

PALCO LIMITED

(FORMERLY KNOWN AS PENNAR ALUMINIUM COMPANY LIMITED)

23rd Annual Report
2012-2013

PALCO LIMITED

BOARD OF DIRECTORS :

Shri Vijay Chandra Puljal
Shri S V Ramachandra Rao
Shri A Krishna Rao

AUDITORS :

M/S RAMBABU & COMPANY
Chartered Accountants
31, Pancom Chambers
6-3-1090/A, Rajbhavan Road
Somajiguda
Hyderabad – 500 082

REGISTERED OFFICE :

PALCO Limited
FLAT No.501
Sri Ramchandra Residency
Opp : Sree Seetaramanjaneya Swami Temple
Madhapur Road
Kothaguda
Kondapur
Hyderabad – 500 084
Ph No. 040- 23119545

BANK ACCOUNT :

INDUSIND BANK
Debentures Redemption A/c
Secunderabd Branch
100, Laxmi, Sardar Patel Road
Begumpet, Secunderabad – 500 003
Andhra Pradesh

REGISTARS AND SHARE TRANSFER AGENTS :

XL SOFTECH SYSTEMS LIMITED
3, Sagar Society
Road No.2, Banjara Hills
Hyderabad – 500 034
Phones : 040 - 23545913/14/15
Fax : 040 - 23553214
E – Mail ID : xlsofttech.com

PALCO LIMITED

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Members of the Company will be held on Monday the 30th Day of September, 2013 at **Flat No. 103 & 104 GRANDEUR RESIDENCY, Opp.: AT HOME – APARTMENT HOTEL, WHITEFIELDS, SREE SEETARAMANJANEYA SWAMI TEMPLE ROAD, MADHAPUR ROAD, KOTHAGUDA, KONDAPUR, HYDERABAD – 500 084 at 11.00 A.M** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Satyavada Venkata Ramachandra Rao who retires by rotation and offers himself for reappointment.
3. To appoint M/s. Rambabu & Company, Chartered Accountants, Hyderabad, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and authorise the Board to fix their remuneration.

**By Order of the Board
For PALCO LIMITED**

**Vijay Chandra Puljal
Director**

**Place : Hyderabad
Date : 13.08.2013**

**S V Ramachandra Rao
Director**

PALCO LIMITED

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. The instrument appointing a proxy to be effective must be deposited with the company at its registered office / corporate office not less than 48 hours before the commencement of meeting.
2. The Register of Members and Share Transfer books of the Company will remain closed from 28.09.2013 to 30.09.2013 (both days inclusive) for the purpose of Annual General Meeting
3. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business items if any, is annexed hereto.
4. The Members are requested to notify change, if any, in their address to **Registrar and Transfer Agent viz., XL Softech Systems Ltd.**, at 3, Sagar society, Road no 2, Banjara Hills, Hyderabad – 500 034. All communications regarding shares are to be addressed to our Registrars and Transfer Agents at the address mentioned above.
5. The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and has issued Circular on April 21, 2011 stating that the service of documents can be made through electronic mode. In view of the circular issued by MCA, the Company proposes to henceforth deliver documents like the Notice calling the Annual General Meeting/Audited Annual Accounts/Report of the Auditors/Report of the Directors etc, in electronic form to email address provided by the shareholders.
6. Shareholders are requested to furnish their e-mail id’s to enable the Company to forward all the requisite information in electronic mode. In case of shareholders holding shares in demat form, the email IDs of the shareholders registered with the DP and made available to the Company shall be the registered email ID unless communication is received to the contrary.
7. Relevant documents and registers will be available for inspection by the members at the registered office of the Company.
8. Members / Proxies are requested to hand over the enclosed Attendance Slip duly filled in, at the entrance for attending the meeting.
9. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. A Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her queries to the Company at least seven days prior to the date of the meeting for consideration of the management to deal at the meeting.

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Additional information on Directors seeking re-appointment at the forthcoming Annual General Meeting:

Particulars	Shri. Satyavada Venkata Ramachandra Rao
Date of Birth	06.08.1950
Date of appointment	31.10.2011
Qualification	Degree from Andhra University, Berhampur University and Ammamalai University in Social Work, law, including specialized degree in Labour and Administrative laws, Personal management and Industrial Relations.
Expertise	Labour and Administrative Laws, Personnel Management and Industrial Relations.
List of Companies in which outside directorship held	4
Chairman/member of the committee of other companies on which he is a director	1
No. of shares held by them in the Company	--

DIRECTORS REPORT

To
The Members,

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2013 and the Auditors Report thereon.

FINANCIAL RESULTS

The Company has no operations during the year, as the assets of the Company had been taken over on by the Asset Reconstruction Company (India) Limited (ARCIL) under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

DIVIDEND

The company has not declared any dividend as there are no operations in the company and the company does not have any Income:

DIRECTORS

In terms of the provisions of Section 255 and 256 of the Companies Act, 1956, Shri. Satyavada Venkata Ramachandra Rao will retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. During the Year Mr. J V Nrupender Rao Resigned on 05.10.2012 as Director of the Company.

CORPORATE GOVERNANCE :

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance as well as Company Secretary Certificate on the Compliance of Corporate Governance are annexed and form part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate section titled "Management's Discussion and Analysis Report" confirming compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed hereto and forms part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed and there were no material departures.

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- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

REDEMPTION OF DEBENTURES

The Company has redeemed 2,60,235 Debentures as on 31.03.2013 and paid an amount of Rs.2,68,04,205/- to the debenture holders who have surrendered their original debenture certificate to the Company. As per the letter between the Company and Debenture Trustee and based on the sharing pattern finalized by ARCIL (Asset Reconstruction Company (India) Limited) the company opened the an Escrow account with IndusInd Bank.

Under Section 205(C)

As per the section 205(C) of the Companies Act, 1956 any unclaimed Redemption Debenture amount being unclaimed for a period of seven years from the day they become due for payment shall be transferred to the Investor Education protection fund Account within 30 days from the day from the expiry of the 7 years. The period of Seven years have expired on 15.05.2013 and accordingly the Balance unclaimed amount in the Escrow account in IndusInd bank amounting to Rs. 2,13,20,664.40 was transferred to the Investor Education and protection fund on 15.06.2013 vide SRN No. B76702281.

AUDITORS

The Statutory Auditors of the Company, M/s. Rambabu & Co., Chartered Accountants, Hyderabad retire at the conclusion of the ensuing Annual General Meeting and being eligible offered themselves for re-appointment.

The Company has received letter from them to the effect that their appointment if made would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

Reply to the Auditors Qualifications:

The company is unable to continue its business as going concern because the total assets of the company have been taken over by ARCIL and been sold, due to which the company is not having any assets and operations.

Fixed Deposits

The Company has not invited / accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

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Particulars of Employees :

There are no employees whose details are required to be given under Section 217(2A) of the Companies Act, 1956.

Additional Information

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1998 and forming part of report for the year ended March 31, 2013.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules are given in ANNEXURE - I.

Acknowledgement

Your Directors express their gratitude to the shareholders and debenture holders.

**By Order of the Board
For PALCO LIMITED**

**Place : Hyderabad
Date : 24.05.2013**

**Vijay Chandra Puljal
Director**

**S V Ramachandra Rao
Director**

ANNEXURE TO THE DIRECTORS' REPORT

Details as required under Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, read with clause (e) of Subsection (1) of Section 217 of the Companies Act, 1956.

A. Conservation of Energy

The Company has no operations during the year and previous year and therefore power and fuel consumptions are NIL.

FORM - B

A. Technology Absorption Research and Development (R&D): Nil

B. Foreign Exchange Earnings and Outgo : NIL

**By Order of the Board
For PALCO LIMITED**

**Place : Hyderabad
Date : 24.05.2013**

**Vijay Chandra Puljal
Director**

**S V Ramachandra Rao
Director**

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement, with the stock exchanges, your Company hereby provides, to the shareholders, the report on Corporate Governance.

1. Board of Directors

a) Composition of the Board: The Company's Board of Directors comprises Three Directors, of which one is Non-Executive Director Non-Independent Directors and 2 are Non-executive Independent Directors. The Company has Non-Executive Chairman.

b) Number of Board meetings held during the financial year and the dates of the Board meetings:

During 2012-13, the Board met 5 times on 18.05.2012, 30.07.2012, 05.10.2012, 14.11.2012 and 11.02.2013.

c) Attendance of each Director at Board meetings and the last Annual General Meeting

Sl. No.	Name of the Director	Category of Directorship	Number of Board meeting held during his Directorship	Number of Board meetings attended	Attendance at the last AGM held on September 12, 2012
1.	Shri. J V Nrupender Rao	Promoter, Non-Executive Chairman	2	2	Yes
2.	Shri. Vijay Chandra Puljal	Non-Executive Director	5	5	Yes
3.	Shri. A Krishna Rao	Independent Non-Executive Director	5	5	No
4.	Shri. S V Ramachandra Rao	Independent Non-Executive Director	5	5	No

*Mr.J.V.Nrupender Rao has resigned as director on 05.10.2012.

d) Number of other Boards/Board Committees each Director (being a Director of the Company as at the end of the financial year) is a Director/Chairman

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Sl. No	Name of the Director	Number of other Companies in which director		Number of Committee memberships held in other Companies	
		Chairman	Director	Chairman	Member
1.	Shri. J V Nrupender Rao*	4	4	2	1
2.	Shri. Vijay Chandra Puljal	0	3	-	1
3.	Shri. A Krishna Rao	-	-	-	-
4.	Shri. S V Ramachandra Rao	-	4	-	1

*Mr.J.V.Nrupender Rao has resigned as director on 05.10.2012.

2. Audit Committee

a) Brief description of the terms of reference

The terms of reference of the Audit Committee are comprehensive and cover the matters specified for Audit Committees under the Listing Agreements with stock exchanges. The Committee provides the Board with additional assurance as to the adequacy of Company's internal control systems and financial disclosures.

b) Composition, name of members and chairperson

The Committee comprises

1. Mr. A Krishna Rao - Chairman (Independent Non-Executive Director)
2. Mr. S V Ramachandra Rao - Member (Independent Non-Executive Director)
3. Mr. Vijay Chandra Puljal - Member (Non-Executive Director)

c) Meetings and attendance during the year

During the year under review, the Committee met one time on four held on 18.05.2012, 30.07.2012, 14.11.2012 and 11.02.2013

The details of attendance are given below:

Sl. No	Name of the member	Number of meetings held	Number of meetings attended
1.	Shri. J V Nrupender Rao*	2	2
2.	Shri. Vijay Chandra Puljal	4	4
3.	Shri. A Krishna Rao	4	4
4.	Shri. S V Ramachandra Rao	4	4

*Mr.J.V.Nrupender Rao has resigned as director on 05.10.2012.

The Statutory Auditors were invited to attend the Audit Committee Meeting.

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3. Remuneration Committee

The Company does not have any Remuneration Committee. The Company is not paying any remuneration to the Directors. No sitting fee is paid to directors for attending the Meetings.

- a) Details of number of shares held by the Non-Executive/Independent Directors as on March 31, 2013

Name of the Director	Designation	No. of shares held
Shri. Vijay Chandra Puljal	Non-Executive Director	2,17,796
Shri. A Krishna Rao	Independent Non-Executive Director	--
Shri. S V Ramachandra Rao	Independent Non-Executive Director	--

4. Shareholders'/Investors' Grievances Committee

A Committee of the Board, designated as 'Shareholder's/Investor's Grievances Committee' was constituted on 14.02.2012 to specifically look into the redressal of shareholder/investor complaints and to strengthen investor relations.

- a) Name of Non-Executive Director heading the Committee: The Committee functions under the Chairmanship of Mr. A Krishna Rao, a Non-Executive and Independent Director.

The other members of the Committee are:

Name of the Director	Designation
Shri. A Krishna Rao	Independent Non-Executive Director
Shri. Vijay Chandra Puljal	Non-Executive Director
Shri. S V Ramachandra Rao	Independent Non-Executive Director

- b) Name and designation of Compliance Officer: Shri. Vijay Chandra Puljal
- c) Number of complaints received from shareholders: During the period under review, the Company has received and resolved and there were no pending complaints as at the year end.
- d) Number of pending share transfers and complaints: Nil
- e) **Details of meetings and attendance by the members:**

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During the year the Committee met one time on one time on 11.02.2013

Sl. No	Name of the member	Number of meetings held	Number of meetings attended
1	Shri. Vijay Chandra Puljal	1	1
2	Shri. A Krishna Rao	1	1
3	Shri. S V Ramachandra Rao	1	1

5. General body meetings

a) Details of the location and time of the General meetings

Date	Year	Type	Venue	Time
31.08.2012	2011-12	Annual General Meeting	Flat No.103&104 Grandeur Residency, Opp.: At Home-Apartment Hotel, Whitefields, Sri Seetharamanjaneya Swami Temple Road, Kothaguda, Kondapur, Hyderabad.	9.00AM
30.09.2011	2010-11	Annual General Meeting	1-10-75/1/1-6, Flat No.201, Sapthagiri Towers, Begumpet.	9.00AM
30.09.2010	2009-10	Annual General Meeting	1-10-75/1/1-6, Flat No.201, Sapthagiri Towers, Begumpet.	9.00AM

b) Special resolutions

The Company has passed any Special Resolutions at the previous Annual General Meeting for change of name of the company to PALCO LIMITED.

c) Postal ballot: No Postal Ballot was conducted during 2012-13

d) Procedure for postal ballot - Not applicable.

e) Information on Directors re-appointment as required under Clause 49 VI (G) of the Listing Agreement with stock exchanges is given as a note appended to the explanatory statement of the AGM notice.

6. Disclosures:

The Company has no operations during the year, as the assets of the Company had been taken over by Asset Reconstruction Company (India) Limited (ARCIL) under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

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Compliance with Non-Mandatory requirements:

We comply with the following non-mandatory requirements:

(i) **Shareholder Rights** – The Company publishes its results on its website i.e, www.pennarindia.com which is accessible to the public at large. A half-yearly declaration of financial performance including summary of the significant events is presently not being sent to each household of shareholders. The Company's results for each quarter are published in an English newspaper having a wide national circulation and also in a Telugu newspaper having a wide circulation in Andhra Pradesh. Hence, half-yearly results are not sent to the shareholders individually.

(ii) **Audit qualifications** – During the period under review, there is audit qualification in Company's financial statements as non going basis.

This is because the total assets of the company is been taken over by ARCIL and been sold, due to which the company is unable to continue its operations.

(iii) **Training of Board members** – The Company is yet to evolve a plan to train the Board members.

(iv) **Mechanism for evaluating Non-Executive Board members – Yet to evolve**

As regards other non-mandatory requirements, the Board has taken cognizance of the same and may consider adopting them as and when deemed appropriate.

The Company has not yet adopted the CORPORATE GOVERNANCE VOLUNTARY GUIDELINES, 2009. The Board will adopt the same as and when deemed appropriate.

7. Means of communication

The quarterly/half-yearly/annual financial results of the Company are sent to the stock exchanges immediately after they are approved by the Board.

The quarterly/half-yearly/annual financial results of the Company are published in **The Financial Express and Andhra Prabha** within 48 hours of the conclusion of the Board meeting.

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Presentations were made to analysts during the financial year 2012-13.

General information

1.	Date, time and venue of Annual General Meeting	Monday the 30th Day of September, 2013 AT 11.00 A.M at Flat No.103&104 Grandeur Residency, Opp.: At Home – Apartment Hotel, Whitefields, Sri Sree Seetaramanjaneya Swami Temple Road, Kothaguda, Kondapur, Hyderabad- 500084
2.	Financial calendar (Tentative schedule)	Financial year : April 1 to March 31: Board meetings for approval of quarterly results: 1st Quarter ended on June 30, 2013: within 45 days from the close of quarter 2nd Quarter ended on September 30, 2013: within 45 days from the close of quarter 3rd Quarter ended on December 31, 2013: within 45 days from the close of quarter Annual results for financial year ended March 31, 2014 (audited): Within 60 days of the close of financial year Annual general meeting for the year 2012-13 : In accordance with Section 166 of Companies Act, 1956
3.	Date of book closure (both days inclusive)	28.09.2013- 30.09.2013
4.	Dividend payment due	NotApplicable
5.	Listing on stock exchanges	The Bombay Stock Exchange Limited P. J. Towers, Dalal Street, Mumbai – 400001
6.	Stock Code	BSE: Equity- 513405
7.	Electronic connectivity	1. The National Securities Depository Ltd Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 2. Central Depository Services (India) Ltd Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400023.

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8.	Registered Office (address for correspondence)	Flat No.501, Sri Ramchandra Residency, Madhapur, Kothaguda, Kondapur, Hyderabad- 500084 A.P. India, Tel.No: +91 40 23119545 Fax No: +91 40 23117041 E-mail:pennaralu@gmail.com
9.	Communication regarding share transfers and other related correspondence	XL Softech Systems Limited 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 084 Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants
10.	Share transfer system	Shares lodged for physical transfer at the Registrar's address are normally processed within a period of 15 days from the date of lodging, if the documents are clear in all respects. The shares duly transferred would be dispatched to the concerned shareholders within a week from the date of approval of transfers by the Share Transfer Committee.

8. As required under Clause 49 of the Listing Agreement, a certificate duly signed by Mr. Vijay Chandra Puljal, Director of the Company was placed at the meeting of the Board of Directors held on 13.08.2013

9. **Distribution of shareholding as on March 31, 2013 was as under :**

Sl. No	Category	Numbers of shareholders	% of shareholders	Number of shares	% of shares
	1 to 1000	34407	81.54	12457782	21.21
	1001-2000	3373	7.99	5825457	9.92
	2001-4000	1827	4.33	5505567	9.37
	4001-6000	1197	2.84	6065354	10.33
	6001-8000	290	0.69	2064100	3.51
	8001-10000	394	0.93	3828893	6.52
	10001-20000	395	0.94	5603009	9.54
	20001 & Above	311	0.74	17380838	29.59
	Total	42194	100.00	58731000	100.00

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Shareholding Pattern as on March 31, 2013 was as under

Sl. No	Particulars	No. of Shares	% to total shares
1	Promoter and Promoter Group	497100	0.85
2	Mutual Funds/UTI	111400	0.19
3	Financial Institutions/Banks	635450	1.08
4	Foreign Institutional Investors	-	-
5	Foreign Funds	-	-
6	Bodies Corporate	3707345	6.31
7	Individuals	52724249	89.77
8	Trust	-	-
9	NRI	1045545	1.78
10	Clearing Members	9911	0.02
11	Others(Insurance Company)	-	-
	Total	58731000	100

10. Dematerialisation of shares and liquidity

The Company's equity shares are in compulsory demat list. The International Securities Identification Number (ISIN) allotted to the Company's scrip is **INE 057C01018**, 88.82 % of equity shares are held in dematerialised form as on March 31, 2013.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.

During the financial year 2012-13, the Company has not issued any GDRs/ADRs and there are no outstanding warrants or any convertible instruments.

11. Plant locations

Not Applicable

12. Market price data

The Company's shares are traded on The Bombay Stock Exchange. Monthly high and low quotations and volume of equity shares traded on Bombay Stock Exchange Limited (BSE) for 2012-13 were as follows:

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Month	Share Price		Share Price	
	High (Rs.)	Low (Rs.)	High	Low
April 2012	0.84	0.56	17,664.10	17,010.16
May 2012	0.83	0.55	17,432.33	15,809.71
June 2012	0.74	0.48	17,448.48	15,748.98
July 2012	0.67	0.49	17,631.19	16,598.48
August 2012	0.66	0.48	17,972.54	17,026.97
September 2012	0.61	0.46	18,869.94	17,250.80
October 2012	0.66	0.48	19,137.29	18,393.42
November 2012	0.60	0.46	19,372.70	18,255.69
December 2012	0.69	0.45	19,612.18	19,149.03
January 2013	0.67	0.57	20,203.66	19,508.93
February 2013	0.62	0.38	19,966.69	18,793.97
March 2013	0.47	0.34	19,754.66	18,568.43

(Source : www.bseindia.com)

Declaration of Code of Conduct

The Board of Directors of PALCO Limited, at their meeting held on 13.08.2013, adopted the Code of Conduct for the Directors and also for the Company's senior management personnel, which was posted on the Company's website.

In accordance with Clause 49 I (D) of the Listing Agreement with the stock exchanges, I hereby confirm that, all the Directors and the senior management personnel of the Company have affirmed compliance with the aforesaid Code of Conduct as applicable to them for the financial year ended March 31, 2012

**By Order of the Board
For PALCO LIMITED**

**Place : Hyderabad
Date : 24.05.2013**

**Vijay Chandra Puljal
Director**

PALCO LIMITED

To the members of PALCO LIMITED, HYDERABAD.

I have examined the compliance of conditions of Corporate Governance by PALCO LIMITED, for the year ended 31st March, 2013 as stipulated in Clause 49 of the listing agreement of the Company with Stock Exchanges in India.

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

In My opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement except the Code of Conduct as per Clause 49(D) and no Company Secretary appointed by the Company.

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

S. Chidambaram
Practicing Company Secretary
CP. No. 8068

Place: Hyderabad
Date: 24.05.2013

INDEPENDENT AUDITOR'S REPORT

To the Members of
PALCO Limited (Formerly known as Pennar Aluminium Company Limited)

Report on Financial Statements

We have audited the accompanying financial statements of **PALCO Limited, Hyderabad** (formerly known as Pennar Aluminium Company Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

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- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regularity Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and statement of Profit and Loss and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956.
 - e) ***The company is not able to continue as a going concern, as the total fixed assets of the company have been sold out and consequently the operations of the company were stopped.***
 - f) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For RAMBABU & CO.,
Chartered Accountants
Firm Reg. No.002976S

Place: Hyderabad
Date: 24.05.2013

RAVI RAMBABU
Partner
Membership.No.018541

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to as in paragraph 1 of our report of even date.

- 1) In respect of its fixed assets.

All the fixed assets of the Company were sold and the Company will not be able to continue as a going concern.

- 2) In respect of its inventories:

The Company has no inventory during the period. Accordingly, the provisions of clause (ii) of paragraph 4(A) of the Companies (Auditor's Report) Order, 2003 as amended (the Order) in respect of inventories are not applicable to the Company.

- 3) In respect of loans secured or unsecured, granted or taken by the Company to/from companies, firms or others covered in the register maintained under section 301 of the Companies Act, 1956:

- i) Company has taken interest free unsecured loan for an amount of Rs.21,93,775/- (including loan taken during the year Rs.5,87,734/-) from parties covered in the Register maintained under section 301 of the Companies Act, 1956.

- ii) According to the information and explanations given to us, we are of the opinion, the terms and conditions on which loan taken by the company from such parties listed in the register maintained under section 301 of the companies act, 1956 are not, prima facie, prejudicial to the interest of the company.

- iii) There is no overdue amount in-respect of loan taken from parties listed in the register maintained under section 301 of the Companies Act, 1956, the question of statement on the steps taken for payment of the Principal, and overdue amount of more than one lakh does not arise.

- iv) In our opinion, the Company has not granted any loans to parties covered in the Register maintained under section 301 of the Companies Act, 1956.

- 4) 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, fixed assets and for the sale of goods. During the course of our audit, based on our audit procedures applied, we have not observed any continuing failure to correct major weaknesses in internal control.

- 5) a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

PALCO LIMITED

- b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as defined under Section 58 A of the Companies Act, 1956.
- 7) In our opinion, the Company does not have an independent internal audit system commensurate with the size and nature of its business.
- 8) The Company does not have cost records for the year under review, as the operations were stopped due to sale of all the Fixed Assets.
- 9) In respect of statutory dues:

According to the books and records of the Company, and according to the explanations and information given to us, during the year under review, there are no undisputed statutory dues payable including Provident Fund, Investor education & protection fund, Income tax, Sales tax, Wealth tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us, there are no disputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2013 for a period exceeding six months from the date they became payable.
- 10) The Company has accumulated losses at the end of the year that are more than hundred percent of its net worth and incurred cash losses during the financial year covered by our audit and had incurred cash losses in the immediately preceding financial year.
- 11) As per the records of the Company and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- 12) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) The Company has not dealt or traded in shares, securities, and debentures and other investments during the period. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given guarantees for loans taken by the others from banks or financial institutions.

PALCO LIMITED

- 16) In our opinion and according to the information and explanations given to us, during the year the Company has not raised any fresh term loans.
- 17) According to the information and explanations given to us and on an overall examination of statements and records of the Company, that the funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- 18) The Company has not made any preferential allotment of shares/securities during the year to parties and companies covered in the register maintained under section 301 of the companies act, 1956.
- 19) No debentures have been issued by the company during the year and hence, the question of creating securities in respect thereof does not arise.
- 20) The Company has not raised money by way of public issue during the year.
- 21) On the basis of our examination and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For RAMBABU & CO.,
Chartered Accountants
Firm Reg. No.002976S

Place: Hyderabad
Date: 24.05.2013

RAVI RAMBABU
Partner
Membership.No.018541

PALCO LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount Rs.)

Particulars	Note.No	AS AT 31.03.2013 Rs.	AS AT 31.03.2012 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	587,248,800	587,248,800
(b) Reserves and Surplus	2	(928,928,005)	(928,340,271)
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	21,757,405	22,422,981
(3) Current Liabilities			
(a) Trade Payables	4	346,147,397	345,559,663
Total Equity & Liabilities		26,225,597	26,891,173
II.ASSETS			
(2) Current Assets			
(a) Trade receivables	5	4,468,192	4,468,192
(b) Cash and Bank balances	6	21,757,405	22,422,981
Total Assets		26,225,597	26,891,173
Significant Accounting Policies Notes on Financial Statements	1 to 13		

As per our Report of even date
For RAMBABU & CO.,
 Chartered Accountants
 Firm Reg.No.002976S

RAVI RAMBABU
 Partner
 Membership.No.018541

Place:Hyderabad
 Date: 24.05.2013

For and on behalf of the Board of Directors

VIJAY CHANDRA PULJAL
 DIRECTOR

S V RAMCHANDRA RAO
 DIRECTOR

PALCO LIMITED**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED ON 31ST MARCH, 2013**

(Amount Rs.)

Sl. No.	Particulars	Note	For the Year Ended 31-03-2013	For the Year ended 31-03-2012
I	Revenue from Operations		-	-
II	Expenses: Other Expenses	7	587,734	373,064
III	Profit before Tax		(587,734)	(373,064)
IV	Tax expense: (a) Current tax		-	-
V	Profit for the year		(587,734)	(373,064)
VI	Earnings per Equity Share:	8		
	(1) Basic		-	-
	(2) Diluted		-	-
	Significant Accounting Policies Notes on Financial Statements	1 to 13		

As per our Report of even date
For RAMBABU & CO.,
Chartered Accountants
Firm Reg.No.002976S

RAVI RAMBABU
Partner
Membership.No.018541

Place:Hyderabad
Date: 24.05.2013

For and on behalf of the Board of Directors

VIJAY CHANDRA PULJAL
DIRECTOR

S V RAMCHANDRA RAO
DIRECTOR

PALCO LIMITED**Cash Flow Statement for the year endedd 31-03-2013**

Particulars	For the Year Ended 31-03-2013	For the Year ended 31-03-2012
a) Cashflow from operating activities		
Loss as per Statement of Profit and Loss	(587,734)	(373,064)
Less : Adjustment for	-	-
Operating Profit before Working Capital Charge	(587,734)	(373,064)
Add : Adjustment for		
a) Payables	587,734	373,064
Cash Generated from Operations	-	-
b) Cashflow from investing activities	-	-
c) Cash Flow from financing activities		
i) Restricted Bank balances utilised	665,576	95,336
ii) Repayment of Debentures	(665,576)	(95,336)
Cash generated from financing activities	-	-
Net Increase/ (Decrease) in Cash & Cash Equivalents	-	-
Cash and Cash Equivalents at the beginning	-	-
Cash and Cash Equivalents at the end	-	-

As per our Report of even date
For RAMBABU & CO.,
Chartered Accountants
Firm Reg.No.002976S

RAVI RAMBABU
Partner
Membership.No.018541

Place:Hyderabad
Date: 24.05.2013

For and on behalf of the Board of Directors

VIJAY CHANDRA PULJAL
DIRECTOR

S V RAMCHANDRA RAO
DIRECTOR

PALCO LIMITED

Notes to the Financial Statements for the Year Ended 31st March 2013

I. Corporate Information:

Pennar Aluminium Company Limited is not carrying any activities/operations as the company sold all its fixed assets to ARCIL at the time of takeover by the ARCIL. During the year, Company has changed its name from "Pennar Aluminium Company Limited" to "PALCO Limited". The company is having registered office situated at Flat No.501, Sri Ramchandra Residency, Madhapur Road, Kothaguda, Kondapur, Hyderabad – 500 084.

II. Significant Accounting Policies

1. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the applicable accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect 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 outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Tangible fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided using Straight Line Method at the rates estimated by the Management which coincides with the rates prescribed under Schedule XIV of the Companies Act, 1956.

4. Impairment

The carrying amounts of assets are reviewed at each balance sheet date to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

5. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the of borrowings 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.

PALCO LIMITED

6. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

7. 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:

(i) Revenue from sale of goods

Sales are recognized net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

(ii) 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.

(iii) Dividends

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

8. Inventory Valuation

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

9. Foreign currency translation

(i) Initial recognition

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

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

PALCO LIMITED

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

10. Retirement and other employee benefits

- (i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund.
- (ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- (iv) Actuarial gains/losses are immediately taken to statement of profit and loss.
- (v) The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

11. Income tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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.

12. 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.

PALCO LIMITED

**PALCO Limited (Formerly known as Pennar Aluminium Company Limited)
Notes forming part of the financial statements**

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of Share	Amount in Rs	Number of Share	Amount in Rs
(a) Authorised				
Equity shares of Rs.10 each with voting rights	90,000,000	900,000,000	90,000,000	900,000,000
Redeemable Preference shares of Rs.100 each	3,000,000	300,000,000	3,000,000	300,000,000
(b) Issued				
Equity shares of Rs.10 each with voting rights	58,731,000	587,310,000	58,731,000	587,310,000
(c) Subscribed and fully paid up				
Equity shares of Rs.10 each with voting rights	58,718,760	587,187,600	58,718,760	587,187,600
(d) Subscribed but not fully paid up				
Equity shares of Rs.10 each with voting rights Rs.5/- not paid up	12,240	61,200	12,240	61,200
Total	58,731,000	587,248,800	58,731,000	587,248,800

1.1 Terms and Rights attached to Equity Shares

The Company has only one class of Equity shares having value of Rs.10 per share. Each holder of Equity shares is entitled to one vote per share.

1.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	31-03-2013	31-03-2012
Equity shares with voting rights		
Year ended 31 March, 2013		
Number of shares	58,731,000	58,731,000
Amount (Rs.)	587,248,800	587,248,800
Year ended 31 March, 2012		
Number of shares	58,731,000	58,731,000
Amount (Rs.)	587,248,800	587,248,800

PALCO LIMITED

2. Reserves and surplus

Particulars	31-03-2013	31-03-2012
	Amount Rs.	Amount Rs.
(a) Capital Subsidy	1,464,445	1,464,445
(b) Security Premium	38,691,250	38,691,250
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(968495966)	(968122902)
Add: Profit / (Loss) for the year	(587734)	(373064)
Closing balance	(969083700)	(968495966)
Total	(928928005)	(928340271)

3 Long-term borrowings

3.1 Details of debentures issued by the Company

Particulars	Terms & Conditions	As at 31 March, 2013	As at 31 March, 2012
(a) 16% redeemable debentures		21,131,500	21,773,500
(b) Interest on debentures		625,905	649,481
Total		21,757,405	22,422,981

At the time of ARCIL taking over the assets of the Company an amount of Rs.4,85,61,794/- were appropriated and kept in current account for redemption of 4,71,510 debentures of Rs.100/- each held by public. The said Debentures are secured by way of lien on the current account balance.

3.2 Details of Debentures redeemed during the year

Particulars	Opening Debentures	Redeemed during the Year	Closing Debentures
No.Of Debentures	217,735	6,460	211,275
Amount of Debentures	21,773,500	642,000	21,131,500

4. Trade Payables

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a)Trade Payables:		
(i) Sundry Creditors	343,943,622	343,943,622
(ii) Audit Fee Payable	10,000	10,000
(iii) Other liabilities	2,193,775	1,606,041
Total	346,147,397	345,559,663

PALCO LIMITED

5. Trade Receivables

Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	4,468,192	4,468,192
Total	4,468,192	4,468,192

Trade receivables are outstanding more than three years, the recovery of which may be doubtful. However the management is confident of recovering the same and opined that no provision is required.

6. Cash and Bank balances

Particulars	As at 31 March, 2013	As at 31 March, 2012
i) Cash and Cash equivalents (a) Cash on hand ii) Other Bank balances (a) Balances with Scheduled banks (i) Earmarked balances with banks - In current account- for Debentures redemption.	21,757,405	22,422,981
Total	21,757,405	22,422,981

6.1 Out of the above Cash and Bank balances, cash and cash equivalents that meet the definition of Cash flow statement is Rs. Nil.(Previous year.Nil.)

7. Other Expenses

Particulars	As at 31 March, 2013	As at 31 March, 2012
Auditors Remuneration	10,000	10,000
Rates & Taxes	517,234	321,314
AGM expenses	60,500	41,750
Total	587,734	373,064

PALCO LIMITED

8. Earnings Per Share

Particulars	As at 31 March, 2013	As at 31 March, 2012
Earnings per share		
<u>Basic</u>		
<u>Total operations</u>		
Net profit / (loss) for the year attributable to the equity shareholders	(587,734)	(373,064)
Weighted average number of equity shares	58724880	58724880
Par value per share	10.00	10.00
Earnings per share - Basic	-	-
<u>Diluted</u>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
<u>Total operations</u>		
Net profit / (loss) for the year attributable to the equity shareholders	(587,734)	(373,064)
Weighted average number of equity shares for Basic EPS	58724880	58724880
Weighted average number of equity shares - for diluted EPS	58724880	58724880
Par value per share	10.00	10.00
Earnings per share - Diluted	-	-

9. Contingent Liabilities

S.No	Particulars	As at 31 March, 2013	As at 31 March, 2012
i)	Claims pending against the Company	230,200,000	230,200,000

The contingent liability of Rs.2,302 Lakhs is the claim by NALCO (Sundry Creditor of the Company), before the Arbitrator, on account of interest, damages and opportunity loss against the Company on the bill amount of Rs. 3439.43 lakhs. Also, a claim for Rs. 2200 Lakhs made by the Company, against NALCO, is pending before the Arbitrator.

PALCO LIMITED

10. Related Party Disclosures

S.No.	Particulars	Name
1)	Key Management Personnel	Mr. Vijay Chandra Puljal

10.1 Aggregate Related Party Transactions :

S.No.	Particulars	Key Managerial Personnel	
		2012-13	2011-12
1.	Advances Received	587,734	373,064
2.	Balances Payable	2,193,775	1,606,041

11. Deferred Tax

In the absence of convincing evidence regarding availability of sufficient taxable income in near future against which the deferred tax asset can be adjusted, the Company has not recognised the deferred tax asset arising due to tax effect of timing differences at present.

- Previous year's figures have been regrouped and / or rearranged wherever necessary and figures have been rounded off to the nearest rupee.
- Notes 1 to 13 form part of financial statements and have been authenticated.

As per our Report of even date
For RAMBABU & CO.,
Chartered Accountants
Firm Reg.No.002976S

RAVI RAMBABU
Partner
Membership.No.018541

Place:Hyderabad
Date: 24.05.2013

For and on behalf of the Board of Directors

VIJAY CHANDRA PULJAL
DIRECTOR

S V RAMCHANDRA RAO
DIRECTOR

PALCO LIMITED

(FORMERLEY KNOWN AS PENNAR ALUMINIUM COMPANY LIMITED)

**FLAT No.501, Sri Ramchandra Residency, Opp : Sree Seetaramanjaneya Swami Temple
Madhapur Road, Kothaguda, Kondapur, Hyderabad – 500 084, Ph No. 040- 23119545**

PROXY FORM

*DP ID _____ Red. Folio No. _____
*Client ID _____ No. of Shares Held _____

I/We _____ of
_____ being a
Member/Members of PALCO Limited hereby appoint _____ of
_____ or failing him/her _____ of
_____ or failing him/her _____ of
_____ as my/or proxy to vote for me/us and on my / our behalf at
the Twenty Three Annual General Meeting to be held at 11.00 A.M. on Monday the 30th
September 2013 at **FLAT No.103&104 Grandeur Residency, Opp. : At Home – Apartment
Hotel, Whitefields, Sree Seetaramanjaneya Swami Temple Road, Kothaguda, Kondapur,
Hyderabad – 500 084 .**

Signed this _____ day September 2013

Revenue
Stamp

Signature of the Member

NOTE : This form duly completed should be deposited at the Registered Office of the
Company later than 48 hours before the commencement of the Meeting.

PALCO LIMITED

(FORMERLEY KNOWN AS PENNAR ALUMINIUM COMPANY LIMITED)

**FLAT No.501, Sri Ramchandra Residency, Opp : Sree Seetaramanjaneya Swami Temple
Madhapur Road, Kothaguda, Kondapur, Hyderabad – 500 084, Ph No. 040- 23119545**

ATENDANCE SLIP

Please complete this attendance slip and hand over at the entrance of the Meeting Hall. Only
members of their proxies are entitled to be present at Meeting.

DP ID _____ Red. Folio No. _____
*Client ID _____ No. of Shares Held _____

Name and Address _____

I hereby record my presence the Twenty Three Annual General Meeting to be held at 11.00
A.M. on Monday the 30th September 2013 at Flat No.103&104 Grandeur Residency, Opp. : At
Home – Apartment Hotel, Whitefields, Sree Seetaramanjaneya Swami Temple Road,
Kothaguda, Kondapur, Hyderabad – 500 084.

*Applicable for members holding
shares in electronic form.

Signature of the Member

BOOK - POST
PRINTED MATTER

If undelivered, please return to :

PALCO LIMITED

(FORMERLEY KNOWN AS PENNAR ALUMINIUM COMPANY LIMITED)

FLAT No.501, Sri Ramchandra Residency,
Opp : Sree Seetaramanjaneya Swami Temple
Madhapur Road, Kothaguda, Kondapur,
Hyderabad – 500 084, Ph No. 040- 23119545