmedabad.

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **PALCO METALS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date.
- c) In case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note to the financial statement
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, RAHUL KAKANI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)**

-sd  
**[RAHUL KAKANI]**  
**PARTNER**  
**M.NO.: - 132796**  
**F.R.No. 130198W**

**Place: -Ahmedabad**  
**Date: - 25/05/2015.**

## **Annexure to the Auditors' Report**

Referred to in the Paragraph 1 under the heading 'Report on the Other Legal and Regulatory Requirements' of our report of even date on the standalone financial statements of the Company for the year ended March 31, 2015.

### **I. In respect of its fixed assets:**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. No discrepancies of serious nature have been noticed by the management and almost all the items as appearing in the register have been physically verified at the end of the year.
- c. During the year, The Company has not disposed of any substantial/major part of fixed assets.

### **II. In respect of its Inventories:**

- a. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

### **III. In respect of loans granted and taken to / from parties covered in the register maintained u/s 189 of the Companies Act, 2013**

- (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3(iii) of the Order are not applicable to the Company for the current year..

### **IV. In respect of internal control:**

In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weakness in internal control.

**V. In respect of deposits from public :**

In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore the provisions of clause 4(vi) of CARO are not applicable to the Company.

**VI. In respect of maintenance of cost records:**

Pursuant to rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 in respect of certain manufacturing activities, as informed to us, the Company is not required to maintain cost records.

**VII. In respect of statutory dues:**

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Wealth tax, Sales tax, Service tax, Value added tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise duty. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales-tax Wealth Tax, Custom Duty, Excise Duty, Cess which are outstanding as at 31.3.2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Wealth tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the records of the Company, there has not been an occasion in case of the company during the year under report to transfer any sum to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956).

**VIII. In respect of accumulated losses and cash losses:**

The Company does not have accumulated losses as at the end of the year and the Company has not incurred any cash losses during current and the immediately preceding financial year.

**IX. In respect of dues to financial institution / banks / debentures:**

Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institution and banks.



**X. In respect of guarantee given for loans taken by others:**

According to the information and explanations given to us, the Company has given corporate guarantee for loans taken by Palco Recycle Industries Limited from banks and financial institutions for Rs. 25.35 Crores.

**XI. In respect of application of term loans:**

To the best of our knowledge and belief and according to the information explanation given to us, term loans were not availed by the Company during the year.

**XII. In respect of fraud :**

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**For, RAHUL KAKANI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)**

**-sd  
[RAHUL KAKANI]  
Partner  
M.NO.: - 132796**

**Place: -Ahmedabad**

**Date: - 25/05/2015**

**PALCO METALS LIMITED**  
**"Balance Sheet as at 31st March, 2015"**

Particulars	Note No	For the year ended on 31/03/2015	(Rs. In Lacs) For the year ended on 31/03/2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	700.00	700.00
(b) Reserves and Surplus	3	1,333.77	1,326.44
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Other current liabilities	4	1.04	0.30
(c) Short-term provisions	5	4.73	2.53
<b>Total</b>		<b>2,039.53</b>	<b>2,029.27</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	6		
(i) Tangible assets		970.86	970.86
(ii) Intangible assets		0.17	0.17
(b) Non-current investments	7	879.88	887.05
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	8	0.62	92.16
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	9	26.23	23.62
(b) Short-term loans and advances		-	-
(c) Other current assets	10	161.78	55.41
<b>Total</b>		<b>2,039.53</b>	<b>2,029.27</b>
Significant Accounting Policies	1		

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

**For, Rahul Kakani & Associates**  
**Chartered Accountants**

**For, Palco Metals Limited**

**-sd**  
**Rahul Kakani**  
**Partner**  
**M.No. 132796**

**-sd**  
**Kailashchandra Agrawal**  
**Chairman**

**-sd**  
**Kiran B. Agrawal**  
**Director**

**-sd**  
**Kanaiyalal B. Agarwal**  
**Director**

**Date : 25/05/2015**  
**Place : Ahmedabad.**

**PALCO METALS LIMITED**  
**"Profit and Loss statement for the year ended 31st March, 2015"**

Particulars	Note No	(Rs. In Lacs)	
		For the year ended on 31/03/2015	For the year ended on 31/03/2014
I. Revenue from operations		-	-
II. Other Income	11	20.02	20.15
<b>III. Total Revenue (I +II)</b>		<b>20.02</b>	<b>20.15</b>
IV. Expenses:			
Financial costs	12	0.10	0.16
Employee benefit expense	13	1.65	2.05
Other expenses	14	8.74	10.46
<b>Total Expenses</b>		<b>10.49</b>	<b>12.68</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		9.53	7.47
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		9.53	7.47
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<b>9.53</b>	<b>7.47</b>
X. Tax expense:			
(a) Current tax		2.20	2.08
(b) Earllier Year Income Tax		-	-
(c) Excess Income Tax Provision W/o		-	-
(d) Deferred tax		-	-
XI. Profit/(Loss) from the perid from continuing operations (VII - VIII)		7.33	5.39
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>7.33</b>	<b>5.39</b>
XVI. Earning per equity share:			
(a) Basic		0.18	0.13
(b) Diluted		-	-
Significant Accounting Policies		1	

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

**For, Rahul Kakani & Associates**  
**Chartered Accountants**

**For, Palco Metals Limited**

**-sd**  
**Rahul Kakani**  
**Partner**  
**M.No. 132796**

**-sd**  
**Kailashchandra Agrawal**  
**Chairman**

**-sd**  
**Kiran B. Agrawal**  
**Director**

**-sd**  
**Kanaiyalal B. Agarwal**  
**Director**

**Date : 25/05/2015**

## SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### Note 1: Significant Accounting Policies

#### A. Method of accounting

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

#### B. Fixed assets and Depreciation

The value of goodwill is shown at cost price. No depreciation is provided on the leasehold hand.

#### C. Inventory Valuation

- a) Finished stock and work-in-process is valued at cost or estimated value whichever is less.
- b) Raw materials, Stores and Loose tools are valued at cost.
- c) Plant and machinery scrap is valued at estimated cost.

#### D. Income recognition and expenditure:

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

#### E. Foreign currency transactions

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

#### F. Taxes on income

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

	<b>For the year ended on 31/03/2015</b>	<b>For the year ended on 31/03/2014</b>
<b>2. (a) Share Capital</b>		
Equity Share Capital		
Authorised Share capital		
70,00,000 Equity Shares of Rs. 10/- each	700.00	700.00
30,00,000 8.50% Non- Cumulative Redeemable of Rs. 10 each	300.00	300.00
	<b>1,000.00</b>	<b>1,000.00</b>
Issued, subscribed & fully paid share capital		
40,00,000 Equity Shares of Rs. 10/- each fully paid in cash	400.00	400.00
(40,00,000 Equity Shares of Rs. 10/- each)		
Preference Share Capital		

30,00,000 8.50% Non- Cumulative Redeemable Rs. 10 each		300.00	300.00
	<b>Total</b>	<b>700.00</b>	<b>700.00</b>

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

Particulars	Equities Shares			
	As at 31 March 2015		As at 31 March 2014	
	Number	Amount in lakh	Number	Amount in lakh
Shares outstanding at the beginning of the year	4,000,000.00	400.00	4,000,000.00	400.00
Shares Issued during the year (Bonus Share)	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	4,000,000.00	400.00	4,000,000.00	400.00

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

Particulars	Preference Shares			
	As at 31 March 2015		As at 31 March 2014	
	Number	Amount in lakh	Number	Amount in lakh
Shares outstanding at the beginning of the year	3,000,000.00	300.00	3,000,000.00	300.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
Shares outstanding at the end of the year	3,000,000.00	300.00	3,000,000.00	300.00

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

Name of Shareholder	For the year ended on 31/03/2015	For the year ended on 31/03/2014
KRISHNA CAPITAL & SECURITIES LTD. (Shares in No.s)	1,560,000	1,560,000
(Percentage of Share holding)	39.00	39.00

**3 Reserves and Surplus****Capital Reserves**

Balance at the beginning of the year	0.03	0.03
Addition(deduction)during the year	-	-
<b>Balance at the end of the year</b>	<b>0.03</b>	<b>0.03</b>

**Revaluation Reserves**

Balance at the beginning of the year	969.04	969.04
Addition(deduction)during the year	-	-
<b>Balance at the end of the year</b>	<b>969.04</b>	<b>969.04</b>

**Surplus in the Statement of Profit & Loss A/c.**

Balance at the beginning of the year	357.37	351.98
Addition(deduction)during the year	7.33	5.39
<b>Balance at the end of the year</b>	<b>364.70</b>	<b>357.37</b>

<b>Total</b>	<b>1,333.77</b>	<b>1,326.44</b>
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**Particulars**

<b>For the year ended on 31/03/2015</b>	<b>For the year ended on 31/03/2014</b>
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**4 Other current liabilities**

Provision for Expenses	0.30	0.21
Statutory Dues	0.01	0.01
Other payables	0.73	0.08
<b>Total</b>	<b>1.04</b>	<b>0.30</b>

**5 Short-term provisions**

Provision for employee benefits	-	-
Other Provisions	4.73	2.53
<b>Total</b>	<b>4.73</b>	<b>2.53</b>

**PALCO METALS LIMITED**  
**"Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2015"**

**Note : 6 Fixed Asset**

(Rs. In Lacs)

Sr. No	Particulars	Rate	Gross Block			Depreciaton			Net Block		
			Value at the begin ning	Addition during the year	Deduction during the year	Value at the end	Value at the begin ning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03. 2015
I	Tangible Assets										
	Leasehold Land	970.86	-	-	970.86	-	-	-	-	970.86	970.86
	SUB TOTAL (A)	970.86	0.00	0.00	970.86	0.00	0.00	0.00	0.00	970.86	970.86
II	Intangible Assets	0.17	-	-	0.17	-	-	-	-	0.17	0.17
	SUB TOTAL (B)	0.17	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.17	0.17
III	Capital Work-in-progress	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IV	Intangible Assets Under Development		-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total [A + B + C + D]</b>										
	<b>(Current Year)</b>	<b>971.03</b>	<b>0.00</b>	<b>0.00</b>	<b>971.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>971.03</b>	<b>971.03</b>
	<b>(Previous Year)</b>	<b>971.03</b>	<b>0.00</b>	<b>0.00</b>	<b>971.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>971.03</b>	<b>1283.35</b>

Particulars	For the year ended on 31/03/2015	For the year ended on 31/03/2014
<b>7 Non-current investments</b>		
<b>Investments in Equity instruments (Unquoted) (Valued at cost)</b>		
846250 Equity Shares of Rs10/- each fully paid up in Palco Recycle Exchange Ltd	84.63	84.63
700 Equity Share of Rs. 10/- Saptak Tradelink Pvt. Ltd.	-	0.07
123500 Equity Shares of Rs. 3 each fully paid up in Manidhari Strips Pvt Ltd.	-	3.71
Unit : ANMA (A'bad Non-Metal Association) Equity Shares of Palco Recycle Industries Ltd. ( 4947500 shares of Rs 10 each)	0.50	0.50
" 34,000 Equity Shares of Rs10/- each fully paid Shares of SFC Palco Metals Limited"	794.75	794.75
<b>Total</b>	<b>879.88</b>	<b>887.05</b>
<b>8 Long Term Loans and Advances</b>		
Secured considered good		
Other loans and advances	-	-
Sub Total	-	-
Unsecured considered good		
Capital Advances	-	-
Security Deposits	-	-
Loans and advances to related parties	-	92.16
Other loans and advances	0.62	-
Sub Total	0.62	92.16
<b>Total</b>	<b>0.62</b>	<b>92.16</b>
<b>9 Cash and cash equivalents</b>		
Balances with banks	4.18	1.02
Cheques, drafts on hands	-	-
Cash on hand	1.04	1.60
Others- Fixed Deposits	-	-
FD with SBI Bank (LC Margin)	-	-
FD with SBI Bank (Liquid Security)	20.00	20.00
FD with SBS Bank (Guarantee Margin)	1.00	1.00
<b>Total</b>	<b>26.23</b>	<b>23.62</b>
<b>10 Other Current Assets</b>		
Loans and advances to related parties (Secured/ Unsecured/ Doubtful)	-	-
Others	94.90	-
a) Income Tax Paid	49.73	46.85
b) Advance to Creditors for Expenses	5.92	-
c) Interest accrued on Deposits	11.24	8.56
<b>Total</b>	<b>161.78</b>	<b>55.41</b>



<b>Particulars</b>	<b>For the year ended on 31/03/2015</b>	<b>For the year ended on 31/03/2014</b>
<b>11 Other Income</b>		
Interest income	9.79	19.33
Rent income	9.00	-
Net gain/ loss on sale of investments	1.24	-
Other non-operating income (net of expenses directly attributable to such income) VAT /Excise Duty Refund	-	0.83
<b>Total</b>	<b>20.02</b>	<b>20.15</b>
<b>12 Finance Costs</b>		
Interest expenses	0.10	0.15
Other borrowing costs	-	0.01
<b>Total</b>	<b>0.10</b>	<b>0.16</b>
<b>13 Employee Benefits Expense</b>		
Salaries and wages	1.65	2.05
Staff welfare expenses	-	-
<b>Total</b>	<b>1.65</b>	<b>2.05</b>
<b>14 Other Expenses</b>		
Administrative Exps	2.18	0.95
Auditor Remuneration	0.08	0.08
ROC Filing fees	0.03	0.02
VAT Assessment Exp.	-	2.88
Website developement Exp.	-	0.17
Postage Telephone & Telegram	0.14	0.16
Insurance	-	1.17
"Rates and Taxes, excluding taxes on income"	3.63	2.82
Miscellaneous expenses	2.68	2.22
<b>Total</b>	<b>8.74</b>	<b>10.46</b>

**15.** Lease hold land was revalued time to time in the financial year 2005-06 and 2007-08. As a result, the gross value of assets includes revaluation amount of Rs. 2,04,50,927 and Rs.6,97,26,000/- respectively which is transferred to Revaluation Reserve.

**16. Earnings per share**

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

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

Particulars	Year ended 31-03-2015	Year ended 31-03-2014
Profit attributable to equity share holders (Rs in lacs)	7.33	5.39
Basic/weighted number of equity shares (in lacs)	40	40
Nominal value of equity share(in Rs)	10	10
Basic/diluted earnings per share(in Rs)	0.18	0.13

**17. Payment to auditors**

Particulars	31-03-2015 (Rupees in lacs)	31-03-2014 (Rupees in lacs)
i. Audit fees	0.084	0.075
ii. Tax Audit fees	0.00	0.00
Total	0.075	0.075

18. Licensed and installed capacity and production: Not Applicable

19. Foreign Traveling expenditure of Directors

31-03-2015 Rs. NIL	31-03-2014 Rs. NIL
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20. Foreign exchange earning Nil during the current year and Nil during the previous year.

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

**22. Remuneration to Directors**

31-03-2015 Rs. 1,05,000	31-03-2014 Rs. 1,80,000
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**23. Deferred tax working as per AS-22**

Particulars	31-03-2015 Rupees in lacs	31-03-2014 Rupees in lacs
Deferred tax Liability(A)	NIL	NIL
Deferred tax Asset on account of depreciation (B)	NIL	NIL
Total (A)+(B)	NIL	NIL

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

**24. Related Party Disclosure as per AS-18**

Names of Related Parties where control exists irrespective of whether transactions have occurred or not: :

Associate : Palco Recycle Industries Ltd.

Names of Related Parties with whom transactions have occurred during the period

- i. Palco Recycle Industries Ltd.
- ii. Palco Recycle Exchange Limited,
- iii. India Metals Works & Steel Fabs Corporation

Key Management Personnel:

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

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

Sr. No.	Particulars of transactions	For the year ended March 2015	For the year ended March 2014
1.	Sales		
	- Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	NIL
	- India Metals Works & Steel Fabs Corpo.	NIL	NIL

2.	Purchases		
	-Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	NIL
	- India Metals Works & Steel Fabs Corpo.	NIL	NIL
3.	Rent Income		
	-Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	9.00	NIL
	- India Metals Works & Steel Fabs Corpo.	NIL	NIL
4.	Inter- Corporate Deposit taken during the year		
	-Palco Recycle Industries Ltd.	NIL	NIL
	- Palco Recycle Exchange Ltd.	NIL	NIL
	- India Metals Works & Steel Fabs Corpo.	NIL	NIL
5.	Inter- Corporate Deposit repaid during the year		
	-Palco Recycle Industries Ltd.	NIL	582.12
	- Palco Recycle Exchange Ltd.	122.47	165.75
	- India Metals Works & Steel Fabs Corpo.	20.00	NIL
6.	Inter- Corporate Deposit given during the year		
	-Palco Recycle Industries Ltd.	NIL	176.87
	- Palco Recycle Exchange Ltd.	30.31	37.91
	- India Metals Works & Steel Fabs Corpo.	56.20	NIL

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

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

**27. Contingent liabilities:-**

The Company is contingently liable as it has given corporate guarantee for Rs. 25.35 crores for loan borrowed by Palco Recycle Industries Ltd.

**For, Rahul Kakani & Associates**  
**Chartered Accountants**

**For, Palco Metals Limited**

-sd  
**Rahul Kakani**  
Partner  
M.No. 132796

-sd  
**Kailashchandra Agrawal**  
Chairman

-sd  
**Kiran B. Agrawal**  
Director

-sd  
**Kanaiyalal B. Agarwal**  
Director

Date : 25/05/2015  
Place : Ahmedabad.

**Cash Flow Statement of Palco Metals Ltd. Annexed to the stand alone balance sheet  
for the financial year ended 31st March 2015**

Details	Year Ended 31-03-2015 Amt. Rs in lacs	Year Ended 31-03-2014 Amt. Rs in lacs
<b>(A) Cash flow from operating activities</b>		
Net Profit before tax and extra ordinary items	7.33	7.47
Adjustment:		
Debit/Credit balance w/off	0	0.83
Depreciation	0	0
Interest paid	0.10	0.16
Interest income	(9.79)	19.33
<b>Operating Profit before working capital changes</b>	<b>(2.36)</b>	<b>(12.53)</b>
(Increase)/Decrease in debtors	0	0
(Increase)/Decrease in stock	0	0
(Increase)/Decrease in Loans and Advances	91.54	544.14
(Increase)/Decrease in other Current Assets	(106.37)	0
Increase/(Decrease) in Current Liabilities and Provisions	2.93	(45.93)
<b>Cash generated from operations</b>	<b>(14.26)</b>	<b>485.68</b>
Taxes paid	0	0
<b>Net cash flow from operating activities</b>	<b>(14.26)</b>	<b>485.68</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of fixed assets	0	0
Purchase of investments	0	-500
Capital Work-in-progress	0	0
Sale of fixed assets	0	0
Sale of investments	7.17	0
Interest received	9.79	14.56
Dividend received	0	0
<b>Net cash flow from investing activities</b>	<b>16.97</b>	<b>(485.44)</b>
<b>(C) Cash flow from financing activities</b>		
Borrowings	0	0
"Dividend paid, including dividend tax"	0	0
Interest paid	(0.10)	(0.16)
Issue of new shares	0	0
Redemption of share capital	0	0
<b>Net cash flow from financing activities</b>	<b>(0.10)</b>	<b>(0.16)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>2.67</b>	<b>0.08</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>23.62</b>	<b>23.54</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26.23</b>	<b>23.62</b>

**Notes:**

1. The cash flow statement has been prepared under the Indirect method as set out in the AS-3 issued by the Institute of Chartered Accountants of India.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. During the year, the company had made advance to an entity from whom the company had borrowed money in proceedings year. While making cash flow statement, the net effect of unsecured loan borrowed and loan advanced by the company is reflected under the head ""Increase/decrease in loans & advances.

As per our report of even date attached herewith

**For, Rahul Kakani & Associates**  
**Chartered Accountants**

**For, Palco Metals Limited**

-sd  
**Rahul Kakani**  
Partner  
M.No. 132796

-sd  
**Kailashchandra Agrawal**  
Chairman

-sd  
**Kiran B. Agrawal**  
Director

-sd  
**Kanaiyalal B. Agarwal**  
Director

**Date : 25/05/2015**  
**Place : Ahmedabad.**

## Independent Auditor's Report

To the Members of  
**PALCO METALS LIMITED**  
Ahmedabad.

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **PALCO METALS LIMITED** ("the Company"), and its associate comprising of the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated statements in terms of the requirements of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance and consolidated cash flows of the Company and Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding assets of the Company and Associate 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

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

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company and Associate as at March 31, 2015;
- b) In the case of the Consolidated Profit and Loss Account, of the profit/ loss for the year ended on that date.
- c) In case of Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding Company and Associate Company, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books.
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors of the Holding

Company and the reports of the statutory auditors of its associate company as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Holding Company and Associate has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements – Refer Note attached to the consolidated financial statement
  - ii) The Holding Company and Associate has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For RAHUL KAKANI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)**

**-sd**

**[RAHUL KAKANI]**

**PARTNER**

**M.NO.: - 132796**

**F.R.No. 130198W**

**Place: -Ahmedabad**

**Date: - 25/05/2015.**



## **Annexure to the Auditors' Report**

Referred to in the Paragraph 1 under the heading 'Report on the Other Legal and Regulatory Requirements' of our report of even date on the Consolidated financial statements of the Holding Company and Associate for the year ended March 31, 2015

### **I. In respect of its fixed assets of the Holding Company and Associate:**

- a. The respective entities have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. No discrepancies of serious nature have been noticed by the management and almost all the items as appearing in the register have been physically verified at the end of the year.
- c. During the year, The Holding Company has not disposed of any substantial/major part of fixed assets.

### **II. In respect of its Inventories of the Holding Company and Associate:**

- a. As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.

### **III. In respect of loans granted and taken to / from parties covered in the register maintained u/s 189 of the Companies Act, 2013 by Holding Company and Associate**

- (a) The Holding Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3(iii) of the Order are not applicable to the Company for the current year.

### **IV. In respect of internal control of the Holding Company and Associate:**

In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. In our opinion and according to the information and explanations given to us, there is no continuing

failure to correct major weakness in internal control.

**V. In respect of deposits from public :**

In our opinion and according to the information and explanations given to us, the Holding Company and Associate has not accepted deposits from the public during the year. Therefore the provisions of clause 4(vi) of CARO are not applicable to the Company.

**VI. In respect of maintenance of cost records:**

Pursuant to rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013 in respect of certain manufacturing activities, as informed to us, the Holding Company and Associate is not required to maintain cost records.

**VII. In respect of statutory dues of the Holding Company and Associate:**

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Wealth tax, Sales tax, Service tax, Value added tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Custom Duty and Excise duty. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales-tax Wealth Tax, Custom Duty, Excise Duty, Cess which are outstanding as at 31.3.2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Wealth tax, Customs duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the records of the Holding Company and Associate, there has not been an occasion in case of the company during the year under report to transfer any sum to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956).

**VIII. In respect of accumulated losses and cash losses:**

The Holding Company and Associate does not have accumulated losses as at the end of the year and the Holding Company and Associate has not incurred any cash losses during current and the immediately preceding financial year.

**IX. In respect of dues to financial institution / banks / debentures of the Holding Company and Associate:**

Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institution and banks.

**X. In respect of guarantee given for loans taken by others:**

According to the information and explanations given to us, the Holding Company has given guarantee for loans taken by Associate company from banks and financial institutions.

**XI. In respect of application of term loans of the Holding Company and Associate:**

According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the term loan has been applied for the purpose for which the loans were obtained.

**XII. In respect of fraud:**

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Holding Company and Associate has been noticed or reported during the course of our audit.

**For, RAHUL KAKANI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)**

-sd  
[RAHUL KAKANI]  
Partner  
M.NO.: - 132796

Place: -Ahmedabad  
Date: - 25/05/2015

**PALCO METALS LIMITED**  
**Consolidated Balance Sheet as at 31st March 2015**

	<b>Particulars</b>	<b>Note No.</b>	<b>As at 31/03/2015 Consolidated</b>
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders' funds		
	(a) Share capital	3	70,000,000
	(b) Reserves and surplus	4	215,935,722
	(c) Money received against share warrants		-
<b>2</b>	<b>Share application money pending allotment</b>		-
<b>3</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	5	94,187,637
	(b) Deferred tax liabilities (Net)		1,399,601
	(c) Other Long term liabilities		-
	(d) Long-term provisions	6	2,851,131
<b>4</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	7	126,604,877
	(b) Trade payables		55,206,873
	(c) Other current liabilities	8	76,706,679
	(d) Short-term provisions	9	934,408
	<b>TOTAL</b>		<b>643,826,928</b>
<b>II.</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets		
	(i) Tangible assets	10	205,522,847
	(ii) Intangible assets		17,000
	(iii) Capital work-in-progress		-
	(iv) Intangible assets under development		-
	(b) Non-current investments	11	10,012,500
	(c) Deferred tax assets (net)		-
	(d) Long-term loans and advances	12	14,872,076
	(e) Other non-current assets		-
<b>2</b>	<b>Current assets</b>		
	(a) Current investments		-
	(b) Inventories	13	62,321,317
	(c) Trade receivables	14	117,225,565
	(d) Cash and cash equivalents	15	13,060,829
	(e) Short-term loans and advances	16	121,110,713
	(f) Other current assets	17	99,684,081
	<b>TOTAL</b>		<b>643,826,928</b>

Significant Accounting Policies 2

The Accounting Policies & Notes are an integral part of the financial Statements

**For, Rahul Kakani & Associates**  
**Chartered Accountants**

**For, Palco Metals Limited**

**-sd**  
**Rahul Kakani**  
**Partner**

**-sd**  
**Kailashchandra Agrawal**  
**Chairman**

**-sd**  
**Kiran B. Agrawal**  
**Director**

**-sd**  
**Kanaiyalal B. Agarwal**  
**Director**

**M.No. 132796**  
**Date : 25/05/2015**  
**Place : Ahmedabad.**

**PALCO METALS LIMITED**  
**Consolidated Profit and loss statement for the year ended 31st March 2015**

Particulars	Note No.	Year Ended 31/03/2015
I. Revenue from operations	18	717,364,415
II. Other income	19	18,279,610
<b>III. Total Revenue (I + II)</b>		<b>735,644,025</b>
<b>IV. Expenses:</b>		
Cost of Raw Material consumed	20	647,850,206
Purchases of Stock-in-Trade	21	16,762,408
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(10,033,514)
Employee benefits expense	23	5,454,423
Finance costs	24	34,057,681
Depreciation		7,185,040
Other expenses	25	30,445,265
<b>Total expenses</b>		<b>731,721,509</b>
V. Profit before exceptional and extraordinary items and tax (III-IV)		3,922,516
VI. Exceptional items		0
VII. Profit before extraordinary items and tax (V - VI)		3,922,516
VIII. Extraordinary Items		0
IX. Profit before tax (VII- VIII)		3,922,516
X Tax expense:		
(1) Current tax		770000
(2) Deferred tax		1291156
XI Profit (Loss) for the period from continuing operations (VII-VIII)		1,861,360
XII Profit/(loss) from discontinuing operations		0
XIII Tax expense of discontinuing operations		0
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0
XV Profit (Loss) for the period (XI + XIV)		1,861,360
XVI Earnings per equity share:		
(1) Basic		0.47
(2) Diluted		

Significant Accounting Policies

2

The Accounting Policies & Notes are an integral part of the financial Statements

**For, Rahul Kakani & Associates**  
**Chartered Accountants**

**For, Palco Metals Limited**

**-sd**  
**Rahul Kakani**  
**Partner**  
**M.No. 132796**

**-sd**  
**Kailashchandra Agrawal**  
**Chairman**

**-sd**  
**Kiran B. Agrawal**  
**Director**

**-sd**  
**Kanaiyalal B. Agarwal**  
**Director**

**Date : 25/05/2015**  
**Place : Ahmedabad.**

## 1 BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 [which continue to be applicable in respect of section 133 of the Companies Act, 2013 in terms of general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs] as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India' and are based on the historical cost convention on an accrual basis. The Accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A Use of Estimates

The preparations of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affects the reported amounts of revenues, expenses, Assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amount to the assets or liabilities to the future period.

### B Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated Impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working conditions for the intended use. Any trade discounts and rebates are deducted in arriving purchase price.

Gains or losses arising from derecognized of fixed assets are measured as the difference between the net disposable proceeds and the carrying amount of the assets and are recognized in the profit and loss account when the assets is derecognized.

### C Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a written down value ("WDV") basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the schedule II to the Companies Act, 2013, whichever is higher. The details of estimated life for each category of asset are as under

Sr. No.	Asset	Estimated useful Life (in years)
1	Factory Buildings	30
2	Other Buildings/Flat	60
3	Plant & Machineries (Rolling Mills)	30
4	Furniture & Fixtures	10
5	Vehicles / Heavy Vehicle	10 / 08
6	Electric Installation	10
7	Computer / Server	03 / 06
8	Office Equipment	05
9	Other Equipment	15
10	Laboratory Equipment	10

### D Borrowing Costs

Borrowing Costs includes Interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**E Impairment of tangible and intangible assets.**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's cash generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**F Inventories**

Raw materials, components, stores and spares are valued at lower cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Net realizable value is derived at market. Cost includes direct materials and labour and a proportion of manufacturing overheads but excluding excise duty and sales tax paid thereon.

Inventory of raw material, Work in Process and Finished goods have been valued and certified by the management

**G Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**Sale of goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales Taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of Liability arising during the year.

**Income from services**

Revenues from job contracts are recognized as and where services are rendered. The company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the company; hence, it is excluded from revenue.

**Interest**

Interest income is recognized on a time proportion basis taking into account the amount

outstanding and the applicable interest rate.

Interest income is included under the head “other income” in the statement of profit and loss.

### **Dividends**

Dividend income if any is recognized when the company’s right to receive dividend is established by the reporting date.

## **H Foreign currency translation**

### **Foreign currency transactions and balances**

#### **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign Currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

## **I Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund. The company operates defined benefit plans for its employees, viz, gratuity . The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation.

## **J Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount Expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted In India and tax laws prevailing in the respective tax jurisdictions where the company operates. DT the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and Accounting income originating during the current year and reversal of timing differences for the Earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or Substantively enacted at the reporting date. Deferred income tax relating to items recognized Directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing difference deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.



**K Segment reporting**

As the company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting Standard (AS) – 17 “Segment Reporting” notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.

**L Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable To equity shareholders (after deducting preference dividends and attributable taxes) by the Weighted average number of equity shares outstanding during the period. Partly paid equity shares Are treated as a fraction of an equity share to the extent that they are entitled to participate in Dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, Bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that has changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**M Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates

where the company expects some or all of a provision to be reimbursed, for example under an Insurance contract, the reimbursement is recognized as a separate asset but only when the Reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**N Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be Confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond The control of the company or a present obligation that is not recognized because it is not Probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**O Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of 12 months or more and also includes margins against borrowing, guarantees.

## Notes Forming Part of Consolidated Balance Sheet

### Note 3

#### Share capital

Particulars	2014-15
<b>Authorised</b>	
70,00,000 Equity Shares of Rs. 10 each	70,000,000
30,00,000 8.5% NCRP Shares of Rs. 10 Each	30,000,000
Issued ,Subcribed & Paid up Share Capital	
40,00,000 Equity Shares of Rs. 10 each	40,000,000
30,00,000 8.5% NCRP Shares of Rs. 10 Each	30,000,000
<b>Total</b>	<b>70,000,000</b>

#### Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the reporting period

Particulars	2014-15	
	Number	Amount
Shares outstanding at the beginning of the year	4,000,000	40,000,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,000,000	40,000,000

#### Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2014-15	
	No. of Shares held	% of Holding
KRISHNA CAPITAL & SECURITIES LTD.	1560000	0

#### Reconciliation of the number of 8.5% Non Cumu. Preference shares outstanding at the beginning and at the end of the reporting period.

Particulars	2014-15	
	Number	Amount
Shares outstanding at the beginning of the year	3,000,000	30,000,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	3,000,000	30,000,000

### Note 4

#### Reserves and surplus

Particulars	2014-15
Revaluation Reserves	96,903,987
Share Capital Reserves	2,517
Capital Reserve(on Consolidation)	26,019,377
Surplus	-
Opening balance	91,757,282
(+) Net Profit/(Net Loss) For the current year	1,252,560
(+) Reserves	-
(+) Transfer from Reserves	-
(-) Proposed Dividends	-
(-) Interim Dividends	-
(-) Transfer to Reserves	-
<b>Closing Balance</b>	<b>215,935,722</b>

**Note 5****Long Term Borrowings**

Particulars	2014-15
<b>Secured</b>	
<b>(a) Term loans</b>	
Term Loan from Banks	34,982,108
(Term loan of Plant & machineries is Secured by mortgage factory & building and alongwith irrevocable unconditional guarantee of directors.)	
(Term loan of Maruti Swift is secured by hypothecation of car )	
	<b>34,982,108</b>
<b>Unsecured</b>	
(a) Loans and advances from related parties	59,205,529
Loans are repayable on demand	
(b) Other loans and advances	-
Loans are repayable on demand	
	<b>59,205,529</b>
<b>Total</b>	<b>94,187,637</b>

**Note 6****Long Term Provisions**

Particulars	2014-15
<b>(a) Provision for employee benefits</b>	
Gratuity (unfunded)	332,745
Leave Encashment (unfunded)	58,771
<b>(b) Others</b>	
Provision for Taxation	2,459,615
<b>Total</b>	<b>2,851,131</b>

**Note 7****Short Term Borrowings**

Particulars	2014-15
<b>Secured</b>	
<b>(a) Working Capital loans</b>	
Cash Credit from banks	126,604,877
(Secured By hypothecation of entire stock of Raw material, WIP, Finished goods, consumables stores and spares book debts mortgage factory & building and alongwith irrevocable unconditional guarantee of directors.)	
	126604877
<b>Unsecured</b>	
(a) Loans and advances from related parties	-
Loans are repayable on demand	
(b) Other loans and advances	-
Loans are repayable on demand	
<b>Total</b>	<b>126,604,877</b>

**Note 8****Other Current Liabilities**

Particulars	2014-15
Current Maturities of Long term Debt	12,662,940
(a) Interest accrued and due on borrowings	-
(b) Advance against sale of Asset	1,350,000
(c) Other payables : Statutory Liabilities	701,576
(d) Minority Interest	61,992,163
<b>Total</b>	<b>76,706,679</b>

**Note 9****Short Term Provisions**

Particulars	2014-15
(a) Provision for employee benefits	
Salary & Reimbursements	330,332
Contribution to PF	49,398
Contribution to ESI	16,458
Bonus to employees	457,619
(b) Others	
Sitting fees Payable	-
Unpaid Audit Fees	-
Other Unpaid Expenses	80,601
Director Remuneration payable	-
Unpaid telephone Exp.	-
<b>Total</b>	<b>934,408</b>

**PALCO METALS LIMITED**  
**"Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2015"**

**Note : 10 Fixed Asset**

Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2015	WDV as on 31.03.2014
I	<b>Tangible Assets</b>											
1	Land	0.00%	140,258,412	-	-	140,258,412	-	-	-	-	140,258,412	140,258,412
2	Factory Building	10.00%	33,604,156	-	14,889,398	18,714,758	13,285,636	1,413,479	9,482,867	5,216,248	13,498,510	20,318,520
3	Office Building	5.00%	1,300,937	-	-	1,300,937	1,005,033	7,898	-	1,012,931	288,006	295,904
4	Flat	10.00%	2,072,000	-	-	2,072,000	950,109	46,726	-	996,835	1,075,165	1,121,891
5	Plant & Machineries	13.91%	90,861,388	389,125	670,000	90,580,513	40,520,645	4,542,815	299,519	44,763,941	45,816,572	50,340,743
6	Electric Installation	20.00%	8,712,969	-	-	8,712,969	6,459,694	515,804	-	6,975,498	1,737,471	2,253,275
7	Laboratory Equipments	10.00%	188,953	-	-	188,953	153,303	7,081	-	160,384	28,569	35,650
8	Office Equipments	13.91%	661,916	-	-	661,916	285,345	70,177	-	355,522	306,394	376,571
9	Computer	40.00%	1,085,177	94,500	-	1,179,677	991,328	42,262	-	1,033,590	146,087	93,849
10	Furniture & Fixture	18.10%	1,395,603	37,377	-	1,432,980	747,241	171,321	-	918,562	514,418	648,362
11	Other Equipments	5.00%	128,828	-	-	128,828	36,318	68,794	-	105,112	23,716	92,510
12	Vehicles	25.89%	1,309,309	-	-	1,309,309	350,503	298,685	-	649,188	660,121	958,806
II	<b>Capital Work-in-progress</b>		-	1,169,404	-	1,169,404	-	-	-	-	1,169,404	-
	<b>Total [I + II] (Current Year)</b>		<b>281,579,648</b>	<b>1,690,406</b>	<b>15,559,398</b>	<b>267,710,656</b>	<b>64,785,155</b>	<b>7,185,042</b>	<b>9,782,386</b>	<b>62,187,811</b>	<b>205,522,847</b>	<b>216,794,493</b>
	<b>(Previous Year)</b>		<b>259,745,285</b>	<b>37,106,500</b>	<b>15,272,137</b>	<b>281,579,648</b>	<b>54,411,667</b>	<b>10,373,488</b>	<b>-</b>	<b>64,785,155</b>	<b>216,794,493</b>	<b>216,794,493</b>

**Note 11****Non Current Investments**

Particulars	2014-15
<b>Investment in unquoted non-trade equity shares</b>	
Equity Shares of Vinod Realities Pvt. Ltd.	-
Equity Shares of Manidhari Realters Pvt. Ltd.	-
Equity Shares of Saptak Tradelink Pvt. Ltd.	-
Equity Shares of SFC Palco Metals Ltd.	-
Equity Shares of Palco Recycle Exchange Ltd.	8,462,500
Unit : ANMA	50,000
Share Application of Vinod Realities Pvt Ltd.	-
Investment In Mutual Fund	1,500,000
<b>Total</b>	<b>10,012,500</b>

**Note 12****Long Term Loans and Advances**

Particulars	2014-15
a. Security Deposits Unsecured, considered good	8,147,968
b. Loans and advances to related parties Unsecured, considered good	-
c. Other loans and advances Unsecured, considered good	6,724,108
<b>Total</b>	<b>14,872,076</b>

**Related Party Transaction as informed by the management**

Particulars	2014-15
Directors *	-
Other officers of the Company *	-
Firm in which director is a partner *	-
Private Company in which director is a member	-
<b>Total</b>	<b>-</b>

\*Either severally or jointly

**Note 13****Inventories**

Particulars	2014-15
a. Raw Materials and components	40,265,452
Goods-in transit	-
b. Work-in-progress (Goods lying with Job Worker)	-
Goods-in transit	-
c. Finished goods	8,805,215
Goods-in transit	-
d. Stock-in-trade	5,179,140

	Goods-in transit	-	
e.	Stores and spares		1,738,522
	Goods-in transit	-	
g.	Trading Stock of Building Demolition Scrap		6,332,988
	<b>Total</b>		<b>62,321,317</b>

#### Note 14

##### Trade Receivables

Particulars	2014-15
Trade receivables outstanding for a period less than six months from the date they are due for payment.	
Secured, considered good	81,862,641
Unsecured, considered good	-
Unsecured, considered doubtful	-
Less: Provision for doubtful debts	-
	<b>81,862,641</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	35,362,924
	35,362,924
<b>Total</b>	<b>117,225,565</b>

##### Trade Receivable stated above as informed by the management include debts due by:

Particulars	2014-15
Directors *	-
Other officers of the Company *	-
Firm in which director is a partner *	-
Private Company in which director is a member	-
<b>Total</b>	<b>-</b>

\*Either severally or jointly

#### Note 15

##### Cash and cash equivalents

Particulars	2014-15
Balances with banks	7,596,249
Guarantees	4,922,123
Cash on hand	542,457
Others - Foreign Currency	-
<b>Total</b>	<b>13,060,829</b>

#### Note 16

##### Short-term loans and advances

Particulars	2014-15
a. Loans and advances to related parties	
Unsecured, considered good	-
b. Others (specify nature)	121,110,713
<b>Total</b>	<b>121,110,713</b>

**Related Party Transaction as informed by the management**

Particulars	2014-15
Directors *	-
Other officers of the Company *	-
Firm in which director is a partner *	-
Private Company in which director is a member	-

**Total** -

\*Either severally or jointly

**Note 17****Other Current Assets**

Particulars	2014-15
Advance to Creditors (Goods)	57,017,862
Advance to Creditors (Exps)	2,044,028
Advance to Creditors (Assets)	-
Advance to Creditors (Others)	8,679,689
Advance to Employees	205,561
Advance with Revenue Authorities	30,475,177
prepaid Expenses	75,899
Income Tax Paid	4,972,890
Deposit	62,000
Interest Accrued on Deposits	1,123,865

**Total** **99,684,081**

**Notes Forming Part of Consolidated Profit & Loss Account****Note 18****Revenue from operations**

Particulars	2014-15
Sale of products	717,364,415
Other operating revenues	-
Less:	
Excise duty	-

**Total** **717,364,415**

**Note 19****Other income**

Particulars	2014-15
Interest Income	14,214,415
Other non-operating income	4,065,195

**Total** **18,279,610**



**Note 20****Cost of materials consumed**

Particulars	2014-15
Opening Stock of Raw Materials	41,111,697
Purchase of Raw Materials and Stores	613,061,464

**DIRECT/MANUFACTURING EXPENSE**

Job work/ Labour Charges	-
Power & Fuel	29,368,544
Production & Factory Exp.	6,002,995
Freight & Octroi Exp.	309,480
<b>sub total</b>	<b>689,854,180</b>

Less:	
Closing Stock of Raw Materials	42,003,974

<b>Total</b>	<b>647,850,206</b>
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**Note 21****Purchases of Stock-in-Trade**

Particulars	2014-15
Purchase of Aluminum Scrap	-
Purchase of Trading Scrap	16,762,408
Total	16,762,408

**Note 22**

Changes in inventories of finished goods work-in-progress and Stock-in-Trade

Particulars	2014-15
<b>Opening Stock :</b>	
Finished Goods	907,906
Traded Items	405,100
<b>Sub Total</b>	<b>1,313,006</b>

**Closing Stock :**

Finished Goods	8,805,217
Traded Items	5,179,140
Stock Adjustment- Building M.S Scrap from Demolition	(2637837)
<b>Sub Total</b>	<b>11,346,520</b>

<b>Total</b>	<b>(10,033,514)</b>
--------------	---------------------

**Note 23****Employee Benefits Expense**

Particulars	2014-15
(a) Salaries and incentives	4,860,631
(b) Contributions to	
(i) Provident fund & ESIC Scheme	399,090
(ii) Gratuity and Leave Salary	165,879
(c) Staff welfare expenses	28,823
(d) Director Remuneration & sitting fees	-

<b>Total</b>	<b>5,454,423</b>
--------------	------------------

**Note 24****Finance costs**

Particulars	2014-15
Interest expense	31,194,634
Bank Charges	524,287
Bank Processing Fees	2,406,437
Applicable net gain/loss on foreign currency transactions and translation	(67,677)
<b>Total</b>	<b>34,057,681</b>

**Note 25****Other expenses**

Particulars	2014-15
Audit Fees	48,427
Appeal Fees	2,500
Advertisement & Publicity	43,410
Listing Fees	16,854
CDSL Fees	-
Commission Expenditure	-
Donation	26,500
Custody Fees	19,499
Indirect Tax Expense	7,206,134
Repair and Maintenance Exp.	281,820
Export Sales Expenditure	-
Garden Development Expense	-
Government fees & Charges	2,250
Repairs to machinery.	-
Legal & Professional Expense	1,318,256
Machinery and Equipment Shifting Charges	-
Membership and Subscription /Seminar/Conferences	65,250
Office Expense	230,048
Packaging Freight & Forwarding	18,495,273
Penalty	25,000
Postage & Telegram & Telephone	250,507
Printing & Stationery	121,296
Preliminary Exp written off	-
Insurance Expenses	513,198
Rates and taxes, excluding, taxes on income.	433,029
ROC Expense	299,850
Selling and Distribution Expenditure	-
Travelling Expense (Incl Foreign Travelling )	764,918
Website Development Expense	17,923
Registration Exp.(Sabarmati Gas)	229,900
Miscellaneous expenses,	33,423
<b>Total</b>	<b>30,445,265</b>

**Note 26**

In the opinion of the Board, 'Sundry Debtors', 'Loans and Advances' and 'Other current Assets' are approximately of the value stated if realized in the ordinary course of business. Confirmation Letters have not been obtained in respect of debtors, creditors, loans taken and loans/advances given. Accordingly such balances are subject to confirmation, reconciliation and consequent adjustments, if any.

**Note 27**

In the opinion of the Board, provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

**Note 28**

Claims, Late payment charges etc have been accounted for in the books as and when confirmed with the respective parties.

**Note 29**

Depreciation and amortization expense	
PARTICULAR	31-Mar-15
	AMT IN Rs.
Depreciation of tangible assets	7185040
Amortization of intangible assets	0

**Note 30**

Earnings per share (EPS)	
The following reflects the profit and share data used in the basic and diluted EPS computations:	
PARTICULAR	31-Mar-15
	AMT IN Rs.
<b>Total operations for the year</b>	
Profit/(loss) after tax	1,861,360
Less : Dividends on convertible preference shares & tax thereon	0
Net profit/(loss) for calculation of basic EPS	1,861,360
Weighted average number of equity shares in calculating basic EPS	4,000,000
Earning per share - Basic and Diluted	0.47

**Note 31**

Value of imports calculated on CIF basis	
PARTICULARS	31-Mar-15
	AMT IN Rs.
Direct Import of Raw materials	8262521
High seas Purchases of Raw Material	67915746
Direct Import of Traded Goods (paid in Foreign Currency Terms)	-
High seas Purchases of Imported Traded Goods	-
Components and spare parts	-
Capital goods	-
<b>Total</b>	<b>76,178,267.00</b>

**Note 32****Expenditure in foreign currency (accrual basis)**

PARTICULARS	31-Mar-15 AMT IN Rs.
Travelling and conveyance	65,355.00

**Note 33****Earnings in foreign currency (accrual basis)**

Year of remittance (ending on)	31-Mar-15 AMT IN Rs.
Exports at F.O.B. Value	-

**Note 34****Auditor Remuneration**

Particulars	31-Mar-15 AMT IN Rs.
For Statutory Audit	38427
For Tax Audit	10000
For Income Tax Matters	0

**Note 35****Disclosure of related parties related party transactions :**

Holding Companies Nil

Fellow Subsidiaries Nil

Associate Companies Nil

Joint Ventures Nil

Key Management Personnel

Kirankumar Agarwal

Kanaiyalal Agarwal

Nareshchandra Jain

Kailashchandra Agrawal

Narendra Agrawal

Rakhi Agrawal

Enterprise over which

Key Management Personnel

exercise significant influence

Krishna Share broking and securities Ltd.

Palco Recycle Exchange Ltd.

ABC Resources Traders Pvt Ltd

ABC Auction Trade Pvt Ltd

Manidhari Realtors Private Limited

Vinod Realities Pvt Ltd

ABC Metals &amp; Trading Consultancies Pvt Ltd

Saptak Tradelink Pvt Ltd

Krishna Capital &amp; Securities Ltd.

Relative of the Key Management Personnel Narendra B Agarwal

(Related party relationship is as identified by the management of the company)

<b>Transaction</b>	<b>Enterprise over which Key Management Personnel exercise Significant Influence</b>	<b>Key Management Personnel &amp; Relatives</b>	<b>Total Amount</b>
			<b>in Rupees</b>
<b>INCOMES</b>			
Sales Of Goods	-	-	-
Service Rendered	-	-	-
Interest Income	-	-	-
Dividend Income	-	-	-
<b>EXPENSES</b>			
Purchases	466,121,664	-	466,121,664
Rent	9,00,000	-	9,00,000
Interest Expenses	6,871,772	-	6,871,772
Directors Remuneration :			
Salaries & Allowances	-	297,000	297,000
Provision for Gratuity	-	-	-
Dividend paid	-	-	-
<b>OUTSTANDINGS</b>			
<b>As at Beginning</b>			
Sundry Debtors	-	-	-
Sundry Creditors	-	-	-
Unsecured Loan	65,080,793	-	65,080,793
Loans & Advances	9,215,879	-	9,215,879
Provisions	-	-	-
<b>As at Closing</b>			
Sundry Debtors	-	-	-
Sundry Creditors	(49,173,368)	-	(49,173,368)
Unsecured Loan	59,205,529	-	59,205,529
Loans & Advances	44,30,734	-	44,30,734
Provisions	-	-	-

### Note 36

Disclosures related to retirement benefits

<b>PARTICULAR</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	<b>Amt. In Rs.</b>	<b>Amt. In Rs.</b>	<b>Amt. In Rs.</b>	<b>Amt. In Rs.</b>
Current service cost	49,188	45,085	28,624	26,237
Interest cost on benefit obligation	24,499	23,106	3,524	1,035
Expected return on plan assets	-	-	-	-
Net actuarial( gain)/loss recognized in the year	50,581	(45,082)	51,866	12,982
Net benefit expenses	124,268	23,109	58,771	40,254
Actual return on plan assets	-	-	-	-
<b>PARTICULAR</b>	<b>Gratuity</b>		<b>Leave Encashment</b>	
	<b>31-Mar-15</b>	<b>31-Mar-14</b>	<b>31-Mar-15</b>	<b>31-Mar-14</b>
	<b>Amt. In Rs.</b>	<b>Amt. In Rs.</b>	<b>Amt. In Rs.</b>	<b>Amt. In Rs.</b>
Present value of defined benefit obligation	-	-	-	-
Fair value of plan assets	-	-	-	-
Plan asset/(liability)	-	-	-	-

PARTICULAR	Gratuity		Leave Encashment	
	31-Mar-15 Amt. In Rs.	31-Mar-14 Amt. In Rs.	31-Mar-15 Amt. In Rs.	31-Mar-14 Amt. In Rs.
Opening defined benefit obligation	243,157	284,939	40,255	25,253
Current service cost	49,188	45,085	28,624	26,237
Interest cost	24,499	23,106	3,524	1,035
Benefits paid	(17,520)	(64,891)	(65,498)	(25,253)
Actuarial (gains)/losses on obligation	33,421	(45,082)	51,866	12,983
Closing defined benefit obligation	332,745	243,157	58,771	40,255

PARTICULAR	31-Mar-15	31-Mar-14
	AMT IN Rs.	AMT IN Rs.
Opening fair value of plan assets	-	-
Expected return	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gains/(losses)	-	-
Closing fair value of plan assets	-	-

PARTICULAR	Gratuity		Leave Encashment	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Discount rate	7.70%	9.10%	7.70%	9.10%
Expected rate of return on assets	N.A	N.A	N.A	N.A
Employee turnover	-	-	-	-
Healthcare cost increase rate	-	-	-	-

#### Note 37

##### Operational Cycle

The current assets and liabilities have been reflected in the Balance Sheet as per the operating cycle confirmed by the management."

#### Note 38

There are no directors or employees at Branch drawing Rs. 72,00,000/- or more P.A. or Rs. 6,00,000/- per month if employed for a part of the year as per section 217 (1-A) of the Companies Act, 1956.

The company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year-end together with interest paid/payable under this account have not been given.

#### Note 39

Sundry Creditors include dues to Small Scale Industrial Undertakings as informed by the management Rs. Nil (P.Y. Rs. Nil). The Small Scale Industrial Undertakings to whom amount outstanding as informed by the management for more than 30 days where such dues exceed Rs. 1 lac are Nil (P.Y. Nil)."

For, Rahul Kakani & Associates  
Chartered Accountants

For, Palco Metals Limited

-sd  
Rahul Kakani  
Partner  
M.No. 132796  
Date : 25/05/2015  
Place : Ahmedabad.

-sd  
Kailashchandra Agrawal  
Chairman

-sd  
Kiran B. Agrawal  
Director

-sd  
Kanaiyalal B. Agarwal  
Director

**Consolidated Cash Flow Statement of Palco Metals Limited**  
**Annexed to the balance sheet**

Particulars	Year Ended 31-03-2015 Amt. Rs
<b>(A) Cash flow from operating activities</b>	
Net Profit before tax and extra ordinary items	1861360
Adjustment:	0
Depreciation	0
Interest paid	31194634
Miscellaneous expenditure written off	0
Interest income	-14214415
<b>Operating Profit before working capital changes</b>	<b>18841579</b>
(Increase)/Decrease in debtors	17270299
(Increase)/Decrease in stock	-19896613
(Increase)/Decrease in Loans and Advances	-3161951
(Increase)/Decrease in other Current Assets	-40615706
Increase/(Decrease) in Creditors	12123710
Increase/(Decrease) in Current Liabilities and Provisions	9931248
<b>Cash generated from operations</b>	<b>-5507434</b>
Taxes paid	0
<b>Net cash flow from operating activities</b>	<b>-5507434</b>
<b>(B) Cash flow from investing activities</b>	
Purchase of fixed assets	11271646
Purchase of investments	-1500000
Capital Work-in-progress	0
Sale of fixed assets	0
Sale of investments	717500
Interest received	14214415
Dividend received	0
Net cash flow from investing activities	24703561
<b>( C ) Cash flow from financing activities</b>	
Borrowing	17300805
Dividend paid, including dividend tax	0
Interest paid	-31194634
Issue of new shares	0
Share Application Money	0
Securities Premium	0
Redemption of share capital	0
<b>Net cash flow from financing activities</b>	<b>-13893829</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>5302298</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>7758532</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>13060829</b>

**Notes:**

1. The cash flow statement has been prepared under the Indirect method as set out in the AS-3 issued by the Institute of Chartered Accountants of India.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our report of even date attached herewith

**For, Rahul Kakani & Associates  
Chartered Accountants**

**For, Palco Metals Limited**

**-sd  
Rahul Kakani  
Partner  
M.No. 132796**

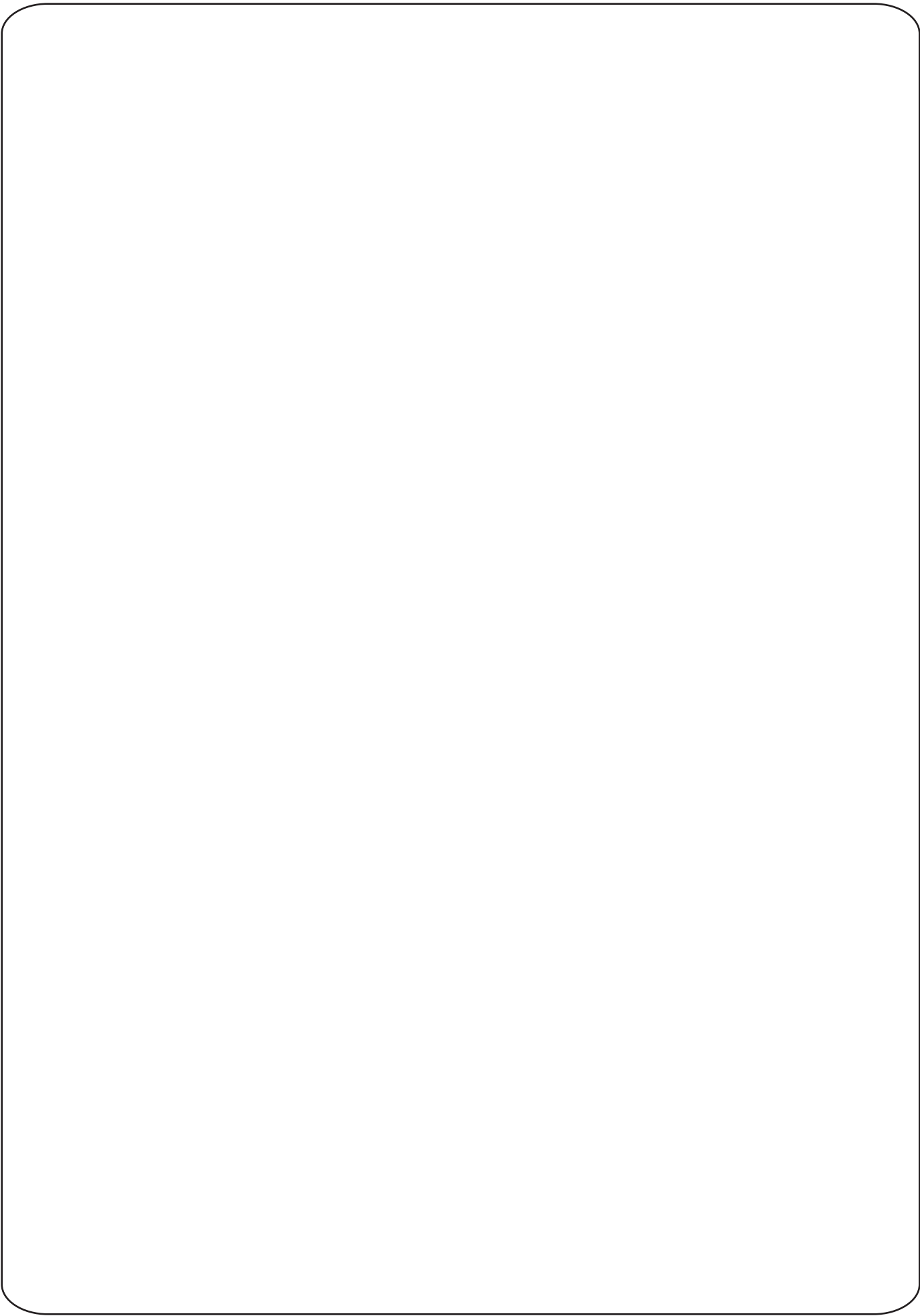
**-sd  
Kailashchandra Agrawal  
Chairman**

**-sd  
Kiran B. Agrawal  
Director**

**-sd  
Kanaiyalal B. Agarwal  
Director**

**Date : 25/05/2015  
Place : Ahmedabad.**





**PALCO METALS LIMITED**  
(CIN: L27310GJ1960PLC000998)

Regd. Office: B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden, Prahaladnagar, Ahmedabad-380015. Gujarat . Tele : 9228010690/1.  
Email : investor.grievance@palcometals.com. Webiste : www.palcometals.com

**FORM NO. MGT-11**

**PROXY FORM**

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

Name of the member (s)  
Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

Name  
Address

E-mail:  
Sign

or failing him/ her

Name  
Address

E-mail:  
Sign

or failing him/ her

Name  
Address

E-mail:  
Sign

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54 Annual General Meeting of the company, to be held on the Tuesday September, 29, 2015 at 11.30 a.m. at Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol, Ahmedabad Gujarat-382449 adjournment thereof in respect of such resolutions as are indicated below:

Sr. No. RESOLUTION

FOR      VOTES  
                 AGAINST      ABSTAIN

1      Adoption of the audited financial statements of the Company, the Reports of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2015

2      To appoint a director in place of Mr. Kanaiyalal Agrawal (DIN: 00594240), who retires by rotation and being eligible offers himself for re-appointment.

3      Ratification of the appointment M/s. Rahul Kakani & Associates., Chartered Accountants, Ahmedabad having Firm Registration No. 130198W as statutory auditors

4      Appoint Smt. Rakhi Jitendra Agrawal (DIN: 07021709 ) as an Independent/Non Executive Woman director

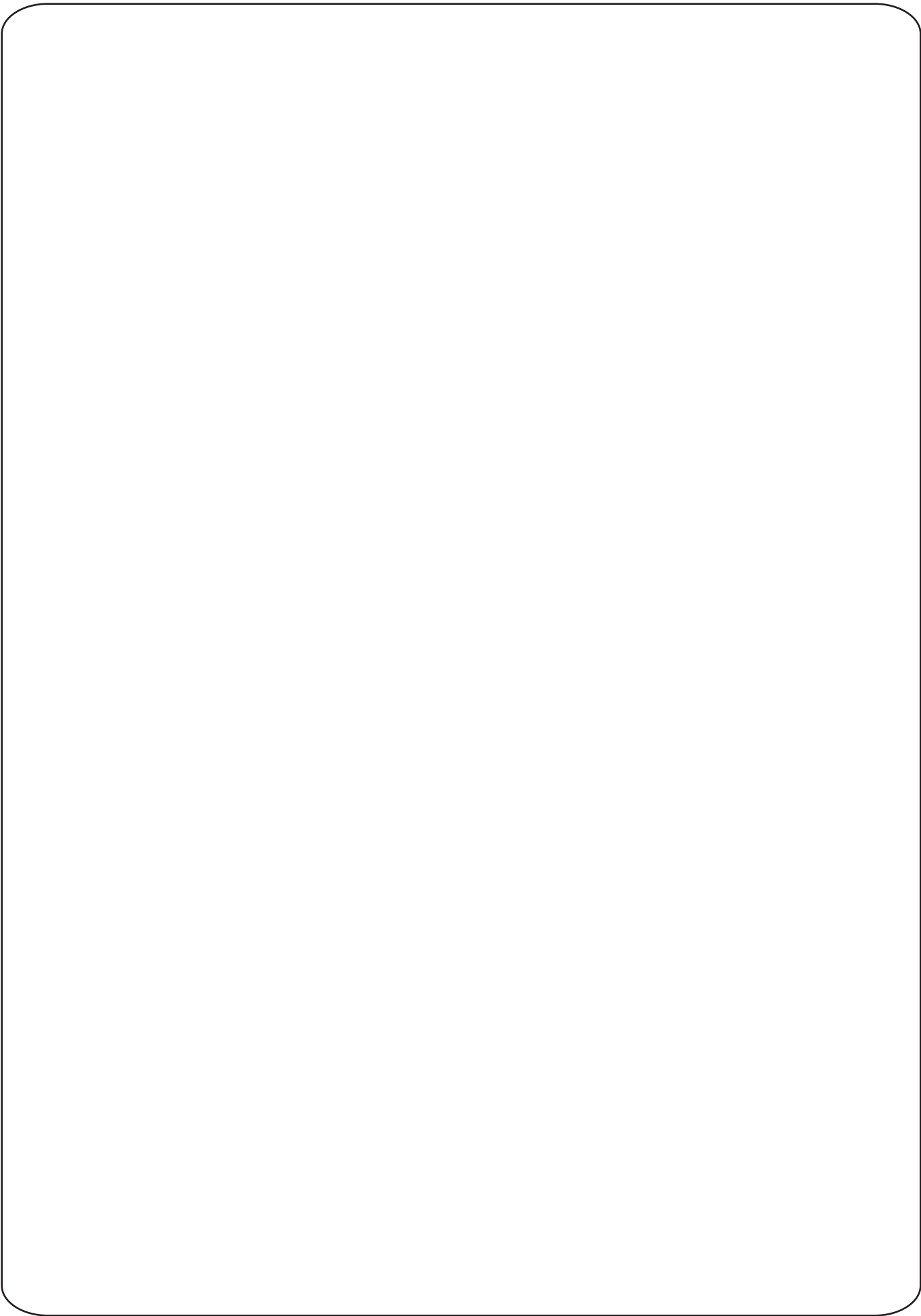
Signed this.....day of..... 2015.

Affix revenue  
Stamp

Sign. of Member

Sign. of Proxy Holder

This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**PALCO METALS LIMITED**  
(CIN: L27310GJ1960PLC000998)

Regd. Office: B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden,  
Prahaladnagar, Ahmedabad-380015. Gujarat . Tele : 9228010690/1.

Email : investor.grievance@palcometals.com. Webiste : www.palcometals.com

**ATTENDANCE SLIP FOR 54TH ANNUAL GENERAL MEETING**  
(to be handed over at the Registration Counter)

Folio No./DP ID and Client ID :

.....

Name

.....

Address:

.....

.....

.....

I/We hereby record my/our presence at the 54th Annual General Meeting of the Company on Tuesday  
September, 29, 2015 at 11.30 a.m. at Opp. Khanwadi, Ramol Road, Post Jantanagar, Ramol,  
Ahmedabad Gujarat-382449.

\_\_\_\_\_  
First/Sole holder/ Proxy

\_\_\_\_\_  
Second holder

\_\_\_\_\_

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Prahaladnagar,Ahmedabad-380015.  
Gujarat .  
Tele : 9228010690/1.