

B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden  
Pralhadnagar, Ahmedabad - 380015 Phone : 91-9228010690 / 1 / 2  
E-mail : info@palcometals.com • www.palcometals.com  
CIN : L27310GJ1960PLC000998



**Palco Metals Limited**

4<sup>th</sup> September, 2019

To  
BSE Limited  
Listing Department  
P J Towers, Dalal Street,  
Fort, Mumbai – 400 001.

**Sub: Submission of Annual Report along with the Notice calling 58<sup>th</sup> AGM of the company.**

The 58th Annual General Meeting ("AGM") of the Company will be held on 30th September, 2019 Monday, 11.00 A.M. at the Registered Office of the company at B-209, Mondeal Square, Nr. Prahaladnagar Garden, Prahaladnagar, Satellite – 380015, Ahmedabad, to transact the business as mentioned in the Notice of 58<sup>th</sup> AGM of the Company.

Pursuant to regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of 58<sup>th</sup> AGM for the financial year 2018-19 which is being dispatched / sent to the members.

For, Palco Metals Limited



Company Secretary & Compliance Officer  
Mukesh Tiwari



**Palco Metals Limited**

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



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#### BOARD OF DIRECTORS

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

#### STATUTORY AUDITORS

Rahul Kakani & Associates  
Chartered Accountants,  
Ahmedabad.

#### COMPANY SECRETARY

Mr. Mukesh Tiwari

#### BANKERS

State Bank of India

#### REGD. OFFICE

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

#### LISTING

Bombay Stock Exchange  
**ISIN** : INE239L01013  
**CIN** : L27310GJ1960PLC000998

#### REGISTRARS & SHARE TRANSFER AGENTS

MCS SHARE TRANSFER AGENT LIMITED  
Ahmedabad Branch  
201, 2nd Floor, Shatdal Complex,  
Ashram Road, Ahmedabad – 380009.



**Palco Metals Limited**

#### Palco Metals Limited

Registered Office: B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden,  
Prahaladnagar, Ahmedabad – 380015, Gujarat, India. Tele Ph No; 079-48900690  
**CIN:** L27310GJ1960PLC000998, **E-mail:** cs@palcometals.com, **Web:** www.palcometals.com

#### Notice of 58<sup>th</sup> AGM of the Company

Notice is hereby given that the Fifty-Eighth Annual General Meeting of the members of the Company will be held on Monday, 30th September 2019 at 11:00 AM, at Registered Office of the Company at B-209, Mondeal Square, Prahaladnagar, Satellite, Ahmedabad-380015, Gujarat, INDIA to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the year ended on March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.

**“RESOLVED THAT** the Financial Statement comprising of Audited Balance Sheet of the Company as at 31st March 2019, the Cash Flow Statement and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors Report and Consolidated Financial Statement comprising of Audited Consolidated Balance Sheet of the Company as at 31st March 2019, the Consolidated Cash Flow Statement and the Consolidated Profit & Loss Account for the year ended on that date together thereon be and are hereby adopted.”

2. To appoint a Director in place of Mr. Kirankumar Babulal Agrawal (DIN: 00395934), who retires by rotation and being eligible offers himself for re-appointment.

**“RESOLVED THAT** Mr. Kirankumar Babulal Agrawal (DIN: 00395934), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.”

3. To appoint M/s. KPSJ & Associates, Chartered Accountants [Firm Registration No. FRN 124845W/W100209] as Statutory Auditors of the Company for a term of 5 years from the conclusion of 58th Annual General Meeting until the conclusion of 63rd Annual General Meeting and fix their remuneration in place of M/s. Rahul Kakani & Associates, on completion of their term.

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

**“RESOLVED THAT** M/s. KPSJ & Associates, Chartered Accountants, Chartered Accountants [Firm Registration No. FRN 124845W/W100209], who have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant

Rules and have offered themselves for appointment be and is hereby on the recommendation of Audit Committee, appointed as the Statutory Auditor of the Company in place of retiring Auditors M/s. Rahul Kakani & Associates, Chartered Accountants for five years, from the conclusion of 58th Annual General Meeting to the conclusion of the 63rd Annual General Meeting of the Company upto the remuneration of Rs. One Lacs plus GST and out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the company and the said Auditors”.

**SPECIAL BUSINESS :**

4. To re-appoint Mr. Kailashchandra Babulal Agrawal (Din 05334077) as the Non Executive – Independent Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Kailashchandra Babulal Agrawal (Din 05334077), who was appointed as an Independent Director and who holds office of Independent Director and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

5. To re-appoint Shri Nareshchand Jain (Din 00594361) as the Non Executive – Independent Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Naresh Chand Jain (Din 00594361), who was appointed as an Independent Director and who holds office of Independent Director and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by

rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

6. To re-appoint Smt. Rakhi Jitendra Agrawal (Din 07021709) as the Non Executive – Independent Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Smt. Rakhi Jitendra Agrawal (Din 07021709), who was appointed as an Independent Director and who holds office of Independent Director and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the company (including a Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

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

**SD/-  
Kirankumar Agrawal  
Managing Director  
DIN: 00395934**

Date: 26th August, 2019  
Place: Ahmedabad

### NOTES:

1. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed herewith as Annexure-1 to this Notice.

The information as prescribed under Regulation 36[3] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 of the Director and Independent seeking reappointment at the ensuing Annual General Meeting is provided at Annexure-1 to this Notice in Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013.

Additional information, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to appointment of the Statutory Auditors of the Company, as proposed under Item No. 6 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.

2. The Register of Members and Share Transfer Books shall remain closed from Tuesday 24th September, 2019 to Monday, 30th September, 2019 [both days inclusive].
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding 50 [fifty] and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company, then such proxy shall not act as a proxy for any other person or member. Proxies in order to be effective must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting i.e. by 11:00 AM on Saturday, September 28, 2019. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate authority together with specimen signature, as applicable.

4. Corporate members intending to authorise its representatives to attend the Meeting are requested to submit to the Company at its Registered Office, a certified copy of Board Resolution / authorization document authorising their representative to attend and vote on their behalf at the Meeting. Members/Proxies/Authorised Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. Electronic copy of the Notice of the 58th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has specifically requested for a hard copy of the same. For members, who have not registered their email address,

physical copy of the Notice of the 58th Annual General Meeting of the Company along with Annual Report, inter-alia, including the Remote e-voting instructions, Attendance Slip and Proxy Form is being sent by the permitted mode.

6. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically by mailing to the company at mail id: cs@palcometals.com or in writing to the Share Transfer Agent and registrar of Company.
7. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Numbers for easy identification of attendance at the meeting. Members are also requested to notify any change in their email ID or bank mandates or address to the company and always quote their Folio Number or DP ID and Client ID Numbers in all correspondence with the company. In respect of holding in electronic form, Members are requested to notify any change of email ID or bank mandates or address to their Depository Participants.
8. 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 at mail id: cs@palcometals.com or in writing to the Share Transfer Agent and registrar of Company.
9. Members are requested to intimate immediately the change in their registered address, if any, to their Depository Participants (DPs) in respect of their electronic share accounts and to the Company or Share Transfer Agent, in respect of their physical share folios, if any. In case of mailing address mentioned on this Annual Report is without PINCODE, members are requested to kindly inform their PINCODE immediately.
10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection for the members at the Registered Office of the Company on all working days, during normal business hours, upto the date of this Annual General Meeting.
11. 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 of the Equity Shares of the Company is INE239L01013.
12. 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.
13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (LODR) Regulations, 2015 and read with Standard 2 of the Secretarial Standards on General Meetings, 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.

14. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this notice for information purpose only.
15. The Notice will be displayed on the website of the Company [www.palcometals.com](http://www.palcometals.com) and on the website of NSDL. The members who have casted their vote by remote e-voting prior to AGM may also attend the AGM, but shall not be entitled to cast their vote again. A route map showing directions to reach the venue of the 58th AGM is given in the Annual Report as per the requirement of the Secretarial Standards-2 on "General Meetings".
16. The Board of Directors has 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 submit the report after completion of the scrutiny to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Bombay Stock Exchanges.
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:

#### E-VOTING INSTRUCTIONS

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services.

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

2. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on Friday, September 27, 2019 (09:00 AM) and ends on Sunday, September 29, 2019 (05:00 PM). During this period members of the Company, holding

shares either in physical form or in dematerialized form, as on the cut-off date of Monday, September 23, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

5. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose e-mail IDs are registered with the Company/Depository Participant(s)]:

- (i) Open email and open PDF file viz.; "Palco Metals remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting.

Please note that the password is an initial password.

- (ii) Launch internet browser and type URL: <https://www.evoting.nsd.com/>. Press Enter.
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Palco Metals Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [cs@palcometals.com](mailto:cs@palcometals.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

- (i) Initial password is provided under 'E-voting Particulars' overleaf.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nSDL.com](http://www.evoting.nSDL.com) or call on toll free no.: 1800-222-990.
7. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
8. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
9. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2019.
10. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e September 23, 2019 may obtain the Login ID and password by sending a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) or [cs@palcometals.com](mailto:cs@palcometals.com).
11. Login to e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through "Forgot Password" option available on the site to reset the same.
12. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com) or contact NSDL at the following toll free no.: 1800-222-990.
13. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
14. A member may participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting through ballot paper.
16. Mr. Punit S. Lath, Practicing Company Secretary (Membership No. 26238, C.P. No. 11139) has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
17. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "ballot paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
18. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

19. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.palcometals.com](http://www.palcometals.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

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

**SD/-  
Kirankumar Agrawal  
Managing Director  
DIN: 00395934**

Date: 26th August, 2019  
Place: Ahmedabad

## “ANNEXURE 1” TO NOTICE OF AGM

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND PURSUANT TO REGULATION 36[3] AND 36[5] OF THE SEBI [LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS] REGULATIONS, 2015:

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 3:** To appoint M/s. KPSJ & Associates, Chartered Accountants [Firm Registration No. FRN 124845W/W100209] as Statutory Auditors of the Company for a term of 5 years from the conclusion of 58th Annual General Meeting until the conclusion of 63rd Annual General Meeting and fix their remuneration in place of M/s. Rahul Kakani & Associates, on completion of their term.

It is being informed to the members that Audit Committee in their meeting dated 26th August, 2019 has considered the appointment of M/S. KPSJ & Associates, Chartered Accountants, as statutory Auditors of the company and has approved and recommended to Board their Appointment.

Board in its meeting dated 26th August, 2019 appointed M/S. KPSJ & Associates, Chartered Accountants as the Statutory Auditors for 5 years subject to approval of members at the ensuing AGM of the company.

The Reason of change of Existing auditor, Brief profile of new auditor, Term of appointment, date of Appointment, remuneration required to be disclosed in Notice of AGM pursuant to SEBI (LODR) Regulations is given herewith:

**Reason of Change:** M/s. Rahul Kakani & Associates, Chartered Accountants existing auditors of the company are retiring auditors at the ensuing AGM and are not eligible for reappointment due to completion of term. Hence it is necessary to appoint new auditors.

**Brief Profile & Basis of Appointment:** M/s. KPSJ & Associates LLP, Chartered Accountants is a firm where commercial solutions and financial services are provided for various Clients needs. The firm works across verticals of assurance, taxation, accounting, management consultancy, solving corporate litigation, compliances, and all allied activities. There area of work generally includes Auditing, International Taxation, Risk Advisory, Financial Advisory, Direct & Indirect Taxes, Investment Banking, Due Diligence, IPO works, and Corporate Laws.

The Firms has got the nice experience and Client list with huge experience and great team. The Audit firm is Grade “A” CAG empanelled for PSU Audit, ISO 9001:2008 Certified firm, Category “1” empanelled Auditors by RBI, and is peer reviewed firm.

**Date of Appointment:** 30th September, 2019 (subject to approval by members at the ensuing AGM of the company.)

**Term of Appointment:** For 5 years from the conclusion of 58th AGM of the company till the conclusion of 63rd AGM of the company subject to approval by members at the ensuing AGM of the company.

**Remuneration:** Board along with Audit Committee is authorized to decide the Remuneration of

Auditors upto Rs. 100000/- + GST and out-of-pocket, travelling and living expenses to Auditors of the company and also to decide the scope of work of the Auditors of the company.

### ITEM No 4: Reappointment of Mr. Kailashchandra Agrawal (DIN: 05334077) for 2nd Term as Independent Director.

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, reappointed Mr. Kailashchandra Agrawal (DIN: 05334077) for 2nd term as Independent Director subject to approval by Members by Special Resolution in the ensuing AGM of the company with effect from 1st April, 2019.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kailashchandra Agrawal (DIN: 05334077) for reappointment at the office of Independent Director for 2nd Term after completion of term.

As per the provision of Section 149 of the Companies Act, 2013, an independent director can be reappointed for a second term of 5 (five) consecutive years which will be final and last term after completion of 1st Term on the Board of a company, subject to approval by members by special resolution in the AGM of the company. Further Independent Directors are not included in the total number of directors for retirement by rotation.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board.

The Company has received a declaration from Mr. Kailashchandra Agrawal (DIN: 05334077) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(B) of SEBI (LODR) Regulations 2015.

The Nomination and Remuneration Committee has recommended the reappointment of Mr. Kailashchandra Agrawal (DIN: 05334077) for 2nd Term as Independent Director to hold office for five consecutive years for a term upto 31st March, 2024. In the Opinion of NR Committee and Board, Mr. Kailashchandra Agrawal (DIN: 05334077) possesses appropriate skills, experience and knowledge, inter alia, in the field of Information, Technology and Management.

In the opinion of the Board, Mr. Kailashchandra Agrawal (DIN: 05334077) fulfills the conditions for his appointment as an Independent Director as specified in the Act and the SEBI(LODR) Regulations, 2015. Mr. Kailashchandra Agrawal (DIN: 05334077) is independent of the management.

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

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

Mr. Kailashchandra Babulal Agrawal (59 Years), is management consultant in the field of ERP, BPR, Finance, Investment and Project Management. He Holds B Com with first rank in Advanced Statistics (1980) with three gold medals, M Com with first rank in Statistics (1983) with one gold medal, CCP with



first rank (1981), and Master of Business Administration (1991) from Gujarat University.

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

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

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

Save and except Mr. Kailashchandra Agrawal (DIN: 05334077) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the shareholders as Special resolution.

**ITEM No 5: Reappointment of Mr. Nareshchand Jain (DIN: 00594361) for 2nd Term as Independent Director.**

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

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, reappointed Mr. Nareshchand Jain (DIN: 00594361) as Independent Director for 2nd term subject to approval by Members by Special Resolution in the ensuing AGM of the company with effect from 1st April, 2019.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nareshchand Jain (DIN: 00594361) for reappointment at the office of Independent Director for 2nd Term after completion of term.

As per the provision of Section 149 of the Companies Act, 2013, an independent director can be reappointed for a second term of 5 (five) consecutive years which will be final and last term after completion of 1st Term on the Board of a company, subject to approval by members by special resolution in the AGM of the company. Further Independent Directors are not included in the total number of directors for retirement by rotation. The proposed resolution is to be passed by members as special resolution.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board.

The Company has received a declaration from Mr. Nareshchand Jain (DIN: 00594361) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(B) of SEBI (LODR) Regulations 2015 of the SEBI(LODR) Regulations, 2015.

The Nomination and Remuneration Committee has recommended the reappointment of Mr. Nareshchand Jain (DIN: 00594361) for 2nd Term as Independent Director to hold office for five consecutive years for a term upto 31st March, 2024. In the Opinion of NR Committee and Board, Mr. Nareshchand Jain (DIN: 00594361) possesses appropriate skills, experience and knowledge, inter alia, in the field of Information, Technology and Management.

In the opinion of the Board, Mr. Nareshchand Jain (DIN: 00594361) fulfills the conditions for his appointment as an Independent Director as specified in the Act and the SEBI(LODR) Regulations, 2015. Mr. Nareshchand Jain (DIN: 00594361) is independent of the management.

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

**Brief Profile of Mr. Nareshchand Jain is as under:**

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

Copy of the draft letter for reappointment of Mr. Nareshchand Jain (DIN: 00594361) as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Save and except Mr. Nareshchand Jain (DIN: 00594361) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

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

**Item no: 6: To re-appoint Smt. Rakhi Jitendra Agrawal (Din 07021709) as the Non Executive – Independent Director of the Company for 2nd term.**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, reappointed Smt. Rakhi Jitendra Agrawal (Din 07021709) as Woman Independent Director for 2nd term subject to approval by Members by Special Resolution in the ensuing AGM of the company with effect from 26th March, 2020.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. Rakhi Jitendra Agrawal (Din 07021709) for reappointment at the office of Independent Director for 2nd Term after completion of term.

As per the provision of Section 149 of the Companies Act, 2013, an independent director can be reappointed for a second term of 5 (five) consecutive years which will be final and last term after completion of 1st Term on the Board of a company, subject to approval by members by special resolution in the AGM of the company. Further Independent Directors are not included in the total number of directors for retirement by rotation. The proposed resolution is to be passed by members as special resolution.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board.

The Company has received a declaration from Smt. Rakhi Jitendra Agrawal (Din 07021709) that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16(B) of SEBI (LODR) Regulations 2015 of the SEBI(LODR) Regulations, 2015.

The Nomination and Remuneration Committee has recommended the reappointment of Smt. Rakhi Jitendra Agrawal (Din 07021709) for 2nd Term as Independent Director to hold office for five consecutive years for a term upto 25th March, 2025.

In the Opinion of NR Committee and Board, Smt. Rakhi Jitendra Agrawal (Din 07021709) possesses appropriate skills, experience and knowledge, inter alia, in the field of Information, Technology and Management.

In the opinion of the Board, Smt. Rakhi Jitendra Agrawal (Din 07021709) fulfills the conditions for his appointment as an Independent Director as specified in the Act and the SEBI (LODR) Regulations, 2015. Smt. Rakhi Jitendra Agrawal (Din 07021709) is independent of the management.

Smt. Rakhi Jitendra Agrawal (Din 07021709) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Smt. Rakhi Jitendra Agrawal is a BA and has experience of more than 10 years in accounts, administration and management.

Copy of the draft letter for reappointment of Smt. Rakhi Jitendra Agrawal as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

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

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

shareholders as Special Resolution.

**Details of Director seeking reappointment at the 58th AGM pursuant to Regulation 36[3] of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 and pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India**

Name & DIN of Director	Kirankumar Babulal Agrawal DIN 00395934	Kailashchandra Babulal Agrawal DIN 05334077	Nareshchand Jain DIN 00594361	Rakhi Jitendra Agrawal DIN 07021709
Date of Birth	23/10/1964	08/08/1960	27/07/1959	23/08/1983
Date of Appointment	17/08/1996	18/03/2014	28/03/2006	26/03/2015
Experience	He has got the rich and vast experience of 10 Years Practicing Chartered Accountants in area of Finance and Taxation. 23 Years of Experience as promoter of Palco Metals Limited, an aluminum recycle company.	Pls refer the Item No 3 of "Annexure A" to the Notice	Pls refer the Item No 4 of "Annexure A" to the Notice	Pls refer the Item No 5 of "Annexure A" to the Notice
Qualifications	B.Com CA	M Com, MBA	B.E. (Hons), ME	B.A.
Directorship held in other Public Limited Companies	Palco Recycle Industries Ltd. (PRIL) Palco Recycle Exchange Ltd (PRX)	Palco Recycle Industries Ltd. (PRIL)	Palco Recycle Industries Ltd. (PRIL)	Not Applicable
Member / Chairman of Committees in other Public Limited Companies	Palco Recycle Industries Limited	Palco Recycle Industries Ltd. (PRIL)	Palco Recycle Industries Ltd. (PRIL)	Not Applicable
No. of Shares held in the company & Subsidiary Company	4000 PML & 7500 PRIL Equity shares respectively.	NIL	NIL	NIL
Inter se Relationship with any Director/ KMP Director or KMP	No relationship with any Director or on the Board.	NIL	NIL	NIL

Shri Kirankumar Babulal Agrawal DIN 00395934 is interested in the ordinary Resolution set out at item No. 2 of Notice of 58th AGM with respect to his appointment.

The relative(s) of Shri Kirankumar Babulal Agrawal DIN 00395934r may be deemed to be interested in the said Resolution to the extent of their shareholding interest, if any, in the company. Except that none of the Directors or KMP are interested in the Resolution set out at item No. 2 of the Notice of 58th AGM.

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

**SD/-  
Kirankumar Agrawal  
Managing Director  
DIN: 00395934**

Date: 26th August, 2019  
Place: Ahmedabad

## DIRECTORS' REPORT

To,  
The Members,  
Palco Metals Ltd.,  
Ahmedabad

Your Directors have pleasure in presenting herewith the 58th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2019.

### FINANCIAL RESULTS:

(Rs. In Lacs)

Particulars	Year Ended on 31/03/2019	Year Ended on 31/03/2018
TOTAL INCOME		
Revenue from Operations (Net)	-	-
Other Income	26.50	16.39
<b>Total revenue</b>	<b>26.50</b>	<b>16.39</b>
TOTAL EXPENSES:		
Expenses (Employee Exps)	6.06	1.54
Other Exps	13.14	12.24
Finance Costs	0.00	0.01
<b>Total Exps</b>	<b>19.20</b>	<b>13.79</b>
<b>Profit/(Loss) after finance costs but before exceptional Items</b>	<b>7.30</b>	<b>2.60</b>
Exceptional Items	-	-
<b>Profit before extraordinary items and tax</b>	<b>7.30</b>	<b>2.60</b>
Extraordinary Items	-	-
<b>Profit before Tax</b>	<b>7.30</b>	<b>2.60</b>
Tax Expenses	2.00	0.83
<b>Net Profit /Loss for the Period</b>	<b>5.30</b>	<b>1.77</b>
<b>Earning Per share</b>	<b>0.13</b>	<b>0.04</b>

### STATEMENT OF COMPANY'S AFFAIRS :

The Company has not earned any revenue from Operations. Other income from interest stood at Rs. 26.50 Lacs as compared to Rs.16.39 Lacs last year. Further Company has Subsidiary Company Palco Recycle Industries Limited in which Company holds approx. 65% of holding.

The performance of subsidiary is as follows:

(Rs. In Lacs)

Particulars	Year Ended on 31/03/2019	Year Ended on 31/03/2018
<b>TOTAL INCOME</b>		
Revenue from Operations (Net)	11156.28	9572.78
Other Income	4.36	95.54
<b>Total revenue</b>	<b>11160.64</b>	<b>9668.32</b>
<b>Total Exps</b>	<b>11218.84</b>	<b>9565.44</b>
Profit/(Loss) after finance costs but before exceptional Items	(58.20)	102.88
<b>Profit before Tax</b>	<b>(58.20)</b>	<b>102.88</b>
Tax Expenses (Deffered Tax)	1.41	38.84
<b>Profit After Tax</b>	<b>(59.61)</b>	<b>64.04</b>

**DIVIDEND:**

This Year also company has not earned any income from operations. 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.

**TRANSFER TO RESERVE:**

The Company proposes to transfer Nil amount to General Reserve and surplus amount of profit is proposed to be retained as in the Statement of Profit and Loss.

**EXTRACT OF ANNUAL RETURN:**

Extract of Annual Return of the Company as required under Section 92(3) read with Section 134(3)(a) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, in the prescribed Form MGT-9, is annexed herewith as Annexure - A, to this Report. Further the Extract of Annual return is also placed on the website of the company [www.palcometals.com](http://www.palcometals.com).

**MANAGEMENT DISCUSSION AND ANALYSIS:**

In terms of provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (listing regulations) the Management Discussion and Analysis Report has been enclosed herewith as per Annexure – B and forming part of the Directors’ Report.

**ACCEPTANCE OF DEPOSITS:**

During the year under review, the Company has not accepted any deposits from the Public and Shareholders of the Company. As such, no amount of principal or interest was outstanding as of the Balance Sheet date.

**SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANY:**

The Company has Subsidiary company Palco Recycle Industries Limited within the meaning of 2(87) of the Companies Act, 2013. Palco Recycle Industries Limited has performed stable during the year. Total Revenue of the PRIL during the year stood at Rs. 111,56,28,167/- as compared to last year of Rs. 95,72,78,459/- Profit (loss) after Tax stood at Rs.(59,61,666) as compared to Rs. 64,04,231/-.

Further, a report in the prescribed Form AOC- 1 as per first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rules made there under is attached herewith as Annexure C to the report.

**CONSOLIDATED FINANCIAL STATEMENTS:**

Since the Company has the subsidiary company i.e. Palco Recycle Industries Limited, Consolidated Financial Statements prepared, pursuant to the requirements of Section 129, read with Schedule III of the Companies Act, 2013 and Rules made there under, Listing Regulations and applicable Accounting Standards, are placed in the Annual Report along with the Auditors Report thereon. They are also forming part of the financial statements.

**CORPORATE GOVERNANCE:**

As per the provision of Regulation 15(2) of the Listing Regulations Compliance with Corporate Governance provisions as specified in the regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V shall not apply to listed entities having paid-up equity share capital not exceeding 10 Crores and net worth not exceeding Rs. 25 Crores as on the last date of previous financial year.

Henceforth, Company being falling under the specified limits of above regulation, requirement of giving Corporate Governance report in Annual Report as per the Para C of the Schedule V is exempted to the company and hence not required to be prepared.

**DIRECTORS RESPONSIBILITY REPORT:**

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(C) and 134(5) of the Companies Act, 2013 and confirm that :

- (a) In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that 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 and loss of the company for the year under review;
- (c) The Directors had 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;
- (d) The Directors had prepared the annual accounts for the financial year ended on 31st March, 2019 on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

As required under Section 134(3)(m) of the Companies Act, 2013 and Rules made there under, details relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the **Annexure – D** attached herewith and forming part of the Directors' Report.

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

Particulars of loans given, investments made, guarantees given and securities provided by the Company under Section 186 of the Companies Act, 2013 are given under **Note no 22** - Related Party Disclosure as per AS-18 under Part notes to the accounts of annual reports.

**STATUTORY AUDITORS :**

Section 139(2) of the Companies Act, 2013 (effective 1st April, 2014), mandates that a listed company or such other prescribed class of companies shall not appoint or re-appoint an audit firm as Statutory Auditors for more than two terms of five consecutive years each.

The Company has appointed M/s. Rahul Kakani & Associates as the Statutory Auditor for the term Five years from the conclusion of 53rd Annual General Meeting to conclusion of 58th Annual General Meeting that is till the ensuing AGM of the company. Now retiring Auditors being not eligible for reappointment Board in its Board meeting Dated 26/08/2019 appointed M/s.KPSJ & Associates, Chartered Accountants as the Statutory Auditors of the Company for the term Five years from the conclusion of 58th Annual General Meeting to conclusion of 63rd Annual General Meeting subject to approval by members at the ensuing AGM of the company.

Brief Profile of the auditors along with remuneration details and Basis for their appointment forms part of **Annexure 1 to the Notice of AGM**. Board recommends their appointment and none of the Director is interested in the resolution.

Further the Statutory Audit report on both financial Statement and Consolidated Financial Statement of the company does not contain any adverse remarks, qualification which requires the Board explanation or justification.

**SECRETARIAL AUDITOR:**

Section 204 of the Companies Act, 2013 and Rules made there under inter alia requires every listed company to annex with its Board Report a Secretarial Audit Report given by a Company Secretary in practice in the prescribed form. The Board has appointed Mr. Punit Lath, Practicing Company Secretary, Ahmedabad to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure – E** to this Report.

Further the Secretarial Audit report of the company does not contain any adverse remarks, qualification which requires the Board explanation or justification.

**RELATED PARTY TRANSACTIONS :**

No Transaction as defined under section 188 of the Companies Act, 2013 as related party transactions

was entered into with related parties by the company.

Details of Related Party Transactions as per AS 18 issued by ICAI are disclosed in Note No. 22 of the Notes to the Standalone Financial Statements for the year ended on 31st March, 2019. Further the transactions entered into by the company are arms length transactions.

Further, there are no materially significant related party transactions made/ entered into by the Company with its related parties including promoters, directors or the management etc. that may have potential conflict with the interests of the Company at large.

The requirement of Policy on materiality of related party transactions and dealing with related party transactions as per Regulation 23 SEBI (LODR) Regulations, 2015 is not applicable to company as per the Exemption granted under regulation 15(2) of Listing Regulations. After applicability of regulation 15(2) of Listing Regulations, the related party transactions are dealt in by the company as per the Section 188 of the Companies Act, 2013.

Disclosure of related party transaction as required under Schedule V of SEBI LODR Regulations is given under Note No. 22 of the Notes to the Standalone Financial Statements.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL & POLICY :**

During the year, following changes in Key managerial Personnel or Board of Directors were done in the company.

In the Board Meeting dated 14th August, 2018 Mr. Kanaiyalal Agrawal (DIN: 00594240) resigned as the Whole Time Director of company and continued as the Non executive Director of the company w.e.f 1st September, 2018.

Further Board in its Meeting dated 14th August, 2018 appointed Mr. Kirankumar Babulal Agrawal (DIN 00395934) as the Managing Director of the company. Special Resolution for the same was passed in the 57th AGM of the company.

Mr. Kirankumar Babulal Agrawal (DIN: 00395934), Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment, for which necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends re-appointment of Mr. Kirankumar Babulal Agrawal (DIN: 00395934) as Director of the Company.

The brief resume/details relating to the said Directors, who are to be re-appointed/appointed are furnished in the Annexure 1 to the Notice of the Annual General Meeting.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors of the Company in terms of Section 149(7) of the Act, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 25 of SEBI Listing Regulations, 2015.

Further company is exempted under regulation 15(2) of the Listing Regulations from holding Familiarization program for independent Directors.

Further the certificate from Practicing Company Secretary Pursuant to Regulation 34(3) and Schedule V

Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as regards the non-disqualification of Directors is attached herewith as Annexure –F to the report.

**BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance and that of its Committees and Directors pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. The performance of the Board and committees were evaluated by the Board on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. None of the independent directors are due for re-appointment.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors and assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Board, on the recommendation of the Nomination & Remuneration Committee, had formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director as also a Policy for remuneration of Directors, Key Managerial Personnel and Senior Management.

The Policy on appointment and remuneration of Directors, KMP and other employees and other matters as required under Section 178(3) of the Companies Act, 2013 is available on the web-site of the Company viz. [www.palcometals.com](http://www.palcometals.com).

Further company being non operative doesn't have employee base except the KMP and henceforth requirements of Section 197 (12) read alongwith rule relating disclosure of remuneration in Boards report is not applicable to the company.

**BOARD MEETINGS:**

The Board of Directors of the Company met 4 (Four) times during the year in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes book kept by the Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Further Board also herewith declares the compliance of Applicable Secretarial Standards in respect of SS-1 for Board Meeting, Committee Meetings and SS-2 in respect of General Meeting.

Details of the Board Meeting and present of Directors thereat are as follows:

(Y=Present , N=Absent, NA= not associated with company as on that date.)

Name of Director	Date of Board Meeting and Presence of Director there at.				Total meeting Attended
	29/05/2018	14/08/2018	12/11/2018	14/02/2019	
Kirankumar Agrawal	Y	Y	Y	Y	4
Kanaiyalal Agrawal	Y	Y	Y	Y	4
Narendra Agrawal	Y	N	Y	N	2
Kailashchandra Agrawal	Y	Y	Y	Y	4
Nareshchand Jain	Y	Y	N	Y	3
Rakhi Jitendra Agrawal	N	Y	Y	Y	3

**AUDIT COMMITTEE :**

During the Year under the 4 (Four) meeting of the audit committee was held complying the requirements under the Companies Act, 2013 and Secretarial Standard. The constitution of committee and date of meeting and presence of Directors there at is as follows:

Name of Director	Date of meeting & presence of Director				Total meeting Attended
	29/05/2018	14/08/2018	12/11/2018	14/02/2019	
Kailaschandra Agrawal Chairman Independent Director	Y	Y	Y	Y	4
Nareshchand Jain Member Independent Director	Y	Y	Y	Y	4
Kirankumar Babulal Agrawal Member Non Independent Director	Y	Y	Y	Y	4

**NOMINATION AND REMUNERATION COMMITTEE :**

The constitution of nomination and remuneration committee and date of meeting and presence of Directors there at is as follows :

Name of Director	Date of meeting & presence of Director 11/08/2018
Mr. Kailaschandra Agrawal Member Independent Director	Y
Mr. Nareshchand Jain Chairman Independent Director	Y
Mr. Kirankumar Agrawal Member Non Independent Director	Y

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Four Meetings of the Stake Holders Relationship Committee were duly held during the year under review. The constitution of committee and date of meeting and presence of Directors there at is as follows:

Name of Director	Date of meeting & presence of Director				Total meeting Attended
	29/05/2018	14/08/2018	12/11/2018	14/02/2019	
Kailaschandra Agrawal Chairman Independent Director	Y	Y	Y	Y	4
Nareshchand Jain Member Independent Director	Y	Y	Y	Y	4
Kirankumar Babulal Agrawal Member Non Independent Director	Y	Y	Y	Y	4

#### RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee which 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).

The Risk Management Committee of the company consists of 2 Directors (Mr. Kailaschandra Babulal Agrawal, Independent director and Chairman and Mr. Kirankumar Babulal Agrawal Non Independent. No formal meeting was held during the year but general discussion was taken between members on subject in Board meetings and Committee meetings.

#### TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 of the Companies Act, 2013, certain amounts of investors which are unclaimed or unpaid for certain years are required to be transferred to the Investor Education and Protection Fund ("IEPF"). Further Company is also required to transfer those shares to the Demat account of the Investor Education and Protection Fund ("IEPF") in respect of which dividend is unpaid or unclaimed for seven consecutive years.

So it is informed to stakeholders that company has no such amount or shares which are required to be transferred to IEPF.

#### CORPORATE SOCIAL RESPONSIBILITY:

In terms of provisions of Section 135 of the Companies Act, 2013 and Rules made there under, provisions of Corporate Social responsibility is not applicable to the company.

#### INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls commensurate with operations of the company. The Management regularly monitors the safeguarding of the assets, prevention and detection of frauds and errors and the accuracy and completeness of the accounting records.

The Internal Auditor along with Statutory Auditor reviews the effectiveness and efficiency of these procedures

During the year, such controls were tested and no reportable material weakness in the operations was observed.

The Secretarial Audit Report for the financial year 2018-19 does not contain any major qualification, reservation or adverse remark. All the qualifications and observations are general and self explanatory in nature.

#### LISTING AGREEMENT WITH STOCK EXCHANGE:

Pursuant to the provisions of Listing Regulations, the Company declares that the Equity Shares of the Company are listed on the BSE Limited (BSE). The Company has entered into new Listing Agreement with BSE Ltd. in terms of provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the prescribed time limit.

The Company confirms that it has paid Annual Listing Fees to BSE upto the Financial Year 2019-20.

#### PARTICULARS OF EMPLOYEES:

The Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the company as the company does not have any operations and employees on its pay roll (or on contract basis) except Key Managerial Person.

The Statement of particulars of employees under Section 197(12) read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as, during the financial year under review, no employee of the Company including Whole-time Directors and Managing Directors were in receipt of remuneration in excess of the limits set out in the said rules.

#### WHISTLE BLOWER POLICY / VIGIL MECHANISM:

The Company has a Vigil mechanism and Whistle blower policy under which the employees are free to report any act of serious misconduct or wrongful activity being occurred or suspected to occur within the organization, to Whole-time Directors or Managing Directors of the Company, as he may desire. No employee of the Company is denied access to the Audit Committee. The Vigil Mechanism / Whistle Blower Policy is also available on the website [www.palcometals.com](http://www.palcometals.com).

**GENERAL:**

During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31st March, 2019 till the date of this report.

During the year under review, there was no significant and/or material order passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

The Company does not provide any loan or other financial arrangement to its employees or Directors or Key Managerial Personnel for purchase of its own shares and hence, the disclosure under Section 67(3)(c) of the Companies Act, 2013.

The disclosure in terms of Rule 4 of Companies (Share Capital and Debenture) Rules, 2014 is not provided, as the Company does not have any equity shares with differential voting rights.

Your Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

Your director's further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In the preparation of Financial Statement no treatment different from that of prescribed accounting standard has been followed.

**ACKNOWLEDGEMENT:**

The Directors place on record the appreciation and gratitude for the co-operation and assistance extended by various departments of the Union Government, State Government, Bankers and Financial Institutions.

The Directors also place on record their appreciation of dedicated and sincere services of the employees of the Company at all levels.

The Company will make every effort to meet the aspirations of its Shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

For and On behalf of the Board of Directors

SD/- <b>Kanaiyalal Agrawal</b> Director DIN: 00594240	SD/- <b>KiranKumar Agrawal</b> Managing Director DIN 00395934
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Date: 26th August, 2019  
Place: Ahmedabad

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

**As on Financial Year ended on 31.03.2019**

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	21-11-60
3	Name of the Company	Palco Metals Limited
4	Category / Sub-category of the Company	Category: Company Limited by Shares Sub-category: Non-government Company
5	Address of the Registered Office & Contact details	"B-209, 2nd Floor, Mondeal Square, Near Prahladnagar Garden, Prahladnagar, Ahmedabad-380015, Gujarat, INDIA. *Tele. No.: +91-48900690/1, *E-mail Id: cs1@palcorecycle.com"
6	Whether listed company	Yes
7	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	"MCS Share Transfer Agent Limited 101, Shatdal Complex, 1st floor, Opp. Bata Showroom, Shreyas Colony, Ashram Road, Ahmedabad- 380009, Gujarat, INDIA. *Tele. No.: (079) 26582878/79/80, (079) 26584027.*Fax No.: (079) 26581296 *E-mail Id: mcsstaahmd@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	In the Current Year Company has not done any operating activities.		
2			
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:					
S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Palco Recycle Industries Limited	U27209GJ2007PLC051853	Subsidiary	65.00	2(87)



IV. SHAREHOLDING PATTERN:									
(Equity Share Capital breakup as percentage of Total Equity)									
(i) Category-wise Shareholding									
Category of Shareholders	"No. of Shares held at the beginning of the year[As on 1-April-2018]"				"No. of Shares held at the end of the year[As on 31-March-2019]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	77,520	-	77,520	1.94%	92,720	-	92,720	2.32%	19.61%
b) Central Govt.			-	0.00%			-	0.00%	0.00%
c) State Govt.(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	20,93,320	-	20,93,320	52.33%	20,78,120	-	20,78,120	51.95%	-0.73%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other (Director & Relatives)	556200	-	5,56,200	13.91%	5,56,200	-	5,56,200	13.91%	0.00%
Sub Total (A) (1)	27,27,040	-	27,27,040	68.18%	27,27,040	-	27,27,040	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)	27,27,040	-	27,27,040	68.18%	27,27,040	-	27,27,040	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			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual share holders holding nominal share capital upto ` 1 lac	8,468	1,76,680	1,85,148	4.63%	9,368	1,75,780	1,85,148	4.63%	0.00%
ii) Individual share holders holding nominal share capital in excess of ` 1 lac	3,80,681	7,07,000	10,87,681	27.19%	6,55,681	4,32,000	10,87,681	27.19%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
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%
HUF	21	-	21	0.00%	21	0	21	0.00%	0.00%
Other Bodies Corp.	110	-	110	0.00%	110	0	110	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	3,89,280	8,83,680	12,72,960	31.82%	6,65,180	6,07,780	12,72,960	31.82%	0.00%
Total Public (B)	3,89,280	8,83,680	12,72,960	31.82%	6,65,180	6,07,780	12,72,960	31.82%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%			-	0.00%	0.00%
Grand Total (A+B+C)	31,16,320	8,83,680	40,00,000	100.00%	33,92,220	6,07,780	40,00,000	100.00%	0.00%
(ii) Shareholding of Promoter									
S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year	
		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	13,60,000	34.00%		13,60,000	34.00%		0.00%	
2	Narendra Agarwal	1,90,000	4.75%		1,90,000	4.75%		0.00%	
3	Thakkar Financial Services Private Limited	1,90,000	4.75%		1,90,000	4.75%		0.00%	
4	Vital Marketing & Finance Private Limited	1,90,000	4.75%		1,90,000	4.75%		0.00%	
5	Kanaiyalal Agrawal HUF	1,86,200	4.66%		1,86,200	4.66%		0.00%	
6	Lalitkumar Naredi	1,80,000	4.50%		1,80,000	4.50%		0.00%	

7	Krishna Sharebroking Services Private Limited	3,48,120	8.70%		3,38,120	8.45%		-2.87%
8	Rajkumari Ashokkumar Agrawal	73,520	1.84%		88,720	2.22%		20.67%
9	Radius Global Private Limited (Formerly known as Krishna Worldwide Private Limited)	5,200	0.13%		-	0.00%		-100.00%
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)

**NO CHANGES IN PROMOTERS SHAREHODLING TOOKPLACE DURING YEAR UNDER REVIEW**

S. N.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Radius Global Private Limited						
	At the beginning of the year	01-04-18		5,200	0.13%	-	0.00%
	Changes during the year	01-03-19	Transfer	(5,200)	-0.13%	-	0.00%
	At the end of the year	31-03-19		-	0.00%	-	0.00%
2	Krishna Sharebroking services Private Limited						
	At the beginning of the year	01-04-18		3,48,120	8.70%		0.00%
	Changes during the year	01-03-19	Transfer	(10,000)	-0.25%	3,38,120	8.45%
	At the end of the year	31-03-19		3,38,120	8.45%		0.00%
3	Rajkumari Ashokkumar Agrawal						
	At the beginning of the year	01-04-18		73,520	1.84%		0.00%
	Changes during the year	01-03-19	Transfer	5,200	0.13%	78,720	1.97%
		01-03-19	Transfer	10,000	0.25%	88,720	2.22%
	At the end of the year	31-03-19		88,720	2.22%		0.00%

(iv) Shareholding Pattern of Top Ten Shareholders

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

S. N.	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding 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	01-04-18		1,90,000	4.75%	1,90,000	4.75%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		1,90,000	4.75%	1,90,000	4.75%

2	Sachin Dinesh Agrawal						
	At the beginning of the year	01-04-18		1,90,000	4.75%	1,90,000	4.75%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		1,90,000	4.75%	1,90,000	4.75%
3	Sumit Gupta						
	At the beginning of the year	01-04-18		1,90,000	4.75%	1,90,000	4.75%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		1,90,000	4.75%	1,90,000	4.75%
4	Pramod Agrawal						
	At the beginning of the year	01-04-18		1,88,000	4.70%	1,88,000	4.70%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		1,88,000	4.70%	1,88,000	4.70%
5	Niranjan Khemka						
	At the beginning of the year	01-04-18		1,80,000	4.50%	1,80,000	4.50%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		1,80,000	4.50%	1,80,000	4.50%
6	Manish Patel						
	At the beginning of the year	01-04-18		83,830	2.10%	83,830	2.10%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		83,830	2.10%	83,830	2.10%
7	Ramanlal Shambhulal Agrawal						
	At the beginning of the year	01-04-18		40,000	1.00%	40,000	1.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		40,000	1.00%	40,000	1.00%
8	Bansilal Ramkishan Shah						
	At the beginning of the year	01-04-18		12,000	0.30%	12,000	0.30%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		12,000	0.30%	12,000	0.30%
9	Pankaj Agrawal						
	At the beginning of the year	01-04-18		13,851	0.35%	13,851	0.35%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		13,851	0.35%	13,851	0.35%

10	Neeta Nilesh Shah						
	At the beginning of the year	01-04-18		2,688	0.07%	2,688	0.07%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		2,688	0.07%	2,688	0.07%

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

S. N.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Narendra Agarwal						
	At the beginning of the year	01-04-18		1,90,000	4.75%	1,90,000	4.75%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		1,90,000	4.75%	1,90,000	4.75%
2	Kanaiyalal Agrawal - H.U.F.						
	At the beginning of the year	01-04-18		1,86,200	4.66%	1,86,200	4.66%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-19		1,86,200	4.66%	1,86,200	4.66%
3	Kirankumar Babulal Agrawal						
	At the beginning of the year	01-04-17		4,000	0.10%	4,000	0.10%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-03-18		4,000	0.10%	4,000	0.10%

**V. INDEBTEDNESS:**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amount in Rs.)**

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition				-
* Reduction				-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				-
ii) Interest due but not paid				-
iii) Interest accrued but not due				-
<b>Total (i+ii+iii)</b>	-	-	-	-

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

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

S N	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (in Rs.)
	Name			
	Designation			
1	Gross salary			
	(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)	-	-	-
	Ceiling as per the Act			-

**B. Remuneration to other Directors:**

S N	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
1	Independent Directors				
	Fee for attending Board Committee Meetings				-
	Commission				-
	Others, please specify				-
	<b>Total (1)</b>	-	-	-	-
2	Other Non-Executive Directors / Executive Directors				
	Fee for attending Board Committee Meetings				-
	Commission				-
	Others, please specify				-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

S N	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
		Name	Badal Naredo	Mukesh Tiwari	
		Designation	CEO	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	120000	120000
	(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	Nil	Nil	120000	120000

**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					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board of Directors  
PALCO METALS LIMITED**

**Sd/-  
(Director)  
Kanaiyalal B. Agrawal  
DIN: 00594240**

**Sd/-  
(Managing Director)  
Kirankumar B. Agrawal  
DIN: 00395934**

Date: 26th August, 2019  
Place: Ahmedabad

**ANNEXURE B  
MANAGEMENT DISCUSSION AND ANALYSIS**

**INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Financial Year 2018-19 was a mixed year for the Global Economy.

World production of Aluminium during the year 2018 was 63.71 Million Tonnes, registering a meagre increase of 0.3% over production figures of 63.49 Million Tonnes achieved in 2017. At the same time, worldwide consumption of Aluminium increased 3.1% from 63.41 Million Tonnes in 2017 to 65.39 Million Tonnes in 2018. The market, thus, stayed in deficit of around 1.7 million tonnes during 2018.

China was the largest producer as well as consumer during the year, contributing 57% share of the world production (36.15 Million Tonnes) and 55% of the world consumption (35.71 Million Tonnes) of Aluminium. China registered a negative aluminium production growth of 0.3% during 2018, while the rest of the world exhibited 1.2% growth in production. As far as Aluminium consumption is concerned, China registered 3.9% growth during 2018, while the rest of the world registered 2.2% growth. During FY 2018-19, consumption of Aluminium in India grew by 9.7%.

The average LME Cash Settlement Price during the Financial year 2018-19 was USD 2,036/- per MT, dropping 0.5% against the corresponding figure of USD 2,045/- per MT during 2017-18. The price rose during the first half of the year, but has kept low since October, 2018.

Estimated global Aluminium stocks at the end of Financial Year 2018-19 stood at 11.69 Million Tonnes, registering a decline of 11.54% against stocks of 13.22 Million Tonnes at the end of Financial Year 2017-18.

**OPPORTUNITIES AND THREATS:**

The principal user segment in India for aluminium continues to be electrical and electronics sector followed by the automotive and transportation, building, construction, packaging, consumer durables, industrial and other applications including defence. Demand of aluminium in India is expected to grow at 7-8 per cent per annum and this will be driven by growth in sectors like electricity, transport, building, construction and packaging.

The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, during the coming years. During Union Budget 2019-20, Government of India has allocated 4.56 lakh crore (USD 63.20 billion) for the sector, which includes development of post and telecommunications departments, Railways, road transport and highway, Green Energy Corridor Project, wind and solar power projects, telecom infrastructure, water supply and healthcare. All these massive investments are likely to boost Aluminium demand in the near future.

Domestic primary aluminium manufacturers also face competition from scrap imports by secondary aluminium producers, which keep increasing every year and eat into the primary producers' domestic market share. In fact, quantity of Aluminium scrap imports in India has increased from 8.7 Lakh MT in 2015-16 to 13.5 Lakh MT in 2018-19, i.e., by around 56% in the last three years. Secondary market also

face Competition among other manufactures.

**SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

The company is working in single segment further no Operating income was reported during the year by the company.

**OUTLOOK:**

The Domestic Demand for aluminium in India is expected to benefit from the Infrastructure projects prioritized by the government. The government's thrust on the power which sector is the dominant consumer of aluminium in India, augurs well for the aluminium industry. The Automobile and food packaging industries are also expected to stoke aluminium growth. Furthermore, rapid urbanization should augment consumer demand, yet another positive for the sector. Moreover the per capita aluminium consumption is far below the global average. This offers a huge potential, given our demographic and economic outlook.

**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. Further company has approved the Nomination and Remuneration policy for paying remuneration to Board of Directors and KMP.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The Company has not reported any operational income during the year. The salary and other administrative expenses were met from the other income generated during the year. The company is

looking for different avenues and opportunity for generating operating revenue.

**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: 26th August, 2019

Place: Ahmedabad

**For and on behalf of the Board of Directors**

**Sd/-  
Kanaiyalal B. Agrawal  
Director  
DIN: 00594240**

**Sd/-  
Kirankumar B. Agrawal  
Managing Director  
DIN: 00395934**

**ANNEXURE C  
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts (Rs.) in lakh )

S. No.	Particulars	Details
1	Name of the Subsidiary	PALCO RECYCLE INDUSTRIES LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period and date of acquisition	31/03/2019 On 28th September, 2010 29,47,500 Equity shares acquired by way of subscription to preferential allotment and 2000000 Shares acquired by way of subscription to preferential allotment on 28th October, 2013. Further Company on 30th March, 2018 further acquired the 205634 Equity Shares. Further company in FY 18-19 purchase the 70000 Equity shares through transfer.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4	Share Capital	8,07,00,000/- (Reduced from 107500000/- to 8,07,00,000/- pursuant to Buyback exercised in financial year 2017-18.)
5.	Reserves & Surplus	984.920/-
6.	Total Assets	4001.04
7.	Total Liabilities	2209.12
8.	Investments	0.00
9.	Turnover (Net)	11156.28
10.	Profit Before Taxation	(58.20)
11.	Provision For Taxation	1.41.
12.	Profit After Taxation	(59.61)
13.	Proposed Dividend	Nil
14.	% of Shareholding	65% (5223134 Equity Shares)

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations NIL
- Names of subsidiaries which have been liquidated or sold during the year. NIL

**For and on behalf of the Board of Directors**

**Sd/-**  
**Kanaiyalal B. Agrawal**  
**Director**  
**DIN: 00594240**

**Sd/-**  
**Kirankumar B. Agrawal**  
**Managing Director**  
**DIN: 00395934**

Date: 26th August, 2019  
Place: Ahmedabad

**ANNEXURE D**

**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. Further company does not have production facilities or any major consumption of energy as a part of its operations, so this is not the major event for the company. However steps were 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	Previous Year
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

**For and on behalf of the Board of Directors**

**Sd/-**  
**Kanaiyalal B. Agrawal**  
**Director**  
**DIN: 00594240**

**Sd/-**  
**Kirankumar B. Agrawal**  
**Managing Director**  
**DIN: 00395934**

Date: 26th August, 2019  
Place: Ahmedabad

**ANNEXURE E**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2019**

[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**  
(CIN: L27310GJ1960PLC000998)  
B-209, Mondeal Square,  
Nr. Prahaladnagar Garden  
Prahaladnagar, Ahmedabad - 380015

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Palco Metals Limited (herein after called "the Company") for the year ended 31st March, 2019.

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 Company's 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 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Provisions of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company;
  - (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) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable, as the Company has not issued any shares during the year under review;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable, as the Company has not issued any shares/ options to directors/ employees under the said guidelines / regulations during the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable, as the Company has not issued any debt securities which were listed during the year under review;
  - (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 - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Upto 10th September, 2018), The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (effective from 11th September, 2018) - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.
- (vi) As informed to us by the management of the company, and looking to the nature of the business of the company along with keeping in mind the non operative stage of company with no plant and machinery, I have formed opinion that there are no laws which have specific applicability to the Company.

I have relied on Confirmations made by the Company and information provided by the company for forming opinion as to non applicability of Labour Laws, Pollution Control Laws, Environmental Laws.

I further report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by statutory financial auditor and other designated professionals and the same has been reported under statutory Audit Report.

2. I have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of Board of Directors and Committees (SS-1)

and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

- II. The Listing Agreement entered into by the Company with BSE Limited, and SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (effective 1st December, 2015).
3. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I Further Report that

- (i) I further report that the Secretarial Standards on Meetings of the Board of Directors and Committees (SS-1) and General Meetings (SS-2), as approved by the Central Government, have been issued by the Institute of Company Secretaries of India (ICSI) which come into force w.e.f. 1st July 2015 are being observed by the Company.
  - (ii) During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, mentioned here in above and there is adequate compliance management system for the purpose of other laws.
4. I 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 and a Woman Director. No 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 unanimously, while the dissenting members' views are captured and recorded as part of the minutes.
5. I 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, standards etc.
6. I further report that during the audit period there was no specific events actions having major bearing on the company's affairs.

**Signature : sd/-**  
**Punit Santosh Lath**  
**Practicing Company Secretary**  
**ACS No. 26238, COP No. 11139**

Date : 19/08/2019  
Place: Ahmedabad

**Please note that the Secretarial Audit Report is to be read with our letter of even date attached as Annexure A to the report and letter also forms the integral part of report.**

### **“ANNEXURE A” to the Secretarial Audit Report**

To,  
**The Members,**  
**Palco Metals Limited**  
(CIN: L27310GJ1960PLC000998)  
B-209, Mondeal Square,  
Nr. Prahaladnagar Garden  
Prahaladnagar, Ahmedabad - 380015

Dear Sir,

Our Secretarial Audit Report of even date for the Financial Year ended on 31st March, 2019 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company and verification of documents and records procedures on test check basis.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Signature : sd/-**  
**Punit Santosh Lath**  
**Practicing Company Secretary**  
**ACS No. 26238, COP No. 11139**

Date : 19/08/2019  
Place: Ahmedabad



**“ANNEXURE F”**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of  
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
**The Members of  
Palco Metals Limited**  
B-209, Mondeal Square,  
Nr. Prahaladnagar, Satellite  
Ahmedabad - 380015

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Palco Metals Limited having CIN L27310GJ1960PLC000998 and having registered office at B-209, 2nd Floor, Mondeal Square Nr. Prahaladnagar Garden, Prahaladnagar Ahmedabad -380015 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment as per MCA Index of Signatory Details
1	Kirankumar Babulal Agrawal	00395934	17/08/1996
2	Narendra Agrawal	00580711	15/12/2012
3	Kanaiyalal Babulal Agrawal	00594240	17/08/1996
4	Nareshchand Jain	00594361	28/03/2006
5	Kailaschandra Babulal Agrawal	05334077	18/03/2014
6	Rakhi Jitendra Agrawal	07021709	26/03/2015

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 19/08/2019  
Place: Ahmedabad

**Signature: SD/-  
Punit Santoshkumar Lath  
Practicing Company Secretary  
ACS No.: 26238, CoP No.: 11139**

**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, 2019, 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 Ind AS 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 Ind AS 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 the Companies (Indian Accounting Standard) Rules, 2015, as amended. 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 Ind AS 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 Ind AS 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 there under.

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 Ind AS financial statements are free from material misstatement.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, 2019;
- b) in the case of the Profit and Loss Account, of the profit 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, 2019 ("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 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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of

the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 Ind AS financial statements.
- 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)**

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

Place: - Ahmedabad  
Date: - 29/05/2019

## Annexure to the Auditors' Report

Referred to in the Paragraph 3 under the heading 'Report on the Other Legal and Regulatory Requirements' of our report of even date on the financial statements of the Company for the year ended March 31, 2019.

### 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. According to the information and explanations given to us, title deeds of immovable properties are held in the name of the company.

### II. In respect of its Inventories:

- a. The Company does not hold any physical inventories as company is not engaged in any manufacturing activity. Thus, paragraph 3(ii) of the order is not applicable to the company.

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

The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (i) the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (ii) the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular.
- (i) according to the information and explanations given to us, overdue amount is more than rupees five lakhs, reasonable steps have been taken by the company for recovery of the principal and interest.

### IV. In respect of loans, investments and guarantees u/s. Section 185 and 186 of the Companies Act, 2013.

In our opinion and according to the information and explanations given to us, In respect of loans, investments and guarantees, whether provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

### 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 31.3.2019 for a period of more than six months from the date they became payable.

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.

### VIII. 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.

### IX. In respect of application of money raised by Initial public offer , further public offer (including debt instruments) and term loans.

According to the information and explanations given to us, company has not raised any money from initial public offer, further public offer (including debt instruments).

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.

### X. In respect of fraud:

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has

been noticed or reported during the course of our audit.

**XI. In respect of Managerial Remuneration.**

In our opinion and according to the information and explanations given to us and on the basis of our examination of the records, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

**XII. In respect of Nidhi Company**

In our opinion and according to the information and explanations given to us, Company is not Nidhi Company . Hence Compliance related to Net owned fund is not applicable to company.

**XIII. In Respect of Related parties Transactions**

In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.

**XIV. In Respect of Preferential Allotment/Private Placement of shares.**

According to the information and explanations given to us , the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, compliance under section 42 of the Companies Act, 2013 need not complied with.

**XV. In Respect of Non Cash transactions with Directors**

According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him and so compliance under section 42 of the Companies Act, 2013 need not complied with.

**XVI. In Respect of Registration of Nidhi Company .**

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

[RAHUL KAKANI]  
PARTNER  
M.NO.: - 132796

Place: - Ahmedabad  
Date: - 29/05/2019

**Annexure-B to the Auditors' Report referred:**

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

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

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

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

For RAHUL KAKANI & ASSOCIATES  
(CHARTERED ACCOUNTANTS)

[RAHUL KAKANI]  
PARTNER  
M.NO.: - 132796

Place: - Ahmedabad  
Date: - 29/05/2019

### PALCO METALS LIMITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2019

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Property, plant and equipment		-	-
	Capital work-in-progress		-	-
	Other intangible assets	2	-	17,000.00
	Investments in subsidiaries, associates and joint ventures	3	8,77,93,000.00	8,42,93,000.00
	<b>Financial assets</b>			
	Investments	4	36,94,500.00	36,94,500.00
	Loans	5	1,74,80,538.00	1,98,53,537.00
	Other financial assets		-	-
	Income Tax assets (net)		-	-
	Deferred tax assets (net)		-	-
	Other non-current assets	6	62,000.00	62,000.00
	<b>Sub-total - Non-Current Assets</b>		<b>10,90,30,038.00</b>	<b>10,79,20,037.00</b>
<b>2</b>	<b>Current assets</b>			
	Inventories		-	-
	<b>Financial assets</b>			
	Investments		-	-
	Trade receivables		-	-
	Cash and cash equivalents	7	2,84,140.00	2,84,860.00
	Bank balances other than Cash and	7	35,998.00	21,706.00
	Cash equivalents above		-	-
	Other financial assets		-	-
	Other current assets	8	6,19,584.00	6,40,649.00
	Assets classified as held for sale		-	-
	<b>Sub-total - Current Assets</b>		<b>9,39,722.00</b>	<b>9,47,215.00</b>
	<b>TOTAL - ASSETS</b>		<b>10,99,69,760.00</b>	<b>10,88,67,252.00</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	Equity Share capital	9	4,00,00,000.00	4,00,00,000.00
	Other equity	10	3,91,74,992.00	3,82,54,977.00
	<b>Sub-total - Shareholders' funds</b>		<b>7,91,74,992.00</b>	<b>7,82,54,977.00</b>

<b>2</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities			
	Other financial liabilities	11	3,00,00,000.00	3,00,00,000.00
	Provisions		-	-
	Income tax liabilities (net)	12	2,00,000.00	4,72,126.00
	Other non-current liabilities			
	<b>Sub-total - Non-current liabilities</b>		<b>3,02,00,000.00</b>	<b>3,04,72,126.00</b>
<b>3</b>	<b>Current liabilities</b>			
	Financial liabilities		-	-
	Trade payables		1,25,835.00	93,329.00
	Other financial liabilities		-	-
	Other current liabilities		3,433.00	46,820.00
	Provisions		4,65,500.00	-
	Current tax liabilities (net)			
	<b>Sub-total - Current liabilities</b>		<b>5,94,768.00</b>	<b>1,40,149.00</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>10,99,69,760.00</b>	<b>10,88,67,252.00</b>

For Rahul Kakani & Associates  
Chartered Accountants

(Rahul Kakani)  
Partner  
Mem No. 132796

Place : Ahmedabad  
Date : 29/05/2019

For Palco Metals Limited

Kanaiyalal Agrawal      Kiran Agrawal  
Director                      Director  
DIN : 00594240          DIN : 00395934

Mukesh Tiwari              Badal Naredi  
CS                              CFO  
M. No. A45237

**PALCO METALS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2019**

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>1</b>	<b>Income from operations</b>			
(a)	Net Sales / Income from Operation (Net of duty)		-	-
(b)	Other Operating Income	13	2,650,955.00	1,638,840.00
	<b>Sub-total - Total income from operations (net) :</b>		<b>2,650,955.00</b>	<b>1,638,840.00</b>
<b>2</b>	<b>Expenses</b>			
(a)	Cost of materials consumed		-	-
(b)	Purchases of stock-in-trade		-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-intrade		-	-
(d)	Employees benefits expense		606,460.00	154,460.00
(e)	Depreciation and amortisation expense		-	-
(f)	Finance Expenses		871.00	1,128.00
(g)	Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	14	1,313,235.00	1,223,616.00
	<b>Sub-total - Expense</b>		<b>1,920,566.00</b>	<b>1,379,204.00</b>
<b>3</b>	<b>Profit before tax</b>		<b>730,389.00</b>	<b>259,636.00</b>
	Tax expense:			
	Current tax		200,000.00	82,500.00
	Deferred tax		-	-
	<b>Profit after tax</b>		<b>530,389.00</b>	<b>177,136.00</b>
<b>4</b>	<b>Other comprehensive income</b>			
<b>a.</b>	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	1. Items that will not be reclassified subsequently to profit or loss		-	-
	2. Equity instruments through other comprehensive income, net		-	-
<b>b.</b>	<b>Items that will be reclassified subsequently to profit or loss</b>			
	1. Fair value changes on derivatives designated as cash flow hedge, net		-	-

	2. Fair value changes on investments, net		-	-
	<b>Total other comprehensive income/ (loss), net of tax</b>		-	-
<b>5.</b>	<b>Total comprehensive income</b>		<b>530,389.00</b>	<b>177,136.00</b>
<b>6.</b>	<b>Earning per equity share</b>			
	[Face Value Rs. 10 each (2018 : Rs. 10 each)]			
	Basic Earnings per share		1.33	0.44
	Diluted Earnings per share		1.33	0.44

**For Rahul Kakani & Associates**  
Chartered Accountants

**(Rahul Kakani)**  
Partner  
Mem No. 132796

Place : Ahmedabad  
Date : 29/05/2019

**For Palco Metals Limited**

**Kanaiyalal Agrawal**  
Director  
DIN : 00594240

**Kiran Agrawal**  
Director  
DIN : 00395934

**Mukesh Tiwari**  
CS  
M. No. A45237

**Badal Naredi**  
CFO

## SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### Note 1: Company Background & Significant Accounting Policies :-

- Company Background :-**

Palco Metals Limited is a public company limited by shares domiciled in India and is incorporated under the provision of the Companies Act applicable in India. The equity shares of the Parent Company are listed on the BSE Limited in India. The registered office of the Parent Company is located at B-209, Mondeal Square, Prahaladnagar Cross Road, Ahmedabad.380015.

- Significant Accounting Policies :-**

**A. Method of accounting**

The accounts are prepared on the historical cost basis. The Consolidated financial statements have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013.

**B. Fixed assets and Depreciation**

There is no fixed asset in the company except goodwill. The value of goodwill is shown at cost price.

However, same has been amortised entirely during the year.

**C. Taxes on income**

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

**PALCO METALS LIMITED**

**Note 2 : Fixed Asset**

Sr. No.	Particulars	Gross Block			Depreciation			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	WDV as on 31.03.2019	WDV as on 31.03.2018
I	Tangible Assets									
	Total - I	-	-	-	-	-	-	-	-	-
II	Intangible Assets	17,000	-	17,000	-	-	-	-	-	17,000
	Total - II	17,000	-	17,000	-	-	-	-	-	17,000
	Total [I + II] (Current Year)	17,000	-	17,000	-	-	-	-	-	17,000
	(Previous Year)	17,000	-	-	17,000	-	-	17,000	17,000	17,000

**PALCO METALS LIMITED**

**Notes Forming parts of Balance sheet for the period ended on 31st March 2019**

**Note 3**

**Other Non Current Loans & Advances**

**Investments in subsidiaries, associates and joint ventures (At Cost)**

Particulars	2018-19	2017-18
Equity Shares of Palco Recycle Industries Ltd. (52,23,134 shares of Rs 10 each, Unquoted)	87,793,000.00	84,293,000.00
	87,793,000	84,293,000

**Note 4**

**Other Non Current Loans & Advances**

**other Investments (At Cost)**

Particulars	2018-19	2017-18
Unquoted Equity Shares of Palco Recycle Exchange Ltd. (5,92,400 shares of face value of Rs 10 each)	3,644,500	3,644,500
Units of ANMA	50,000	50,000
	3,694,500	3,694,500

**Note 5**

**Current loans and advances**

Particulars	2018-19	2017-18
<b>a. Loans and advances to related parties</b>		
Unsecured, considered good	96,70,780	51,71,592
<b>b. Others (specify nature)</b>		
Unsecured, considered good	78,09,758	1,46,81,945
	<b>1,74,80,538</b>	<b>1,98,53,537</b>

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

Particulars	2018-19	2017-18
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
	-	-

\*Either severally or jointly



**Note 6****Other non-current assets**

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
Security Deposits	62,000	62,000	62,000	62,000
	62,000	62,000	62,000	62,000

**Note 7****Cash and cash equivalents**

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
Balances with banks	35,998	21,706	35,998	21,706
Cash on hand	2,84,140	2,84,860	2,84,140	2,84,860
	3,20,138	3,06,566	3,20,138	3,06,566

**Note 8****Other Current Assets**

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
Income Tax Paid	3,95,817	3,98,111	3,95,817	3,98,111
Balance with Govt. Authority	1,11,407	17,818	1,11,407	17,818
Mis.Exp. (Initial Listing Fees)	1,12,360	2,24,720	1,12,360	2,24,720
	6,19,584	6,40,649	6,19,584	6,40,649

**Note 9****Share capital**

(in Rs.)

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	70,00,000	7,00,00,000	70,00,000	7,00,00,000
<b>Issued</b>				
Equity Shares of Rs. 10 each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each	40,00,000	4,00,00,000	40,00,000	4,00,00,000
<b>Subscribed but not fully Paid up</b>	-	-	-	-
<b>Total</b>	<b>40,00,000</b>	<b>4,00,00,000</b>	<b>40,00,000</b>	<b>4,00,00,000</b>

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

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000

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

Name of Shareholder	2018-19		2017-18	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krishna Capital & Securities	1360000	34.00%	1360000	34.00%
Krishna Sharebroking Ser. Pvt.Ltd.	338120	8.45%	348120	8.70%

**Note 10****Other Equity**

Particulars	2018-19	2017-18
<b>Surplus</b>		
Opening balance of Surplus	3,82,52,460	3,80,75,324
(+) Net Profit/(Net Loss) For the current year	5,30,389	1,77,136
Total Surplus / Reserve	3,87,82,849	3,82,52,460
(+) Capital Reserves	2,517	2,517
(-) Transfer to Reserves	3,89,626	-
<b>Closing Balance</b>	<b>3,91,74,992</b>	<b>3,82,54,977</b>

**Note 11****Financial Liabilities****Other financial liabilities**

Particulars	2018-19	2017-18
<b>Unsecured</b>		
3000000 8.5% Non- Cumulative Redeemable Preference Shares of Rs. 10 each	3,00,00,000	3,00,00,000
Total	3,00,00,000	3,00,00,000

**Terms & Conditions of Preference Shares :-**

The Company has made first trench of allotment of 8.5% redeemable preference shares, non cumulative, 10,00,000 number of shares on 12.12.2001 then after the second trench of allotment of 8.5% redeemable preference shares, non cumulative, 20,00,000 number of shares made on 15/06/2006

In both the cases, shares are issued at Rs. 10 each to such persons or investors as board of directors deem fit under the private placement basis in compliance of section 80 of companies act 1956 along with guidelines or other provision of the law as may be prevailing at that time and which shall be redeemable within the period of 20 years from the date of allotment.

The Preference Shareholders carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no

further or other right to participate either in the profits or assets of the Company and have no voting rights.

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

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

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

Name of Shareholder	2018-19		2017-18	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krishna Worldwide Pvt. Ltd.	1190000	39.67%	1140000	38.00%
Vital marketing	1120000	37.33%	1120000	37.33%
Kanaiyalal Agrawal	230000	7.67%	230000	7.67%
Sunita Kanaiyalal Agrawal	190000	6.33%	190000	6.33%

**Note 12****Income tax Liabilities**

Particulars	2018-19	2017-18
Provision for Income Tax AY 2016-17	-	3,89,626
Provision for Income Tax AY 2018-19	-	82,500
Provision for Income Tax AY 2019-20	2,00,000	-
<b>Total</b>	<b>2,00,000</b>	<b>4,72,126</b>

**Note 13**

Particulars	2017-18	2016-17
Interest income	17,70,169	16,34,110
Interest income on income Tax Refund	-	4,730
Sales Tax Refund	8,80,786	-
<b>Total</b>	<b>26,50,955</b>	<b>16,38,840</b>

**Note 14****Other Expenses**

Particulars	2017-18	2016-17
Rent	4,11,972	4,50,859
Maintenance Exp.	28,256	-
Audit Fees	10,000	8,625
Professional Fees & legal Exp.	82,038	1,05,215
Office & Mis. Exp.	1,01,521	52,599
Repairs to others	5,575	16,506
Printing & Stationery, Postage, Courier Exp.	1,37,926	45,015
Advertisement Exp.	33,264	27,815
Custodian & CDSL Fees	9,000	20,960
Income Tax Exp.	96,811	82,562
Initial Listing Fees	1,12,360	1,12,360
Listing Fees	2,50,000	2,87,500
Goodwill Written off	17,000	-
ROC Filing Fees	17,400	13,200
Miscellaneous Exp.	112	400
<b>Total</b>	<b>13,13,235</b>	<b>12,23,616</b>

**15. 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 is as under:

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
Profit attributable to equity share holders (Rs in lacs)	5,30,389	1,77,136
Basic/weighted number of equity shares (in lacs)	40,00,000	40,00,000
Nominal value of equity share(in Rs)	10	10
Basic/diluted earnings per share(in Rs)	1.33	0.04

**16. Payment to auditors**

Particulars	31-03-2019	31-03-2019
i. Audit fees	10,000.00	8,625.00
ii. Tax Audit fees	0.00	0.00
Total	10,000.00	8,625.00

**17. Licensed and installed capacity and production: Not Applicable****18. Foreign Traveling expenditure of Directors**

31-03-2019	31-03-2018
Rs.NIL	Rs.NIL

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

20. No provision for gratuity and leave encashment is made during the year as no employees is entitled to get the benefit of the Gratuity as condition provided in the payment of Gratuity Act 1972.

**21. Deferred tax working as per Ind AS-22**

Particulars	31-03-2019	31-03-2018
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.

**22. Related Party Disclosure as per Ind AS-24**

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

Subsidiary : Palco Recycle Industries Ltd.

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

i Palco Recycle Industries Ltd.

**Key Management Personnel:**

- i. Kiran B Agrawal
- ii. Kanaiyalal B. Agrawal
- iii. Badal Naredi
- iv. Mukeshkumar Tiwari

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

Particulars	Subsidiary Company		Associate Company		Entities in which Directors are interested		KMP	
	2019	2018	2019	2018	2019	2018	2019	2018
Palco Recycle Industries Limited								
Inter-Corporate Deposit taken	13,80,000	13,79,166	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	58,79,188	65,50,758	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
<b>KMP</b>								
<b>Kirankumar Agrawal</b>								
Inter-Corporate Deposit taken	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Remuneration	27,00,000	6,60,000	Nil	Nil	Nil	Nil	Nil	Nil
<b>Badal Naredi</b>								
Inter-Corporate Deposit taken	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Remuneration	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Mukesh Tiwari</b>								
Inter-Corporate Deposit taken	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Remuneration	3,60,000	3,60,000	Nil	Nil	Nil	Nil	Nil	Nil

23. The details required under segment reporting as per Ind AS 108 is not furnished as the company is not having any reportable segments.

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

**25. Contingent liabilities:-**

The Company is contingently liable as it has given corporate guarantee for Rs. 22.31 crores for loan borrowed by Palco Recycle Industries Ltd.

**For Rahul Kakani & Associates  
Chartered Accountants**

**(Rahul Kakani)  
Partner  
Mem No. 132796**

Place : Ahmedabad  
Date : 29/05/2019

**For Palco Metals Limited**

**Kiran B Agrawal      Kanaiyalal Agrawal  
Director                Director  
DIN : 00594240      DIN : 00395934**

**Badal Naredi            Mukesh Tiwari  
CFO                      CS  
M. No. A45237**

**Cash Flow Statement of Palco Metals Ltd. Annexed to the stand alone balance sheet  
for the financial year ended 31st March 2019**

Details	Year Ended 31-03-2019	Year Ended 31-03-2018
	Amt. Rs in lacs	Amt. Rs in lacs
<b>(A) Cash flow from operating activities</b>		
Net Profit before tax and extra ordinary items	5.30	1.77
Adjustment:		
Debit/Credit balance w/off	0	0
Revaluation Reserve adjustment	0	0
Depreciation	0	0
Interest paid	0.09	0.01
Miscellaneous expenditure written off	1.29	0
Provision for doubtful debts	0	0
Profit on sale of fixed assets	0	0
Sales tax refund	8.81	0
Loss on sale of fixed assets	0	0
Loss on sale of investments	0	0
Dividend income	0	0
Interest income	17.70	16.39
<b>Operating Profit before working capital changes</b>	<b>-19.83</b>	<b>-14.61</b>
(Increase)/Decrease in debtors	0	0
(Increase)/Decrease in stock	0	0
(Increase)/Decrease in Loans and Advances	0.21	84.32
(Increase)/Decrease in other Current Assets	-	-
Increase/(Decrease) in Current Liabilities and Provisions	1.96	(91.56)
<b>Cash generated from operations</b>	<b>(17.66)</b>	<b>(21.85)</b>
<b>Net cash flow from operating activities</b>	<b>-17.66</b>	<b>-21.85</b>
<b>(B) Cash flow from investing activities</b>		
Purchase of fixed assets	0	0
Purchase of investments	0	0
Capital Work-in-progress	0	0
Sale of fixed assets	0	0
Sale of investments	-	-
Interest received	17.70	16.39
Dividend received	0	0
<b>Net cash flow from investing activities</b>	<b>17.70</b>	<b>16.39</b>

## Independent Auditor's Report

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

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of PALCO METALS LIMITED ("the Company"), and its associate comprising of the Consolidated Balance Sheet as at March 31, 2019, 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 Ind AS 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 Ind AS 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 Ind AS 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 there under.

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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated

( C ) Cash flow from financing activities		
Borrowings	0	0
Dividend paid,including dividend tax	0	0
Interest paid	0.09	0.01
Issue of new shares	0	0
Redemption of share capital	0	0
<b>Net cash flow from financing activities</b>	<b>0.09</b>	<b>0.01</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>0.13</b>	<b>-5.45</b>
Cash and cash equivalents at the beginning of the year	3.07	8.52
<b>Cash and cash equivalents at the end of the year</b>	<b>3.20</b>	<b>3.07</b>

As per our report of even date attached herewith

**For Rahul Kakani & Associates**  
Chartered Accountants

**(Rahul Kakani)**  
Partner  
Mem No. 132796

Date : 29/05/2019  
Place : Ahmedabad

**For Palco Metals Limited**

<b>Kiran B.Agrawal</b> Director DIN : 00594240	<b>Kanaiyalal B. Agarwal</b> Director DIN : 00395934
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<b>Badal Naredi</b> CFO	<b>Mukesh Tiwari</b> CS M. No. A45237
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Ind AS 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 Ind AS 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 Ind AS financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Ind AS 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, 2019;
- 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, 2019 ("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 Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Ind As 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)**

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

Place: - Ahmedabad  
Date: - 29/05/2019

## 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, 2019

### 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 31.3.2019 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)

[RAHUL KAKANI]  
PARTNER  
M.NO.: - 132796

Place: - Ahmedabad  
Date: - 29/05/2019

**PALCO METALS LIMITED**  
**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 31.03.2019**

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Property, plant and equipment	2	7,43,85,510	9,20,07,664.00
	Capital work-in-progress		-	-
	Other intangible assets		-	17,000.00
	Investments in subsidiaries, associates and joint ventures		-	-
	<b>Financial assets</b>			
	Investments	3	36,94,500.00	36,94,500.00
	Loans	4	1,59,06,844.00	2,93,53,298.00
	Other financial assets		-	-
	Income Tax assets (net)		-	-
	Deferred tax assets (net)		-	-
	Other non-current assets		-	-
	<b>Sub-total - Non-Current Assets</b>		<b>9,39,86,854.00</b>	<b>12,50,72,462.00</b>
<b>2</b>	<b>Current assets</b>			
	Inventories	5	14,50,00,813.00	7,49,71,994.00
	Financial assets		-	-
	Investments		-	-
	Loans	6	1,13,26,001.00	38,65,716.00
	Trade receivables	7	8,10,68,155.00	16,63,58,710.00
	Cash and cash equivalents	8	2,18,62,256.00	12,44,066.00
	Bank balances other than Cash and	9	16,23,307.00	15,47,069.00
	Cash equivalents above		-	-
	Other financial assets		-	-
	Other current assets	10	5,77,42,625.00	5,18,20,212.00
	Assets classified as held for sale		-	-
	<b>Sub-total - Current Assets</b>		<b>31,86,23,157.00</b>	<b>29,98,07,767.00</b>
	<b>TOTAL - ASSETS</b>		<b>41,26,10,010.00</b>	<b>42,48,80,229.00</b>



<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	Equity Share capital	11	4,00,00,000.00	4,00,00,000.00
	Other equity	12	6,73,55,341.00	8,18,05,871.00
	<b>Sub-total - Shareholders' funds</b>		<b>10,73,55,341.00</b>	<b>12,18,05,871.00</b>
	<b>Minority Interest</b>		<b>6,32,19,094.00</b>	<b>5,71,83,312.00</b>
	<b>total - Shareholders' funds</b>		<b>17,05,74,435.00</b>	<b>17,89,89,183.00</b>
<b>2</b>	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities	13	6,03,53,246.00	5,28,69,306.00
	Other financial liabilities		-	-
	Provisions	14	8,00,890.00	6,51,163.00
	Income tax liabilities (net)	15	57,00,000.00	59,72,126.00
	Deferred tax liabilities (net)		24,44,899.00	23,03,550.00
	Other non-current liabilities		-	-
	<b>Sub-total - Non-current liabilities</b>		<b>6,92,99,035.00</b>	<b>6,17,96,145.00</b>
<b>3</b>	<b>Current liabilities</b>			
	Financial liabilities	16	15,72,60,867.00	9,65,84,378.00
	Trade payables		1,04,17,226.00	7,05,02,339.00
	Other financial liabilities		-	-
	Other current liabilities	17	20,64,135.00	1,47,26,132.00
	Provisions	18	29,94,312.00	22,82,052.00
	Current tax liabilities (net)		-	-
	<b>Sub-total - Current liabilities</b>		<b>17,27,36,540.00</b>	<b>18,40,94,901.00</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>41,26,10,010.00</b>	<b>42,48,80,229.00</b>

For Rahul Kakani & Associates  
Chartered Accountants

(Rahul Kakani)  
Partner  
Mem No. 132796

Place : Ahmedabad  
Date : 29/05/2019

For Palco Metals Limited

Kanaiyalal Agrawal      Kiran Agrawal  
Director                      Director  
  
DIN : 00594240          DIN : 00395934  
  
Mukesh Tiwari              Badal Naredi  
CS                              CFO  
M. No. A45237

**PALCO METALS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31.03.2019**

	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>1</b>	<b>Income from operations</b>			
(a)	Net Sales / Income from Operation	19	1,11,56,28,167.00	1,12,20,87,341.00
(b)	Other Operating Income	20	30,87,112.00	1,11,92,857.00
	<b>Sub-total - Total income from operations :</b>		<b>1,11,87,15,279.00</b>	<b>1,13,32,80,198.00</b>
<b>2</b>	<b>Expenses</b>			
(a)	Cost of materials consumed	21	1,04,53,11,908.00	89,75,08,450.00
(b)	Purchases of stock-in-trade		-	-
(c)	Changes in inventories of finished goods, work-in- progress and stock-in-trade	22	(1,06,68,348.00)	(10,10,661.00)
(d)	Employees benefits expense	23	2,03,65,474.00	1,01,88,251.00
(e)	Excise duty / GST recovered on sales		-	16,48,08,882.00
(f)	Depreciation and amortisation expense		50,38,263.00	56,05,391.00
(g)	Finance Expenses	24	1,55,17,135.00	1,55,28,285.00
(h)	Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	25	4,82,40,775.00	3,01,03,349.00
	<b>Sub-total - Expense</b>		<b>1,12,38,05,207.00</b>	<b>1,12,27,31,947.00</b>
<b>3</b>	<b>Profit before tax</b>		<b>(50,89,928.00)</b>	<b>1,05,48,251.00</b>
	Tax expense:			
	Current tax		2,00,000.00	37,32,500.00
	Earlier year Income Tax		-	-
	Deferred tax		1,41,349.00	2,34,484.00
	<b>Profit after tax</b>		<b>(54,31,277.00)</b>	<b>65,81,267.00</b>
<b>4</b>	<b>Other comprehensive income</b>			
a.	<b>Items that will not be reclassified subsequently to profit or loss</b>			
	1. Items that will not be reclassified subsequently to profit or loss		-	-
	2. Equity instruments through other comprehensive income, net		-	-

<b>b.</b>	<b>Items that will be reclassified subsequently to profit or loss</b>			
	1. Fair value changes on derivatives designated as cash flow hedge, net		-	-
	2. Fair value changes on investments, net		-	-
	3. Defined Benefit recognised in comprehensive income		1,26,905.00	(64,028.00)
	<b>Total other comprehensive income/ (loss), net of tax</b>		<b>1,26,905.00</b>	<b>(64,028.00)</b>
<b>5</b>	<b>Total comprehensive income</b>		<b>(53,04,372.00)</b>	<b>65,17,239.00</b>
<b>6</b>	Paid Up Equity share Capital (F.V. Rs. 10 each)		4,00,00,000	4,00,00,000
<b>7</b>	<b>Earning per equity share</b> [Face Value Rs. 10 each (2018: Rs. 10 each)]			
	Basic Earnings per share		(1.33)	1.63
	Diluted Earnings per share		(1.33)	1.63

**For Rahul Kakani & Associates  
Chartered Accountants**

**(Rahul Kakani)  
Partner  
Mem No. 132796**

Place : Ahmedabad  
Date : 29/05/2019

**For Palco Metals Limited**

**Kanaiyalal Agrawal  
Director**

**DIN : 00594240**

**Mukesh Tiwari  
CS  
M. No. A45237**

**Kiran Agrawal  
Director**

**DIN : 00395934**

**Badal Naredi  
CFO**

## SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### Note 1: Company Background & Significant Accounting Policies :-

- Company & Group Background :**

Palco Metals Limited (the 'Parent Company') is a public company limited by shares domiciled in India and is incorporated under the provision of the Companies Act applicable in India. The equity shares of the Parent Company are listed on the BSE Limited in India. The registered office of the Parent Company is located at B-209, Mondeal Square, Prahaladnagar Cross Road, Ahmedabad.380015. The Parent Company is currently not engaged in any manufacturing activity but its subsidiary, Palco Recycle Industries Limited is mainly engaged in the business of manufacturing and selling of Aluminum Wire rod & other Aluminum deoxidant like Aluminum Ingot, Aluminum Notchbar, Aluminum Shots, Aluminum Alloys etc.

- Significant Accounting Policies :**

**A. Basis of Preparation and Method of accounting**

The Consolidated financial statements have been prepared in accordance with Ind AS and relevant provisions of the Companies Act, 2013

The accounts are prepared on the historical cost basis .

**B. Use of estimates**

These financial statements have been prepared using estimates and assumptions, wherever necessary, in conformity with the recognition and measurement principles of Ind AS. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions, if any, in such estimates are accounted for in the year of revision.

**C. Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of property, plant and equipment

**D. Fixed assets and Depreciation**

Fixed assets are shown at the historical cost. The value of goodwill is shown at cost price. However, Goodwill is amortized entirely during the year.

**E. Taxes on income**

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

**F. Basis & Principles of Consolidation :-**

Consolidation of the accounts with the subsidiary is done in accordance with the Ind AS 110. The consolidated financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. These consolidated financial

statements are presented in Indian Rupees (Rs.), which is the Parent Company's functional and presentation currency. The consolidated financial statements have been prepared on a historical cost basis except Defined benefit plans - plan assets measured at fair value.

The consolidated financial statements relate to its subsidiary Palco recycle Industries Limited (PRIL), proportion of Ownership is 64.72%. Subsidiary are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

**G. Manner of Consolidation :-**

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Ind AS 12, 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intercompany transactions.

**H. Property, Plant and Equipment:**

Freehold land is carried at historical cost. All other items of Property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. The cost of an item of property, plant and equipment comprises its cost of acquisition inclusive of inward freight, import duties, and other non refundable taxes or levies and any cost directly attributable to the acquisition / construction of those items; any trade discounts and rebates are deducted in arriving at the cost of acquisition. Gain or losses arising on disposal of property, plant and equipment are recognised in profit or loss.

**Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of property, plant and equipment.

**I. 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

**J. Inventories**

Raw materials, components, stores and spares are valued at lower of 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 rate. 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.

**K. 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 Goods & Service Taxes (GST) 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.

**L. 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.

**M. 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 does not have policy of leave encashment and hence there is no liability on this account.

**N. 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.

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.

**O. 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 IND Accounting Standard (AS) – 108 "Segment Reporting" notified under the Companies (Accounting Standards) Rules, 2006 are not applicable.

**P. 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.

**Q. 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.

**R. 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.

**S. 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.

**PALCO METALS LIMITED**

**Note 2 : Fixed Asset**

As on 31/03/2019

S. N.	Particulars	Gross Block			Depreciation			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 31.03.2019	WDV as on 31.03.2018
I	Tangible Assets										
1	Land	4,31,72,412	-	1,42,80,000	2,88,92,412	-	-	-	28892412	4,31,72,412	
2	Factory Building	1,99,67,252	-	-	1,99,67,252	89,28,445	10,32,129	-	10006678	1,10,38,807	
4	Plant & Machineries	9,30,37,466	13,62,551	-	9,44,00,017	5,68,56,039	35,76,027	-	33967951	3,61,81,427	
5	Electric Installation	88,68,747	-	-	88,68,747	80,31,837	1,83,198	-	653712	83,69,910	
6	Laboratory Equipments	2,29,529	-	-	2,29,529	1,97,512	7,504	-	2,00,016	2,95,13	37,017
7	Office Equipments	2,66,365	2,36,663	-	5,03,028	1,58,892	65,967	-	2,24,859	2,78,169	1,07,473
8	Computer	3,61,259	96,894	-	4,58,153	2,18,013	58,005	-	2,76,018	1,82,135	1,43,246
9	Furniture & Fixture	7,75,518	-	-	7,75,518	6,03,764	43,816	-	6,47,580	1,27,938	1,71,754
10	Other Equipments	-	-	-	-	-	-	-	-	0	-
11	Vehicles	13,92,429	-	-	13,92,429	10,73,414	71,617	-	11,45,031	247,398	3,19,015
	Total - I	16,80,70,977	16,96,108	1,42,80,000	15,54,87,085	7,60,62,916	50,38,263	-	8,11,01,179	7,43,85,510	9,20,07,664
II	Capital Work-in-progress	-	4,10,136	4,10,136	-	-	-	-	-	-	-
	Total - II	-	4,10,136	4,10,136	-	-	-	-	-	-	-
III	Intangible Assets	17,000.00	-	17,000	-	-	-	-	-	-	17,000.00
	Total - III	17,000.00	-	17,000	-	-	-	-	-	-	17,000.00
	Total [I + II+III] (Current Year)	16,80,87,977	21,06,244	1,47,07,136	15,54,87,085	7,60,62,916	50,38,263	-	8,11,01,179	7,43,85,510	9,20,24,664
	(Previous Year)	17,01,67,093	10,21,020	31,17,136	16,80,87,977	7,19,82,079	56,05,391	15,41,157	7,60,63,313	9,20,24,664	9,82,33,526

**PALCO METALS LIMITED**

**Notes forming part of Consolidated Balancesheet and Profit & Loss Account**

**Note 3**

**Non-current investments**

**Investments in Equity instruments (Unquoted)**

Particulars	2018-19	2017-18
Investments in Equity instruments (Unquoted) (Valued at cost)		
5,92,400 Equity Shares of Rs10/- each fully paid up in Palco Recycle Exchange Ltd	36,44,500.00	36,44,500.00
Unit : ANMA (A'bad Non-Metal Association)	50,000.00	50,000.00
<b>Total</b>	<b>36,94,500.00</b>	<b>36,94,500.00</b>

**Note 4 : Non-current Loans**

Particulars	2018-19	2017-18
<b>a. Security Deposits</b>		
Unsecured, considered good	85,73,941.00	84,27,256.00
<b>b. Loans and advances to related parties</b>		
Unsecured, considered good	-	-
<b>c. Other loans and advances</b>		
Unsecured, considered good	73,32,903.00	2,09,26,042.00
<b>Total</b>	<b>1,59,06,844.00</b>	<b>2,93,53,298.00</b>

**Note 5 : Inventories**

Particulars	2018-19	2017-18
a. Raw Materials and components (Aluminum Scrap)	11,92,80,531.00	5,97,40,817.00
b. Work-in-progress (Goods lying with Job Worker)	-	-
c. Finished goods	2,38,97,977.00	1,32,29,629.00
d. Stock-in-trade	2,38,97,977.00	1,32,29,629.00
e. Stores and spares	-	-
	18,22,305.00	20,01,548.00
<b>Total</b>	<b>14,50,00,813.00</b>	<b>7,49,71,994.00</b>

**Note : Inventory is valued at cost or net realisable value whichever is lower**

**Note 6****Current loans and advances**

Particulars	2018-19	2017-18
<b>a. Loans and advances to related parties</b>		
Unsecured, considered good	-	-
<b>b. Others (specify nature)</b>		
Unsecured, considered good	1,13,26,001.00	38,65,716.00
<b>Total</b>	<b>1,13,26,001.00</b>	<b>38,65,716.00</b>

**Note 7****Trade Receivables**

Particulars	2018-19	2017-18
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Secured, considered good	-	-
Unsecured, considered good	7,81,11,536.00	14,27,71,678.00
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	<b>7,81,11,536.00</b>	<b>14,27,71,678.00</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	29,56,619.00	2,35,87,032.00
	<b>29,56,619.00</b>	<b>2,35,87,032.00</b>
<b>Total</b>	<b>8,10,68,155.00</b>	<b>16,63,58,710.00</b>

**Note 8****Cash and cash equivalents**

Particulars	2018-19	2017-18
Balances with banks	2,11,67,952.00	1,93,291.00
Cheques, drafts on hands	-	-
Cash on hand	6,94,304.00	10,50,775.00
Others- Fixed Deposits	-	-
<b>Total</b>	<b>2,18,62,256.00</b>	<b>12,44,066.00</b>

**Note 9****Other Bank Balances**

Particulars	2018-19	2017-18
Margin money deposits (Fixed Deposit) and accrued interest thereon (Bank Deposits due to mature after 3 months of original maturity but within 12 months of the reporting date )	16,23,307.00	15,47,069.00
<b>Total</b>	<b>16,23,307.00</b>	<b>15,47,069.00</b>

**Note 10****Other Current Assets**

Particulars	2018-19	2017-18
Advance to Creditors (Goods)	36,19,526.00	1,78,36,790.00
Advance to Creditors (Exps)	48,753.00	58,200.00
Advance to Employees	58,266.00	54,561.00
Advance with Revenue Authorities	5,27,42,471.00	3,24,07,666.00
Earnest Money Deposit - (RINL)	-	7,50,000.00
prepaid Expenses	6,54,025.00	90,164.00
prepaid Income tax	-	3,98,111.00
Misc. Expenses	1,12,360.00	2,24,720.00
Income Tax Paid	3,95,817.00	-
Balance with Govt. Authority	1,11,407.00	-
<b>Total</b>	<b>5,77,42,625.00</b>	<b>5,18,20,212.00</b>

**Note 11****Share Capital**

Particulars	2018-19	2017-18
Share Capital		
Equity Share Capital		
Authorised Share capital		
70,00,000 Equity Shares of Rs. 10/- each	7,00,00,000.00	7,00,00,000.00
30,00,000 8.50% Non- Cumulative Redeemable of Rs. 10 each	3,00,00,000.00	3,00,00,000.00
	<b>10,00,00,000.00</b>	<b>10,00,00,000.00</b>
<b>Issued, subscribed &amp; fully paid share capital</b>		
40,00,000 Equity Shares of Rs. 10/- each fully paid in cash (40,00,000 Equity Shares of Rs. 10/- each)	4,00,00,000.00	4,00,00,000.00
<b>Total</b>	<b>4,00,00,000.00</b>	<b>4,00,00,000.00</b>

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

Particulars	Equities Shares			
	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	40,00,000.00	4,00,00,000.00	40,00,000.00	4,00,00,000.00
Shares Issued during the year (Bonus Share)	-	-	-	-
Shares bought back during the year	-	-	-	-
Any other movement (please specify)	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>40,00,000.00</b>	<b>4,00,00,000.00</b>	<b>40,00,000.00</b>	<b>4,00,00,000.00</b>

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

Name of Shareholder	2018-19	2017-18
Krishna Capital & Securities Ltd. ( Shares in No. )	1360000	1360000
(Percentage of Share holding)	34%	34%
Krishna Sharebroking Services Private Limited ( Shares in No. )	348120	348120
(Percentage of Share holding)	8.70%	8.70%

**Note 12****Reserves and Surplus**

Name of Shareholder	2018-19	2017-18
<b>Capital Reserves</b>	<b>28180349</b>	<b>37210791</b>
<b>Surplus in the Statement of Profit &amp; Loss A/c.</b>		
Balance at the beginning of the year	44595080	38077841
Addition(deduction)during the year	(5304372)	6517239
Transfer to reserve	(115716)	-
Balance at the end of the year	<b>39174992</b>	<b>44595080</b>
<b>Total</b>	<b>6,73,55,341.00</b>	<b>8,18,05,871.00</b>

**Note 13****Non Current Financial Liabilities****Borrowings**

Particulars	2018-19	2017-18
<b>Secured</b>		
<b>(a) Term loans</b>		
Corporate Loan from Bank (Note 13.1)	-	24,12,788.00
Asset backed Loan (Secured by EM of Land & Building located at Ramol survey no 636/A/P, Ahmedabad )	-	1,97,22,258.00
	-	2,21,35,046.00
<b>Unsecured</b>		
<b>(a) Loans and advances from related parties</b>	-	1,34,260.00
Loans are repayable on demand		
<b>(b) Other loans and advances</b>	-	-
Loans are repayable on demand (Note 13.2)	<b>3,03,53,246.00</b>	<b>6,00,000.00</b>
<b>(c) Non Current Financial Liabilities</b>		
<b>Preference Share Capital (Note 13.3)</b> (30,00,000 , 8.50% Non cumulative Redeemable Rs. 10 each)	3,00,00,000.00	3,00,00,000.00
	6,03,53,246.00	3,07,34,260.00
<b>Total</b>	<b>6,03,53,246.00</b>	<b>5,28,69,306.00</b>

**Note 13.1**

The Company's subsidiary (palco Recycle industries Ltd. ) has availed fund based facilities Cash Credit, Term Loan etc. and Non fund based The company has created primary Hypothecation of assets of the company created out of bank finance. and credited Equitable mortgage over land and building at Kadi, Ahmedabad bearing Plot No. 18 to 25, RS. No. 418 in the name of M/s Palco Recycle Industries Ltd. These All these facilities are further guaranteed by Shri Kiran Agrawal, Shri Kanaiyalal Agrawal , M/s Palco Metals Ltd. , M/s Palco Recycle Exchange Ltd. Interest at the rate of Present Card Rate 11.05% is for Working Capital and 11.05% for the Term Loan.

Further company has availed the Asset backed loan created Equitable mortgage over land and building at Kadi, Ahmedabad bearing Plot No. 18 to 25, RS. No. 418 in the name of M/s Palco Recycle Industries Ltd.

These All these facilities are further guaranteed by Shri Kiran Agrawal, Shri Kanaiyalal Agrawal , M/s Palco Metals Ltd. , M/s Palco Recycle Exchange Ltd. Interest at the rate of Present Card Rate 11.05% is for Working Capital and 11.05% for the Term Loan. Company has repaid the entire Asset backed loan & Corporate loan during the year.

**Note 13.2**

Company has accepted various inter corporate loan from the corporate entity, all loans are repayable on demand. The rate of interest is ranging from 11%-12%.

**Note 13.3****Terms & Conditions of Preference Shares :-**

The Company has made first trench of allotment of 8.5% redeemable preference shares, non cumulative, 10,00,000 number of shares on 12.12.2001 then after the second trench of allotment of 8.5% redeemable preference shares, non cumulative, 20,00,000 number of shares made on 15/06/2006

In both the cases, shares are issued at Rs. 10 each to such persons or investors as board of directors deem fit under the private placement basis in compliance of section 80 of companies act 1956 along with guidelines or other provision of the law as may be prevailing at that time and which shall be redeemable within the period of 20 years from the date of allotment.

The Preference Shareholders carry a preferential right for repayment of capital in priority to the equity shares, on liquidation of the Company or repayment of capital. However, the preference shares carry no further or other right to participate either in the profits or assets of the Company and have no voting rights.

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

Particulars	2018-19		2017-18	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

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

Name of Shareholder	2018-19		2017-18	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Krishna Worldwide Pvt. Ltd.	1140000	38.00%	1140000	38.00%
Vital marketing	1120000	37.33%	1120000	37.33%
Kanaiyalal Agrawal	230000	7.67%	230000	7.67%
Sunita Kanaiyalal Agrawal	190000	6.33%	190000	6.33%

**Note 14****Non Current Provisions**

Particulars	2018-19	2017-18
<b>(a) Provision for employee benefits</b>		
Gratuity (unfunded)	8,00,890.00	6,51,163.00
<b>Total</b>	<b>8,00,890.00</b>	<b>6,51,163.00</b>

**Note 15****Non Current Income tax liabilities**

Particulars	2018-19	2017-18
Provision for Taxation	57,00,000.00	59,72,126.00
<b>Total</b>	<b>57,00,000.00</b>	<b>59,72,126.00</b>

**Note 16****Current Financial liabilities****Current Borrowings**

Particulars	2018-19	2017-18
<b>Secured</b>		
<b>(a) Working Capital loans</b>		
Cash Credit from banks (Note No. 13.1) (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.)	15,72,60,867.00	9,65,84,378.00
<b>Total</b>	<b>15,72,60,867.00</b>	<b>9,65,84,378.00</b>

**Note 17****Other Current Liabilities**

Particulars	2018-19	2017-18
Current Maturities of Long term Debt	12,03,206.00	1,43,24,460.00
(a) Interest accrued and due on borrowings		-
(b) Other payables		
Statutory Liabilities	7,32,886.00	3,59,504.00
(d) Advance received from customers	1,28,043.00	405.00
(e) Provision for expenses	-	41,763.00
<b>Total</b>	<b>20,64,135.00</b>	<b>1,47,26,132.00</b>



**Note 18****Short Term Provisions**

Particulars	2018-19	2016-17
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	18,01,239.00	11,89,119.00
Contribution to PF	22,848.00	23,390.00
Contribution to ESI	9,418.00	9,167.00
Bonus to employees	9,91,672.00	10,24,376.00
Labour Welfare Exp. payable	612.00	-
<b>(b) Others</b>		
Unpaid Audit Fees	36,000.00	36,000.00
Unpaid Electricity Exp	1,28,591.00	-
Unpaid Telephone Exp	3,932.00	-
<b>Total</b>	<b>29,94,312.00</b>	<b>22,82,052.00</b>

**Note 19****Revenue from operations**

Particulars	2018-19	2017-18
Sale of products	1,11,56,28,167.00	1,12,20,87,341.00
<b>Total</b>	<b>1,11,56,28,167.00</b>	<b>1,12,20,87,341</b>

**Note 20****Other income**

Particulars	2018-19	2017-18
Interest Income	20,44,447.00	93,29,576.00
Other non-operating income	1,61,879.00	3,26,656.00
Profit from Sale of Assets	-	11,48,710.00
Profit from redemption of Mutual Fund	-	3,87,915.00
Sales Tax Refund	8,80,786.00	-
<b>Total</b>	<b>30,87,112.00</b>	<b>1,11,92,857.00</b>

**Note 21 : Cost of materials consumed**

Particulars	2018-19	2017-18
Opening Stock of Raw Materials	6,17,42,365.00	1,50,15,432.00
Purchase of Raw Materials and Stores	1,03,77,64,846.00	89,54,38,803.00
<b>DIRECT/MANUFACTURING EXPENSE</b>		
Job work/ Labour Charges	10,20,345.00	-
Power & Fuel	5,55,18,204.00	3,96,88,647.00
Production & Factory Exp.	1,01,60,891.00	89,92,807.00
Freight & Octroi Exp.	2,08,093.00	1,15,126.00
<b>sub total</b>	<b>1,16,64,14,744.00</b>	<b>95,92,50,815</b>
Less:		
Closing Stock of Raw Materials	12,11,02,836.00	6,17,42,365.00
<b>Total</b>	<b>1,04,53,11,908.00</b>	<b>89,75,08,450</b>

Note : 21.1 The Primary & main Raw Material of the company is Aluminum Scrap.

**Note 22 : Changes in inventories of finished goods work-in-progress and Stock-in-Trade**

Particulars	2018-19	2017-18
<b>Opening Stock :</b>		
Finished Goods	1,32,29,629.00	49,05,418.00
Traded Items	-	73,13,550.00
	1,32,29,629.00	1,22,18,968
<b>Closing Stock :</b>		
Finished Goods	2,38,97,977.00	1,32,29,629.00
Traded Items	-	-
	2,38,97,977.00	1,32,29,629
<b>Total</b>	<b>(1,06,68,348.00)</b>	<b>(10,10,661)</b>

**Note 23 : Employee Benefits Expense**

Particulars	2018-19	2017-18
(a) Salaries and incentives	1,64,44,759.00	87,47,137.00
(b) Contributions to -		
(i) Provident fund & ESIC Scheme	2,37,665.00	2,34,073.00
(ii) Gratuity and Leave Salary	2,76,632.00	1,97,267.00
(c) Staff welfare expenses	7,06,418.00	1,69,774.00
(d) Director's remuneration	27,00,000.00	8,40,000.00
<b>Total</b>	<b>2,03,65,474.00</b>	<b>1,01,88,251.00</b>

**Note 24 : Finance costs**

Particulars	2018-19	2017-18
Interest expense	1,53,22,314.00	1,44,50,756.00
Bank Charges	1,80,004.00	7,47,929.00
Bank Processing Fees	14,817.00	3,29,600.00
<b>Total</b>	<b>1,55,17,135.00</b>	<b>1,55,28,285.00</b>

**Note 25 : Other expenses**

Particulars	2018-19	2017-18
Audit Fees	50,000.00	48,625.00
Advertisement & Publicity	37,044.00	27,815.00
Government Charges & Fee	20,000.00	9,306.00
Loss on sale of car	-	41,553.00
Indirect Tax Expense	2,88,768.00	12,87,232.00
Repair & Maintenance Exp. Other	4,20,492.00	2,54,016.00
Repair & Maintenance Exp.- Building	8,21,676.00	3,378.00
Legal & Professional Fee Expense	7,24,453.00	8,95,319.00
Membership and Subscription, Seminar/Conference	34,546.00	62,365.00
Office Expense	4,30,145.00	4,10,614.00
Packaging & Forwarding & Sales Exp.	2,06,42,094.00	2,17,99,109.00
Postage ,Telegram & Telephone	2,34,594.00	1,50,933.00
Printing & Stationery	65,454.00	68,420.00
Bad Debt	2,22,34,599.00	-
CDSL & Custody Fees	9,000.00	20,960.00
Insurance Expenses	1,55,282.00	3,97,774.00
Rent	4,11,972.00	4,50,858.00
Rates and taxes, excluding, taxes on income.	1,26,504.00	56,029.00
Listing Fees	2,50,000.00	2,87,500.00
ROC Expense	33,300.00	37,500.00
Income Tax Exp.	96,811.00	24,12,552.00
Travelling & Conveyance Expense	8,58,474.00	6,55,653.00
Website Development & Software Expense	35,770.00	36,622.00
Miscellaneous expenses	1,08,437.00	70,886.00
Tax on Distributed income	-	6,18,330.00
Donation	22,000.00	-
Initial Listing Fees	1,12,360.00	-
Goodwill Written off	17,000.00	-
<b>Total</b>	<b>4,82,40,775.00</b>	<b>3,01,03,349.00</b>

**26. Earnings per share**

Basic earnings 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 31-03-2019	Year ended 31-03-2018
Profit attributable to equity share holders (Rs in lacs)	(53.04)	65.17
Basic/weighted number of equity shares (in lacs)	40.00	40.00
Nominal value of equity share(in Rs)	40.00	10.00
Basic/diluted earnings per share(in Rs)	(1.33)	1.63

**27. Payment to auditors**

Particulars	31-03-2019	31-03-2019
i. Audit fees	0.40	0.084
ii. Tax Audit fees	0.10	0.00
<b>Total</b>	<b>0.00</b>	<b>0.084</b>

**28. Licensed and installed capacity and production: Not Applicable****29. Foreign Traveling expenditure of Directors**

31-03-2019	31-03-2018
Rs. NIL	Rs. NIL

**30. Foreign exchange earning Nil during the current year and Nil during the previous year.****31. Remuneration to Directors**

31-03-2019	31-03-2018
Rs. 27,00,000	Rs. 6,60,000

**32. Related Party Disclosure as per Ind AS-18**

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

Subsidiary : Palco Recycle Industries Ltd.

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

i Palco Recycle Industries Ltd.

Key Management Personnel:

i. Kiran B Agrawal

ii. Kanaiyalal B. Agrawal

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

Particulars	Subsidiary Company		Associate Company		Entities in which Directors are interested		KMP	
	2019	2018	2019	2018	2019	2018	2019	2018
Palco Recycle Industries Limited								
Inter-Corporate Deposit taken	13,80,000	13,79,166	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	58,79,188	65,50,758	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>KMP</b>								
<b>Kirankumar Agrawal</b>								
Inter-Corporate Deposit taken	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Remuneration	27,00,000	6,60,000	Nil	Nil	Nil	Nil	Nil	Nil
<b>Badal Naredi</b>								
Inter-Corporate Deposit taken	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Remuneration	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Mukesh Tiwari</b>								
Inter-Corporate Deposit taken	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Inter-Corporate Deposit repaid	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Purchase	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sale Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rent Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Remuneration	3,60,000	3,60,000	Nil	Nil	Nil	Nil	Nil	Nil

33. The details required under segment reporting as per Ind AS 108 is not furnished as the company is not having any reportable segments.

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

35. 35- All amounts included in the financial statements are reported in Indian rupees unless otherwise specifically mentioned.

**For Rahul Kakani & Associates**  
Chartered Accountants

(Rahul Kakani)  
Partner  
Mem No. 132896

Place : Ahmedabad  
Date : 29/05/2019

**For Palco Metals Limited**

Kiran B Agrawal  
Director  
DIN : 00395934

Badal Naredi  
CFO  
M. No. A45237

### Attendance Slip

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

Regd. Office: B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden,  
Prahaladnagar, Ahmedabad-380015, Gujarat, INDIA

**ATTENDANCE SLIP FOR 58TH 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 58th Annual General Meeting of the Company on Monday, 30th September, 2019 at 11:00 AM, at B-209, 2nd Floor, Mondeal Square, Nr. Prahaladnagar Garden, Prahaladnagar, Ahmedabad-380015, Gujarat, INDIA.

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

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

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

Regd. Office: B-209, 2nd Floor, Mondeal Square, Nr. Prahladnagar Garden,  
Prahaldnagar, Ahmedabad-380015, Gujarat, INDIA

**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 DP ID-Client ID :

I / We being the member(s) holding shares of the above named Company hereby appoint:

(1) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him / her;

(2) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him / her;

(3) Name : \_\_\_\_\_ Address : \_\_\_\_\_

E-mail ID : \_\_\_\_\_ Signature : \_\_\_\_\_

or failing him / her; as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the AGM, to be held on Monday, 30th September, 2019 at 11:00 AM, at B-209, 2nd Floor, Mondeal Square, Nr. Prahladnagar Garden, Prahladnagar, Ahmedabad-380015, Gujarat, INDIA and at any adjournment thereof in respect of such resolutions as are indicated below:

Resol- ution No.	Particulars of Resolution	Optional	
		For	Against
<b>ORDINARY BUSINESS: (ORDINARY RESOLUTION)</b>			
1.	To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the year ended on March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.		

2.	To appoint a Director in place of Mr. Kirankumar Babulal Agrawal (DIN: 00395934), who retires by rotation and being eligible offers himself for re-appointment.		
3.	To appoint M/s. KPSJ & Associates, Chartered Accountants [Firm Registration No. FRN 124845W/W100209] as Statutory Auditors of the Company for a term of 5 years from the conclusion of 58th Annual General Meeting until the conclusion of 63rd Annual General Meeting and fix their remuneration in place of M/s. Rahul Kakani & Associates, on completion of their term.		
<b>SPECIAL BUSINESS: (SPECIAL RESOLUTION)</b>			
4.	To re-appoint Mr. Kailashchandra Babulal Agrawal (Din 05334077) as the Non Executive – Independent Director of the Company		
5.	To re-appoint Shri Nareshchand Jain (Din 00594361) as the Non Executive – Independent Director of the Company		
6.	To re-appoint Smt. Rakhi Jitendra Agrawal (Din 07021709) as the Non Executive – Independent Director of the Company		

Signed \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

**Affix Rupee 1  
Revenue  
Stamp**

**Notes:**

- 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.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 58th Annual General Meeting.
- It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

